

MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.

RCSL n. B112885



**Financial Statements
31 December 2025**

MEDIOBANCA INTERNATIONAL (LUXEMBOURG)

SOCIÉTÉ ANONYME

SHARE CAPITAL € 10,000,000.00

HEAD OFFICE: 4, BOULEVARD JOSEPH II – L-1840 LUXEMBOURG



Annual General Meeting
13 April 2026

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www.mediobancaint.lu

BOARD OF DIRECTORS

		Term expires	Location
GIOVANNI MANCUSO	CHAIRMAN	2026	LUXEMBOURG
ROCCO COSIMO DAMIANO DI LEO	MANAGING DIRECTOR & CEO	2026	LUXEMBOURG
MASSIMO AMATO	DIRECTOR	2026	LUXEMBOURG
ERIKA BOTTICELLA	DIRECTOR	2026	ITALY
VANESSA LABÉRENNE	DIRECTOR	2026	FRANCE
PIERO PEZZATI	DIRECTOR	2026	ITALY
LARA PIZZIMIGLIA	DIRECTOR	2026	ITALY

INDEPENDENT AUDITOR

PRICEWATERHOUSECOOPERS Assurance Société Coopérative

LUXEMBOURG

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MANAGEMENT REPORT



Mediobanca International (Luxembourg) S.A.

Head Office: 4, Boulevard Joseph II, L-1840 Luxembourg

MPS Group

Share capital: € 10,000,000 fully paid up

FINANCIAL SITUATION AS AT 31 DECEMBER 2025

MANAGEMENT REPORT

DEVELOPMENT IN MACROECONOMIC SCENARIO

During the period from July to December 2025, global economic conditions continued to be characterized by a high degree of uncertainty, largely linked to the reform of international trade relations initiated by the U.S. government. Despite these factors, global economic activity continued to expand, broadly returning to its pre-pandemic pace. Growth, however, remained unbalanced, with North America outpacing both Europe and China. Over the half-year, the international economy was supported by strong momentum in the United States, a modest recovery in China, steady growth in Europe, and a slowdown in Japan.

Geopolitical tensions and conflicts persisted - most notably the escalation of the Russia-Ukraine war, the end of the most acute phase of the conflict between Hamas and Israel, the destruction of Iranian nuclear infrastructure by the United States and Israel, and China's use of rare-earth exports as a geopolitical tool.

Nevertheless, the rapid spread of Artificial Intelligence, coupled with substantial investments in industrial capacity and energy production, increased defense-related spending, and the ongoing reorganization of global supply and production chains, all contributed to sustaining the resilience of the world economy.

In this context, the U.S. Federal Reserve implemented three 25-basis-point cuts, lowering the policy range to 3.50–3.75%. The European Central Bank, by contrast, maintained a stable monetary policy stance, keeping the policy rate unchanged at 2%, a level deemed appropriate in light of current conditions and the economic outlook. Movements in long-term interest rates (e.g., 10-year maturities) were moderate and broadly aligned with central bank positioning: German yields increased slightly (by 24 bps to 2.85%, in the reference example), while U.S. yields edged down (by 6 bps to 4.17%, in the example).

* * *

The European economy regained momentum at the beginning of the half-year thanks to the gradual normalization of trade relations with the United States - after the July agreement introducing a uniform 15% tariff on EU imports - and to an overall stabilization in the macroeconomic environment. While the manufacturing sector continues to face structural and cyclical challenges, the services sector has demonstrated a more robust and positive performance.

Euro Area inflation stabilized at 2%, supported by a decline in services inflation (with the 6-month average dropping from 3.6% y/y in June to 3.3% y/y in December). Services inflation, however, remains substantially higher than goods inflation, whose 6-month average held steady at around 1% y/y. The Group's outlook for 2026 projects GDP growth of 1% y/y and inflation of 1.9% y/y. The unemployment

rate remains near historical lows (below 6.5% and well below pre-pandemic levels), although employment growth has begun to slow.

Financial markets benefited from strong investor appetite for equities, supported by favourable profit expectations in advanced technology sectors. Over the half-year, major equity indices recorded significant gains: Eurostoxx +9.4%, FTSE MIB +12.9%, S&P 500 +10.3% and the Morgan Stanley World Index +10%.

In the Euro Area, sovereign credit spreads narrowed, reflecting a broad shift of investors toward risk assets. The 10-year yield spreads of Italy versus Germany and Spain versus Germany tightened by 18 bps (to 69 bps) and 20 bps (to 43 bps), respectively. France represented a notable exception, with spreads returning to 71 bps, fully reversing the widening seen in the first quarter, largely due to challenges in forming a stable government. Precious metals saw sharp price increases, reflecting their role as a hedge against potential corrections in risk assets; gold, for example, surged by 31.6% to USD 4,322 per ounce.

* * *

In Italy, industrial production remained broadly flat over the half-year and continued to stand 6.2% below its pre-pandemic level, underscoring the persistent weakness of the manufacturing sector across Europe. Economic growth continued to receive support from high employment levels and stable household sentiment. Italian inflation declined markedly during the period, falling well below the ECB's target to 1.2% y/y in December (from 1.8% y/y in June), with the six-month average easing to 1.5% y/y (from 1.8% y/y in June).

Italy's and Europe's growth outlook will largely depend on the trajectory of private consumption and the new configuration of international trade emerging under U.S. influence. Outlooks will also be shaped by the scale of domestic investment in technological infrastructure - particularly in defence and communications - and in traditional infrastructure such as railways and port systems, as emphasized in the Draghi report. Key risks remain, notably the ongoing Russia-Ukraine conflict, which continues to dampen activity and sentiment in Europe's eastern regions, and the increasing fragmentation of global trade driven by geopolitical tensions.

Luxembourg's real GDP grew by 1.1% quarter-on-quarter and 2.7% year-on-year in Q3 2025, marking the fourth consecutive quarter of expansion since late 2024. Growth was driven primarily by financial and insurance activities (+2.4%), as well as by commerce, transport, accommodation, and public, education, and health services. The financial sector recorded a strong increase in value added, supported by buoyant stock markets, dynamic investment fund activity, and rising credit issuance.

Some sectors - particularly business services and construction - contracted, signalling an uneven recovery. Investment surged by 12% in Q3, largely due to satellite acquisitions, though this was offset by higher imports. Household consumption rebounded by 1.2% after two quarters of slight decline, with strong spending on restaurants, durable goods, transport services, and clothing. Public consumption also remained robust (+1.3%). Service exports made a positive contribution to GDP growth.

In Luxembourg, labour cost growth accelerated to 4.9%, largely reflecting the full-quarter impact of the May wage indexation. Technical, scientific, and professional activities recorded notable wage acceleration, while wage growth in health and social care slowed due to base effects.

Demographically, Luxembourg's average age increased from 38 in 2005 to 40 in 2025, though ageing pressures are tempered by sustained immigration of younger workers. Labour force participation among older workers (55+) rose significantly, from 45.5% in 2005 to 55.4% in 2025. Employment among residents aged 55+ grew by an average of 5.3% annually over the past decade, contributing 0.5 percentage points to overall employment growth.

Households' financial wealth in Luxembourg increased by 5.2% year-on-year in Q3 2025. Bank deposits rose by 4.4%, while investment activity increased in equities and life insurance products. Investment fund valuations grew strongly (+27%), although net purchases declined substantially. Deposits remain the dominant component of household portfolios (40% of financial assets), although their share has gradually decreased over time.

Employment in Luxembourg accelerated in Q3 2025 and maintained momentum toward the end of the year. However, unemployment rose to 6.2% in November and December, partly due to higher labour force participation and a rebound in cross-border employment. German cross-border employment continued to decline for structural reasons.

GENERAL PRINCIPLES OF DRAWING UP THE MANAGEMENT REPORT

The Bank's financial statements have been drawn up in accordance with the IAS/IFRS international accounting standards as adopted by EU, and in line with the structure of the Mediobanca¹ as disciplined by the circular of Bank of Italy no. 262 of 22 December 2005 as amended from time to time (for further details please refer to Part B of the notes to the financial statements – accounting policies).

Notwithstanding the above, the management report includes a reclassified statement of financial position and a reclassified statement of comprehensive income (cf. below) with a view to support management commentaries and evaluations over the results achieved during the 6 months period. The reconciliation with the primary statements, as required by the reference regulations, is presented in Annex I.

The management report also contains some Alternative Performance Measures (e.g. ROE, ROA, watch list ratio) which are deemed useful and appropriate to provide additional qualitative and quantitative metrics on the performance achieved by the institution over the 6 months period. Although some of the above-mentioned information is not directly traceable to the official financial statements, a description of their content so as a reconciliation with the method of calculation (in line with the ESMA guidelines on Alternative Performance Measures published on 5 October 2015) is presented in Annex II.

¹ Please refer to page 49 for the definition of "Parent bank".

RECLASSIFIED STATEMENT OF FINANCIAL POSITION

In order to further illustrate the result of the period and support management commentaries, the statement of financial position has been reclassified using the same criteria adopted for the previous annual report (for further details please refer to Annex I).

	<u>31/12/2025</u>	<u>30/06/2025</u>	<u>Chg.</u>
	€m	€m	%
Financial assets at FVTPL	295,3	239,7	23,2%
Treasury investments	2.051,6	1.891,2	8,5%
Debt securities - banking book	-	-	0,0%
Loans and advances	6.037,5	5.360,8	12,6%
Investments	72,5	64,7	12,1%
Tangible assets	0,8	1,0	-20,0%
Other assets	11,2	68,6	-83,7%
Total Assets	8.469,0	7.626,0	11,1%
Loans and borrowings	4.213,9	3.447,8	22,2%
Debt securities issued	3.737,3	3.552,3	5,2%
Treasury borrowings	25,1	36,1	-30,5%
Trading Liabilities	48,3	60,6	-20,3%
Other liabilities	17,8	86,1	-79,3%
Provisions for risks and charges	0,7	0,7	0,0%
Net equity	418,4	424,2	-1,4%
Net profit	7,4	18,3	-59,6%
Total Liabilities	8.469,0	7.626,0	11,1%

ASSETS

On the balance-sheet side, total assets amounted to € 8,469bn at 31 December 2025 (€ 7,626bn in Jun-25), with the main items reflecting the following performances:

- There was a broad-based increase in volumes, with Loans granted to business rising by € 380m and Loans and advances to financial institution up by € 275m;
- Even the Term Deposits increased from €1.332m of Jun-25 to € 1.466m of Dec-25 (+134m),
- Cash and cash equivalents increased slightly from € 369,9m as of 30/06/25 to € 415,6m as of 31/12/25.

Financial assets at FVTPL – the carrying value of financial assets at fair value through profit or loss increased by +23,2%, primarily as a consequence of the carrying amount of debt securities (CLOs instruments) increase of +€ 68m, partially off-set by the mark to market value of the financial and credit derivative contracts negotiated with Mediobanca (or embedded in other financial instruments) which amounts to € 66m (€ 78m at 30 June 2025).

The Bank is not taking any speculative derivative activity. When the fair value of financial assets decreases, this movement is generally offset by an opposite effect on financial liabilities, reflecting the Bank's natural hedging structure rather than speculative positions.

Treasury investment – the carrying value of treasury investments has increased compared to June 2025 from € 1.891,2m to € 2.051,6m (+8,5%) mainly as a consequence of liquidity reinvestment by means of money market instruments. In details:

- Cash available at Central Bank is broadly in line over the 6 months (€ 14,3m in Dec-25 vs € 12,0m in Jun-25);
- The repo transaction with the Mediobanca (through which HQLA securities were received), aimed at strengthening the LCR metric, has decreased from € 174,3m to € 152,3m over the 6 months;
- Demand deposits with banks amounted to € 415,5m, increased compared to the prior year figure of € 369,8m recorded in Jun-25;
- Term deposits with Mediobanca increased of 10,1% compared to Jun-25, to 1.466,5m.

Other treasury exposures are negligible in terms of outstanding carrying values.

	<u>31/12/2025</u>	<u>30/06/2025</u>	<u>Chg.</u>
	€m	€m	%
Cash available at Central Bank	14,3	12,0	19,2%
Demand deposits	415,5	369,8	12,4%
Term deposits	1.466,5	1.332,4	10,1%
Repo transactions	152,3	174,3	-12,6%
Other money market operations	3,0	2,7	11,1%
Treasury investments	<u>2.051,6</u>	<u>1.891,2</u>	<u>8,5%</u>

Debt securities – this item of the reclassified statement of financial position amounts to nil in line with June 2024.

Loans and advances – the carrying value of loans and advances has increased compared to June 2025 (+12,6%, from € 5.360,8m to € 6.037,5m). This increase in volumes has concerned both the Loans granted to business (€ +380m) and the Loans and advances to financial institution (€ +275m).

In terms of net credit exposure of the Bank (i.e. amounts to corporate clients excluding the portion secured by financial guarantees issued by the Mediobanca and/or the direct exposures towards the Mediobanca), an increase is observed from € 898,8 (of which € 1.118,4m of stand-alone² exposures) at the end of June 2025 to € 966,9m (of which € 1.154,0m of stand-alone exposures) at the end of December 2025.

The net carrying value of non-performing exposures - defined as the book value after impairment recognition - amounts to zero as of the reporting date.

The quality of the credit portfolio remains satisfactory, as demonstrated by the value of the standard Texas ratio which stands at zero in line with June 2025.

² The sum of drawn and undrawn exposure to be considered net of credit risk.

	<u>31/12/2025</u>	<u>30/06/2025</u>	<u>Chg.</u>
	€m	€m	%
Loans and receivables (banks)	2.772,4	2.478,6	11,9%
<i>of which: non performing</i>	<i>0,0</i>	<i>0,0</i>	n.a.
Loans and receivables (customers)	3.265,0	2.882,3	13,3%
<i>of which: non performing</i>	<i>0,0</i>	<i>0,0</i>	n.a.
Loans and advances	<u>6.037,5</u>	<u>5.360,8</u>	<u>12,6%</u>

Investment – in September 2011, the Bank purchased via a share deal all the 1.000 shares of Jodewa S.à.r.l. (following renamed as Mediobanca International Immobilière S.à.r.l.) a company owning the building where the Bank has moved its head office in April 2012. At 31 December 2025 the management assessed the evolution of the real estate market and no indication of possible impairment occurred since the last assessment in February 2025.

Other assets – this item of the reclassified statement of financial position decreased from € 68,6m at the end of Jun-25 to € 11,2m at the end of Dec-25 and is composed by (i) fair value of hedging derivatives, (ii) tax assets, and (iii) other receivables. In details:

	<u>31/12/2025</u>	<u>30/06/2025</u>	<u>Chg.</u>
	€m	€m	%
Hedging derivatives	1,5	3,8	-60,5%
Tax assets	4,6	4,2	9,5%
Transitory accounts and other receivabl	5,1	60,6	-91,6%
Other assets	<u>11,2</u>	<u>68,6</u>	<u>-83,7%</u>

The fair value of hedging derivatives decreased of 60% over the 6 months. Tax assets increased due to advance payments for Net Wealth Tax due in the course of the financial year. Transitory accounts decreased from Jun-25 (€ -55,5m), as outstanding payments were processed in July.

LIABILITIES

On the liabilities side, the following variations are worth noting:

Loans and borrowings – the carrying value of loans and borrowings increased from € 3.447,8m (Jun-25) to € 4.213,9m (Dec-25). In detail:

- Loans to banks increased from € 2.022,0m to 2.615,1m, mainly due to the rise in asset positions to be refinanced, taking into account the need to maintain an adequate level of the Net Stable Funding Ratio (NSFR);
- Amount due to customers moved to € 75,2m at the end of December from € 45,1m at the end of June 2025 ;
- Borrowings under the commercial paper program stands at € 1.524,0m, approx. +10,4%;
- The change in fair value of hedged debt instruments valued at amortised costs amounted to € -0,4m compared to nil at June 2025, remaining immaterial overall.

	<u>31/12/2025</u>	<u>30/06/2025</u>	<u>Chg.</u>
	€m	€m	%
Amount due to banks	2.615,1	2.022,0	29,3%
Amount due to customers	75,2	45,1	66,7%
Commercial papers	1.524,0	1.380,7	10,4%
CFV notes issued	-0,4	0,0	n.a.
Loans and borrowings	4.213,9	3.447,8	22,2%

Debt securities issued – the carrying value of notes issued under the existing medium-term programmes increased by 5,2%, from € 3.552,3m (Jun-25) to € 3.737,3m (Dec-25), of which the most relevant change affected the “non structured notes” (€ +158,6m). As regards the debt securities within the financial liabilities valued at fair value option, there was an increase of € 18,6m over the 6 months.

	<u>31/12/2025</u>	<u>30/06/2025</u>	<u>Chg.</u>
	€m	€m	%
Debt securities issued - non structured	3.582,2	3.423,8	4,6%
Debt securities issued - structured	83,2	75,2	10,6%
Debt securities valued at FVO	71,9	53,3	34,9%
Debt securities issued	3.737,3	3.552,3	5,2%

Treasury borrowings – this item in the reclassified statement of financial position decreased from € 36m at June 2025 to € 25,1m at December 2025 attributable to the cash collateral received under two-way credit support annex (CSA) agreement with Mediobanca.

Trading liabilities – the carrying value of financial liabilities at fair value through profit or loss (FVTPL) decreased from € 60,1m at the end of June 2025 to € 48,3m at the end of December, as a consequence of the mark to market value of the financial and credit derivative contracts negotiated with Mediobanca or embedded in other financial instruments. It is worth mentioning that the Bank is not taking any speculative position in derivatives.

Other liabilities – this item of the reclassified statement of financial position decreased from € 86,1m (Jun-25) to € 17,8m (Dec-25), who is composed of (i) hedging derivatives, (ii) tax liabilities and (iii) transitory accounts and other payables. In details:

	<u>31/12/2025</u>	<u>30/06/2025</u>	<u>Chg.</u>
	€m	€m	%
Hedging derivatives	1,9	3,2	-40,6%
Tax liabilities	4,8	16,1	-70,2%
Other payables	<u>11,1</u>	<u>66,8</u>	<u>-83,4%</u>
Other liabilities	<u>17,8</u>	<u>86,1</u>	<u>-79,3%</u>

While the fair value of hedging derivative instruments declined of € 1,3m, the payment of past tax liabilities reduced the exposure toward fiscal authorities to € 4,8m in Dec-25; Transitory accounts and other payables decreased of approx. +€ 55,7m, in particular with regard to the amounts owed to the Mediobanca and regulated in the beginning of July 2025 .

Provisions for risks and charges – This item of the reclassified statement of financial position remains in line with June 2025 (€ 0,7m), due to loan commitments remained stable over the FY as well as the portfolio credit quality.

Net equity – Total profit of the financial year ended 30 June 2025 were distributed as dividend to Mediobanca: the aggregate decreased from € 424,2m to € 418,4. The difference is explained by the payment of the interest on the AT1 loan which is paid using Free Reserves (for an amount of €5,75m). For further details please see Statement of Changes in Equity.

RESTATEMENT OF COMPREHENSIVE INCOME

In order to further illustrate the result of the period and support management commentaries, the statement of comprehensive income has been reclassified using the same criteria adopted for the previous annual report (for further details please refer to Annex I).

In the reclassified statement of comprehensive income, revenues are indicated without sign whereas expenses are preceded by the ‘minus’ sign.

	<u>31/12/2025</u>	<u>31/12/2024</u>	<u>Chg.</u>
	€m	€m	%
Net interest income	8,2	12,6	-34,9%
Net trading income	0,4	2,3	-82,6%
Net fee and commission income	2,8	2,6	7,7%
TOTAL INCOME	11,4	17,4	-34,5%
Wages and salaries	-1,8	-1,7	5,9%
Other administrative expenses	-3,5	-3,2	9,4%
OPERATING COSTS	-5,3	-4,9	8,2%
Loans impairment	-0,5	0,2	-350,0%
Provisions for other financial assets	-0,1	-0,1	0,0%
Other profit (losses)	2,6	1,2	116,7%
PROFIT BEFORE TAX	8,0	13,8	-42,0%
Fiscal provision	-0,6	-3,5	-82,9%
TOTAL COMPREHENSIVE INCOME	7,4	10,3	-28,2%

Net interest income – net interest income decreased from € 12,6m to € 8,2m. During the reference period, the different components performed as follows:

- interest income and similar income from lending activities stands at € 116,7m (€ 142,4m at Dec-24) primarily driven by the decline in average yields, despite the increase in average volume during the last 6 months (€ +210m of loans to corporate and € +520m of loans to banks YoY). It is worth noting that the Depo Facility with BCL (contributing for € 3,7m in Dec-24) was replaced by repo transactions starting in January 25;
- interest expense and similar charges from borrowing activities declined from € -132,2m to € -113,4m, due to a reduction in intercompany funding cost (savings of € 6,2m YoY), as well as in bond market financing (savings of € 12,6m YoY);
- the abovementioned effects were further supported by the positive performance of treasury activities equals to € 4,8m (+100% YoY), with a net contribution of € +2,3m from CLO securities due to higher volumes compared to previous year.

	<u>31/12/2025</u>	<u>31/12/2024</u>	<u>Chg.</u>
	€m	€m	%
Interest income - lending	116,7	142,4	-18,0%
Interest expense - funding	-113,4	-132,2	-14,2%
Net interest income (expense) - Treasury	4,8	2,4	100,0%
Net interest income	8,2	12,6	-34,9%

Net trading income – the performance originated from trading activities moved from € 2,3m at Dec-24 to € 0,4m as at Dec-25. The foregoing was essentially a consequence of the following:

- A positive impact from interest income on swap derivative used to hedge the corporate lending portfolio (€ 0,2m);
- A positive contribution from net fee generated by securities lending (collateral based) of € +0,85m;
- The forex effect was entirely offset across all balance sheet components in currency, both on the asset and liability sides due to effective management of the currency composition;

	<u>31/12/2025</u>	<u>31/12/2024</u>	<u>Chg.</u>
	€m	€m	%
Derivatives - realised gains and losses	3,3	4,2	-21,4%
Derivatives - unrealised gains and losses (mtm)	-1,4	-1,7	-17,6%
Forex gains and losses	-0,1	0,8	-112,5%
Gain/loss on disposals/repurch. of A.C. instrument	0,0	0,0	n.a.
Gain/loss on instruments designated at FVTPL	-2,2	-2,1	4,8%
Securities lending/borrowing	0,9	1,0	-10,0%
Net trading income (expense)	0,4	2,3	-82,6%

Net fee and commission income – this item in the reclassified comprehensive income statement stands at € +2,8m compared to € 2,6m in Dec-24. The result continues to be primarily driven by corporate lending activities and treasury operations, with a strong performance of fee income, mainly upfront fees (€ 4,5m, approx. 50% of total fees). Fee and commission expenses take into account the increase in intercompany rebates.

	<u>31/12/2025</u>	<u>31/12/2024</u>	<u>Chg.</u>
	€m	€m	%
Fee and commission income	8,7	6,2	40,3%
Fee and commission expense	-6,1	-3,4	79,4%
Other income (expense)	0,2	-0,2	-200,0%
Net fee and commission income (expense)	2,8	2,6	7,7%

Operating costs – this item of the reclassified statement of comprehensive income increased from € -4,9m in Dec-24 to € -5,3m in Dec-25. In details:

- expenditure on salaries totalled € -1,8m, a slightly higher than Dec-24;
- administrative expenses increased from € -3,1m to € -3,4m largely driven by higher outsourcing expenses with the Mediobanca group (€ -0,25m YoY) and a negative adjustment of the annual VAT (€ -0,3m YoY), partially offset by the decrease in regulatory expenses (€ +0,4m YoY).
- Amortisation of tangible assets remains stable compared to the last year; it's entirely attributable to the depreciation of the right-of-use asset under the accounting principle IFRS16.

	<u>31/12/2025</u>	<u>31/12/2024</u>	<u>Chg.</u>
	€m	€m	%
Personnel expenses	-1,8	-1,7	5,9%
Administrative expenses	-3,4	-3,1	9,7%
Amortisation	-0,1	-0,1	0,0%
Other expenses	0,0	0,0	n.a.
Operating costs	-5,3	-4,9	8,2%

Loans impairment – Impairment provisions for credit exposures, including net adjustments to provisions for risk and charges, record a negative impact of € -0,6m (vs € 0,1m in Dec-24), mainly driven by higher drawn customer loans during the period and increased intercompany transaction volumes. Focusing on the loan portfolio, total impairment amounts to € -3,2m (€ -2,6m in June 2025) and has mainly evolved as follows:

- ST1: impairment increased of € +0,3m YoY, mainly due to higher volumes in higher quality portfolio
- ST2: impairment decreased of € -0,4m YoY, reflecting the reduction in nominal volumes classified in this stage
- ST3: no exposures impairment

Other profit (loss) – It worth noting that, during the 6 months, the Bank recorded a positive result of € 2,6m related to the Polus investment fund. This compares to the first 6 months of the prior fiscal year's result of approx. € +1,2m.

Fiscal provision – although a pre-tax profit of € 8,0m, the tax provision was impacted by a one-off positive item related to the tax treatment of AT1 interest (an effect recognized over the past two years).

Throughout the observation period, Mediobanca International's liquidity indicators amounted to 203,1% (compared with 210,6% at 30 June 2025) for the LCR and to 109,2% (compared with 106,9% at 30 June 2025) for the NSFR. The two ratios have been calculated using a methodology which is consistent with the Group internal regulations.

ALTERNATIVE PERFORMANCE MEASURES

The results achieved at the end of the financial year are accompanied by the soundness of the capital ratios (CET1 ratio is equal to 13%), the adequacy of liquidity indicators (already in line with all Basel 3 requirements) and the low risk profile of our business model (cf. below):

CAPITAL RATIOS

	6 months to	
	31/12/2025	30/06/2025
Common Equity Tier1 Capital Ratio (in %)	13,3	13,8
Total Capital Ratio (in %)	19,0	19,9
Leverage Ratio (in %)	4,5	5,0
Total risk exposure amount (in Euro million)	2.372,1	2.333,6

LIQUIDITY RATIOS

	6 months to	
	31/12/2025	30/06/2025
Liquidity Coverage Ratio (in %)	203,1	210,6
Net Stable Funding Ratio (in %)	109,2	106,9

PROFITABILITY RATIOS

	6 months to	
	31/12/2025	30/06/2025
ROE - Return On Equity (in %)	2,3	5,7
ROA - Return On Assets (in %)	0,1	0,3

In the broader context of an efficient capital allocation, taking into account the dynamics of the business in recent years and the growth of the Bank's core activity, in order to operate with an adequate amount of capital in compliance with the minimum regulatory requirements, in coordination with Mediobanca, in December 2021 the Bank issued an AT1 instrument of €100m that, after approval by the Regulatory Authorities, strengthened Tier1 capital of Mediobanca International and improved Leverage Ratio at an individual level.

SIGNIFICANT EVENTS

Following the public offering concluded last September, the Mediobanca Group became part of the Monte dei Paschi di Siena Group, which exercises management and coordination activities over Mediobanca S.p.A. and its subsidiaries.

The Extraordinary Shareholders' Meeting held on December 2nd resolved to align the financial year-end of the Bank with that of its ultimate parent company, which is set at December 31st.

CORPORATE GOVERNANCE STATEMENT

The Board and Management of Mediobanca International (Luxembourg) S.A. are committed to maintaining the highest standards of corporate governance. Decision making and governance comply with the institution's Articles of Association, the Law of 5 April 1993 (as amended), and other applicable legislation.

The corporate bodies are as follows:

- General meeting of Shareholders;
- Board of Directors;
- Authorised Management;
- Audit Committee;
- Credit Committee.

General meeting of Shareholders

The General Meeting is the highest decision-making body and is vested with the broadest powers to perform, authorize or ratify all acts concerning the bank. In accordance with the Articles of Association, the annual general meeting is held in Luxembourg at the registered office of the Bank (or at any other place in the municipality of Luxembourg to be indicated in the notice of meeting) within six months from the end of each financial year. Further ordinary or extraordinary general meeting(s) can be held during the year, if necessary, in accordance with the provisions of the Articles of Association.

The General Meeting resolves on the following matters, among others:

- Approval of the financial statements and allocation of profit;
- Discharging members of the Board of Directors and the Authorised Management from liability;
- Setting the number of Board members and their appointment;
- Establishing the remuneration of the Board of Directors;
- Endorsement of those transactions that by law must be approved by shareholders in general meeting.

Only holders of registered shares, as recorded in the register of shareholders, are authorised to take part and vote in General Meeting. Moreover, they may choose to be represented in the General Meeting under a proxy issued in writing or electronically where this is permitted by the regulations in force and in accordance with them, without prejudice to grounds of incompatibility and within the limits provided by law. Proxies may also be issued free of charge, along with instructions on how to vote on all or some of the items on the agenda.

The Bank has not adopted a specific set of regulations for holding General Meetings, as its Articles of Association ensure that proceedings are conducted in an orderly manner, providing for the Chairman of the meeting, who under the Articles is the Chairman of the Board of Directors, the duty of establishing that a quorum has been reached, ascertaining the identity of those in attendance, and assessing their entitlement to be present, chairing and conducting the proceedings, and checking and announcing the results of any votes taken.

Board of Directors

The Board of Directors is collectively responsible for the long-term success of the bank. In accordance with the Articles of Associations, the Board of Directors is vested with the broadest powers to perform all acts of administration and disposition in the bank's interest. All powers not expressly reserved by law or by the Articles of Associations to the General Meeting of Shareholders are within the competence of the Board of Directors. In particular, it has full powers to decide on all transactions pertaining to the object of the company, as well as on all contributions, transfers, subscriptions, partnership, associations, participations or financial interventions with respect to such operations.

The essential duties and responsibilities of the Board are defined primarily by the Articles of Association and Luxembourg law. According to the Articles of Association, the Board of Directors is composed of at least three members who do not have to be Shareholders and who are elected by General Meeting of Shareholders for a term of office as determined by the Shareholders but not exceeding six years.

In the context of the Annual General Meeting held on October 21st, 2025, Mr. Rocco Cosimo Damiano Di Leo - former Authorized Manager of the Bank - was appointed as CEO of the Bank and new Member of the Board of Directors of the Supervised Entity, subject to the receipt of the formal decision from the ECB³ (still pending at the end December 2025). On December 1st, 2025, Mr. Angelo Giuseppe Capobianco, following his appointment as Chief Financial Officer in October, assumed the role of Authorized Manager of the Bank. In this context, Mr. Giovanni Mancuso, previously appointed as Managing Director & Authorized Manager ad interim, resumed his position as Chairman of the Board of Directors, a position that had been held ad interim by Mr. Pezzati.

Starting from January 5th 2026, the Board is composed of seven Directors appointed by the Shareholders for a term of office ending upon the approval of the December 2026 financial statements. Directors can be removed from office at any time by a simple resolution of a majority of Shareholders voting in general meeting.

In the event of a vacancy in the office of a Director, the remaining Directors may, under the conditions established by the law, temporarily fill such vacancy. In such a case the first general meeting of Shareholders following the temporary appointment ratifies such appointment.

The Board's leadership responsibilities involve working with management to set corporate values and to develop strategy, including the definition of the risks it is prepared to take in pursuing its strategic objectives. Its oversight responsibilities involve it in providing constructive challenge to the management team in relation to operational aspects of the business, including approval of budgets, and probing whether risk management and internal controls are sound.

According to the Articles of Associations currently in force, the Board of Directors is supported by an Audit Committee in overseeing internal control and financial reporting, whereas management of the bank's current operations is delegated to the Credit Committee and to the Authorised Management who exercise such powers in accordance with the strategic guidelines and direction formulated by the Board. The following matters, however, remain within the sole purview of the Board of Directors:

³ The ECB decision was notified via BMPS on 5 January 2026.

- approval of strategic guidelines and directions, business and financial plans, budgets, risk management and internal control policies;
- approval of quarterly, semi-annual and annual accounts;
- appointment of the Authorised Management and establishment of powers;
- appointment of the other key function holders (e.g. Chief Compliance Officer, Chief Risk Officer, Chief Internal Auditor);
- appointment of the Audit Committee and establishment of powers;
- appointment of the Credit Committee and establishment of powers;
- approval of or amendment to internal regulations.

The Board of Directors elects a Chairman from among its members. The Chairman's primary responsibility is to lead the Board and to ensure that it has a common purpose and is effective as a group and at individual Director level. The Chairman also ensures that the Board and the Management have a full understanding of the views of the Shareholders.

As mentioned above, at the end of December 2025 the Board of directors consists of six members, two of whom qualify as independent, Mr. Piero Pezzati and Mr. Massimo Amato (given the temporary executive role of the former Chairman Giovanni Mancuso) and three non-executive members, Erika Botticella, Vanessa Labérenne, and Lara Pizzimiglia. The Board includes prominent figures from the banking sectors, which ensures an appropriate degree of professionalism as required by the complexity of the bank's operations and given the Board's role in strategic supervision.

During the fiscal year, the Board of Directors was convened 4 (four) times and passed 1 (one) circular resolution. The attendance rate of the meetings was 100%.

The Board has approved internal regulations in the area of self-assessment to govern the various phases into which the process is structured, identifying the means and instruments by which it is implemented. Such formalization enables a standardized process to be developed over the years meaning that results can also be compared more easily.

Authorised Management

In accordance with the requirements laid down by the law 5 April 1993 on the financial sector (as amended), the Board of Directors delegate day-to-day management to two (or more) persons who must be empowered effectively to determine the direction of the activity without prejudice to the direct exercise by the Board at any time of its powers. Authorised Managers must possess adequate professional experience having carried on similar activities at high level of responsibility and autonomy.

Authorised Managers are in charge of the management of the Bank's business operations and governance in accordance with the articles of association, the Luxembourg law and the instructions given by the Board.

The Board of Directors appointed as Authorised Managers Mr. Rocco Cosimo Damiano Di Leo (Managing Director & CEO) and Mr. Angelo Giuseppe Capobianco (CFO).

Audit Committee

At the meeting held on 19 October 2023, the Board of Directors has appointed an Audit Committee in order to facilitate effective supervision of the activities by the Board itself. The task of the Audit Committee is to assist the Board in fulfilling its responsibilities in the areas of financial information, internal control, including internal audit as well as the control by the approved statutory auditors.

The Audit Committee shall comprise at least three non-executive Directors appointed by the General Meeting of Shareholders of the bank. Between March 31st 2025 and December 1st 2025 the Audit Committee is composed by three Directors, namely: Piero Pezzati (Chairman of the Audit Committee and Director), Massimo Amato (Director), and Vanessa Labérenne (Director), who temporarily replaces Giovanni Mancuso, given the ad interim executive role held by the latter. Mr Giovanni Mancuso resumed his position as a member of the Audit Committee effective December 1st.

The Committee remains in force for the entire duration of the office of the Board of Directors which appointed it. The entire Audit Committee or any individual member of the Committee may be removed with or without cause by a resolution approved by the majority of the member of the Board.

The collective competences of the Committee members must be representative of the activities and risks of the bank. To that extent, the Audit Committee as a whole should notably have sufficient relevant expertise in accounting, auditing and finance. At least one member of the Audit Committee must have competences in accounting and/or auditing.

The Audit Committee is responsible for reviewing the effectiveness of the Bank's internal quality control and risk management systems in light of the applicable rules and internal policies. The Audit Committee shall ensure that the main risks are properly identified, managed and disclosed. The mission of the Audit Committee is to provide the Board with critical assessments in respect of the organisation and operation of the institution in the field of internal audit. The implementation of the Audit Committee enables the members of the Board to fulfil their supervisory mission and to take on their responsibilities.

The general objective of the Audit Committee is to provide to the Board and the members of the Authorised Management reasonable assurance that the Bank is operating properly and efficiently. To this end, the Committee is authorised:

- to seek any information that it requires from any employee of the Bank for the purpose of performing its duties;
- to obtain, at the bank's expense, outside legal or other professional advice on any matter within its terms of reference;
- to call any employee to be questioned at a meeting of the Audit Committee as and when required;
- to appoint, compensate and oversee the work of any registered public accounting firm employed by the Bank;
- to pursue and promote the resolution of any disagreements between management and the auditors regarding financial reporting; and
- to meet with bank's officers, external auditors, or outside counsel, as necessary.

The Audit Committee shall meet at least four times a year at appropriate times in the reporting and audit cycle and otherwise when its role and responsibilities are required. Meetings of the Audit Committee shall be called by the Chairman of the Audit Committee or at the request of any of its members or at the request of external or internal auditors if they consider it necessary, by the secretary.

Only members of the Audit Committee have the right to attend the meetings of the Audit Committee. However, when appropriate, other individuals such as the chief executive officer, chief financial officer, chief risk officer, chief compliance officer, internal audit and representatives from the finance function can be invited to attend all or part of any meeting.

During the financial year, the Audit Committee was convened 4 (four) times and did not pass circular resolution. The attendance rate was 100%. The Audit Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed. After every meeting of the Audit Committee, the chairman of the Committee reports formally to the Board, in sufficient depth, to enable the Board to fulfil its oversight responsibilities.

Credit Committee

The Board of Directors appoints a Credit Committee, which may be either composed by Directors and/or Management, establishing their powers in accordance with the provisions set forth in the articles of association. Since December 1st, the Credit Committee is composed by four members, namely: Mr. Rocco Cosimo Damiano Di Leo (Chief Executive Officer), Mr. Angelo Giuseppe Capobianco (Chief Financial Officer), Mrs. Daniela De Salvo (Chief Risk Officer) and Mr. Antonio Santese (Group Risk management representative).

The Committee remains in force for the entire term of office of the Board of Directors which appointed it. The Board meeting held on 19 October 2023 vested the Credit Committee with the following powers:

- provision of guidance on the main risk categories faced by the institution;
- assessment and approval of credit, issuer and market risk (within the limits set forth by the Board);
- passing resolutions as regards the declaration of insolvency status of a counterparty, the classification of credit exposures as non-performing or forborne, and their return to the “performing” status once conditions of solvency have been restored;
- promoting effective management of all risk categories and overseeing the current risk exposure of the Bank and its future risk strategy;
- assessment and approval of new risk’s types and/or operations;
- passing resolutions on those transactions which are significant in term of structure, number and/or type of risks involved.

The Credit Committee normally meets at least once per month or whenever necessary for examination of proposed deals/transactions. For strictly advisory purposes persons external to the Bank and/or the Parent may also take part in such meetings without voting rights.

The Committee reports to the Board of Directors on a regular basis or, without prejudice to the foregoing, at least semi-annually regarding the transactions executed and the results of control activity carried out over the period concerned.

OTHER INFORMATIONS

During the fiscal year ended on 31 December 2025, the Bank has not purchased own shares nor has undertaken activities in the field of research and development.

The Notes to the Financial Statements provide, in addition to the usual disclosure on financial risks (credit, market, liquidity and operational risks), information of the other risks to which the Bank's activity is exposed.

ECONOMIC OUTLOOK FOR THE NEXT TWELVE MONTHS

The global economy in 2025 proved more resilient than expected, supported by improved financial conditions, stronger trade flows and rising AI-related investment. In many countries, macroeconomic policies continued to favour growth. However, underlying vulnerabilities are emerging: labour markets in advanced economies are starting to weaken, with job vacancies falling below pre-pandemic levels and confidence among households and businesses declining.

Global risks remain significant. Escalating trade barriers could hinder international commerce, while a sudden correction in financial markets - heightened by leveraged non-bank financial institutions and crypto-asset volatility - poses additional threats. Fiscal pressures also increase vulnerability: reduced investor confidence could push up long-term bond yields, tightening financial conditions and raising public debt-servicing costs, ultimately weighing on global growth.

Within this environment, small and open economies like Luxembourg are navigating a complex international landscape. The expected recovery for 2025-2027, driven by private investment and a stronger financial sector, is tightly linked to global trends. Luxembourg's strong dependence on euro-area partners, especially Germany, makes it sensitive to shifts in external demand. At the same time, the global monetary easing cycle and lower interest rates support the rebound in finance and construction - two key sectors for the country's economy.

The Bank will continue to pursue a selective lending strategy, underpinned by robust asset quality controls and targeted capital optimization measures. In addition, the Bank will maintain close oversight of evolving interest rate dynamics, which are expected to decline in USA and remain stable in Europe over the next 12 months, while maintaining tight control over administrative costs, which are projected to rise compared to last year ensuring continued operational efficiency and cost sustainability.

Based on the results achieved so far, the Bank forecasts the following main guidance for the current financial year:

- maintain sustainable level of revenues and progressive rebound in fee income, consistent with the ongoing trend;
- selective approach to corporate lending, emphasizing capital allocation driven by return optimization, alongside a continued commitment to rigorous risk management;
- balance operational efficiency with long-term economic sustainability;
- keep solid institution's capital base and sound capital ratios;
- preserve shareholder remuneration, with dividend payout ratio to be maintained;
- promotion responsible ESG criteria-

PROPOSAL FOR ALLOCATION OF THE RESULT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The Board of Directors of Mediobanca International (Luxembourg) S.A. proposes to the Annual General Meeting the following allocation of the result for the financial year ended 31 December 2025:

- Profit of the year	€	7.389.238
- Balance on retained earnings	€	-
- Total profit to be allocated	€	7.389.238
- To specific reserve for N.W.T.	€	-
- To free reserve	€	-
- To Dividend to Parent Company	€	7.389.238

Considering the CIT due, the Bank should be able to reduce the 2026 NWT. Based on current estimation the charge could be reduced by € 1.611.715,00 by creating an NWT special reserve of € 8.055.875,00.

The Bank has already booked a special reserve amounting to € 8,558,575.00 for the reduction of the NWT reserve 2026 after consideration of the June 30, 2025 annual accounts.

Considering the Bank changed its accounting closure the basis for the unitary value as at January 1, 2026 should be the balance sheet as at December 31, 2025.

Taking this into account the required reserve should amount to EUR 8.055.875,00 that gives a delta of € 502.700,00 to be reclassified from NWT reserve to Free reserve.

An additional reclassification should be done for align NWT reserve 2025 to the correct filing of the annual accounts, and amount to € 113.150,00 to be reclassified also in this case from NWT reserve to Free reserve.

Accordingly, you are invited to approve the financial statements for the year ended 31 December 2025, including the balance sheet, profit and loss account and accompanying schedules.

Luxembourg, 5 March 2026

pp. BOARD OF DIRECTORS

CHAIRMAN

(Mr. Giovanni Mancuso)

STATEMENT OF DIRECTORS' RESPONSIBILITIES



MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.

Statement of Directors' responsibilities

To the best of our knowledge, the financial statements of MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A. (the "Bank") give a true and fair view of the statement of the financial position and the statement of the comprehensive income of the Bank in accordance with applicable accounting standards. The management report includes a fair view of (I) the Bank's development, (II) its position, and (III) a description of the opportunities and risks relevant to the Bank that arose during the period ended 31 December 2025.

Luxembourg, 5 March 2026

The Board of Directors

Giovanni Mancuso

Rocco Cosimo Damiano Di Leo

Massimo Amato

Erika Botticella

Vanessa Labérenne

Piero Pezzati

Lara Pizzimiglia

INDEPENDENT AUDITOR'S REPORT





Audit report

To the Board of Directors of
MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.

Report on the audit of the financial statements

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A. (the “Bank”) as at 31 December 2025, and of its financial performance and its cash flows for the period from 1 July 2025 to 31 December 2025 in accordance with IFRS Accounting Standards as adopted by the European Union.

What we have audited

- The Bank’s financial statements comprise:
- the statement of financial position as at 31 December 2025;
- the statement of profit or loss for the period from 1 July 2025 to 31 December 2025;
- the statement of other comprehensive income for the period from 1 July 2025 to 31 December 2025;
- the statement of changes in equity for the period from 1 July 2025 to 31 December 2025;
- the cash flow statement for the period from 1 July 2025 to 31 December 2025; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

The non-audit services that we have provided to the Bank and its controlled undertakings, if applicable, in the period from 1 July 2025 to 31 December 2025, are disclosed in Note Part I - Audit Fees to the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed the key audit matter

Impairment on loans and advances to customers

The Credit activity is a key component of the Bank's commercial strategy. The Bank's customer lending operations primarily consist of loans to corporate clients, including syndicated loans arranged by major non-Italian banks and high return finance (e.g. mezzanine and subordinated finance). A major part of corporate loans is guaranteed, in total or partially, by the Parent Bank Mediobanca - Banca di Credito Finanziario S.p.A.

As of 31 December 2025, the loans and advances to customers which are included in the caption "Financial assets measured at fair value - due to customers" amount to EUR3,267 (gross amount) million representing 38.6% of the Bank's total assets against which an impairment allowance of EUR2.50 million is recorded. Please refers to Heading 40 (Section 4 Assets) of the Notes to the statement of financial position.

We consider this as a key audit matter as the measurement of impairment under IFRS9 requires complex and subjective judgements and estimates by the Management of the Bank.

ECL allowance of loans and advances to customers is a highly subjective area due to the level of judgement applied by the Management in determining the staging criteria and the extent of specific impairment for loans classified as Stage 3, which implies the use of expert judgement and assumptions regarding the amount and timing of future cash flows as well as the value and recoverability of related collateral for defaulted loans and advances.

Refer to the accounting policy in Notes to the financial statements under "Section 4 - Financial assets measured at amortised costs".

We assessed the Bank's relevant internal control environment in relation to the impairment (incl. ECL) on loans and advances to customers.

Our audit procedures included the assessment of controls over the monitoring processes of loans and advances to customers, to validate the design and operating effectiveness of key controls in place.

As part of our control testing procedures, we assessed whether the key controls in the above processes were properly designed, implemented and operated effectively. In detail we have:

- Performed inquiries with the risk management of the Bank regarding the process to understand the annual review and internal rating of customers and performed an inspection of meeting minutes of the Credit Committee;
- Performed an inspection and review of the evidence of the annual review of loans and internal rating of customers performed by the Bank to ensure that the controls were operating effectively and were properly documented during the year;
- We performed an inspection of the periodic Watch List review carried out by the Credit Committee, including the analysis of downgraded exposures;
- With the support of the Group Auditor, the tests of controls were performed:
 - The inspection of the periodic credit risk monitoring performed at Group level, including the review of key ECL drivers, of adequate coverage levels, of the staging movements and of cost of risk indicators as well as non-performing loans trends;
 - The inspection of the periodic reconciliation ensuring the completeness and accuracy of data feeding the IFRS 9 impairment model;
 - The inspection of controls around the monitoring of overdue and unpaid instalments to identify potential discrepancies in expected collections;

Key audit matter

How our audit addressed the key audit matter

- The inspection of the automated IFRS 9 staging allocation performed by the Bank's systems based on predefined inputs and triggers;
- The inspection of the semi-annual Group provisions review summarising the drivers of impairment movements across the Group's entities including Mediobanca International (Luxembourg) S.A..

In addition, we performed the following substantive audit procedures:

- We selected through a risk-based approach a sample of loans to customers outstanding at year end and critically assessed the accuracy of staging and whether a specific impairment was needed;
- For the sample selected, we also verified whether value adjustment triggering events as identified by us (if applicable) had also been identified by the Bank;
- With the support of the Group auditor, we tested the assumptions, inputs and formulas used in the ECL model. This included assessing the appropriateness and model design and formulas used, considering alternative modelling techniques and recalculating the Probability of Default, Loss Given Default and Exposure at Default for a sample, as well as challenging forward-looking macroeconomic scenarios especially considering the current macro-economic situation;
- We verified key parameters to ensure accuracy of data inputs supporting the ECL model used by the Bank;
- We tested a sample of loans to:
 - Form an assessment on the assumptions used by the Bank to determine the estimated recovery from any underlying collateral/guarantee;
 - Performed testing on the validity of guarantees and collateral received by the bank to secure its exposures through inspection of legal agreements;
 - We critically assessed the allocation of exposures into stages, including movement between stages.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report and the Corporate Governance Statement but does not include the financial statements and our audit report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for presenting the financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format (ESEF Regulation).

Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 - We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
 - From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.
 - We assess whether the financial statements have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Report on other legal and regulatory requirements

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 70bis Paragraph (1) Letters c) and d) of the amended Law of 17 June 1992 on the annual and consolidated accounts of credit institutions governed by the laws of Luxembourg, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” by the Board of Directors on 13 November 2025 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

We have checked the compliance of the financial statements of the Bank as at 31 December 2025 with relevant statutory requirements set out in the ESEF Regulation that are applicable to financial statements.

For the Bank it relates to the requirement that financial statements are prepared in a valid XHTML format.

In our opinion, the financial statements of the Bank as at 31 December 2025 have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Luxembourg, 27 March 2026

PricewaterhouseCoopers Assurance, Société coopérative
Represented by



Alexander Bähn

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2025



STATEMENT OF FINANCIAL POSITION

ASSETS		31/12/2025	30/06/2025
		€	€
010.	Cash and cash equivalents	415.585.771	369.857.932
020.	Financial assets measured at fair value through profit or loss	398.302.914	316.938.410
	<i>a) Financial assets held for trading</i>	295.311.420	239.687.192
	<i>b) Financial assets designated at fair value</i>	34.601.275	16.708.029
	<i>c) Other financial assets mandatorily at fair value</i>	68.390.219	60.543.189
040.	Financial assets measured at amortised cost	7.638.810.271	6.865.517.159
	<i>a) Due from banks</i>	4.373.797.152	3.983.249.293
	<i>b) Due from customers</i>	3.265.013.119	2.882.267.866
050.	Hedging derivatives	1.495.032	3.800.130
070.	Investments	4.150.000	4.150.000
090.	Tangible assets	837.443	944.819
110.	Tax assets	4.639.235	4.183.844
	<i>a) current</i>	4.639.235	4.183.844
	<i>b) deferred</i>	—	—
130.	Other assets	5.136.699	60.591.976
Total Assets		8.468.957.365	7.625.984.270

The accompanying notes form an integral part of the financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY		31/12/2025	30/06/2025
		€	€
010.	Financial liabilities measured at amortised cost	7.905.745.716	7.037.655.670
	<i>a) Due to banks</i>	2.640.061.579	2.111.145.228
	<i>b) Due to customers</i>	76.687.081	46.800.473
	<i>c) Securities in issue</i>	5.188.997.056	4.879.709.969
020.	Trading liabilities	48.314.476	60.569.745
030.	Financial liabilities designated at fair value	71.895.645	53.310.274
040.	Hedging derivatives	1.911.736	3.165.176
060.	Tax liabilities	4.780.203	16.129.053
	<i>a) current</i>	4.780.203	16.129.053
	<i>b) deferred</i>	—	—
080.	Other liabilities	9.834.382	12.010.322
100.	Provisions for risks and charges	653.047	654.031
120.	Revaluation reserves	-318.302	-346.195
140.	Equity instruments-AT1	100.000.000	100.000.000
150.	Reserves	308.751.223	314.521.344
160.	Share capital	10.000.000	10.000.000
200.	Profit (Loss) for the period	7.389.239	18.314.850
Total Liabilities and Shareholders' Equity		8.468.957.365	7.625.984.270

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS

Profit or Loss items		31/12/2025	30/06/2025
		€	€
010.	Interest and similar income <i>of which: interest income calculated according to the effective interest method</i>	143.644.220 118.254.912	316.491.022 253.338.688
020.	Interest and similar charges	-132.553.579	-292.807.429
030.	Net interest income	11.090.641	23.683.593
040.	Fee and commission income	10.372.601	18.488.930
050.	Fee and commission expenses	-6.928.853	-13.856.334
060.	Net fee and commission income	3.443.748	4.632.596
070.	Dividends and similar income	826.360	—
080.	Net trading income (expenses)	-1.064.573	4.672.271
090.	Net hedging income (expenses)	-97.846	36.265
100.	Gains (losses) on disposal or repurchase of:	1.439	177.967
	<i>a) Financial assets measured at amortised cost</i>	—	177.967
	<i>b) Financial assets measured at fair value through other comprehensive income</i>	—	—
	<i>c) Financial liabilities</i>	1.439	—
110.	Gains (losses) on other financial assets and liabilities measured at fair value through profit or loss	-517.367	-617.397
	<i>a) Financial assets and liabilities designated at fair value</i>	-2.242.087	-1.288.823
	<i>b) Other financial assets mandatorily measured at fair value</i>	1.724.720	671.426
120.	Total income	13.682.402	32.585.295
130.	Net write-offs (write-backs) for credit risk:	-606.208	-97.367
	<i>a) Financial assets measured at amortised cost</i>	-606.208	-97.367
	<i>b) Financial assets measured at fair value through other comprehensive income</i>	—	—
140.	Gains (losses) from contractual modifications without derecognition	—	—
150.	Net income from financial operations	13.076.194	32.487.928
190.	Administrative expenses:	-5.183.294	-10.034.270
	<i>a) Personnel costs</i>	-1.768.702	-3.538.760
	<i>b) Other administrative expenses</i>	-3.414.592	-6.495.510
200.	Net adjustments to provisions for risks and charges	983	146.535
210.	Net adjustments to tangible assets	-107.376	-222.591
230.	Other operating income (expenses)	198.760	-24.151
290.	Profit (loss) of the ordinary activity before tax	7.985.267	22.353.451
300.	Income tax on the ordinary activity	-596.028	-4.038.601
330.	Profit (loss) for the year*	7.389.239	18.314.850

*For the period ended 31 December 2025, the reference period corresponds to the six-month reporting cycle covering July 2025 through 31 December 2025. Conversely, the reference to June 2025 relates to the 12-month financial period running from 1 July 2024 to 30 June 2025.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF OTHER COMPREHENSIVE INCOME

Comprehensive income statement items		31/12/2025	30/06/2025
010.	Profit (loss) for the year	€ 7.389.239	€ 18.314.850
	Other income items after tax without transfers through profit or loss	29.643	-175.032
020.	Equity securities designated at Fair Value through other comprehensive income	—	—
030.	Financial liabilities designated at Fair Value through profit or loss (changes in own credit quality)	29.643	-175.032
	Other income items after tax with transfers through profit or loss	—	—
200.	Total other income items after tax	29.643	-175.032
210.	Total comprehensive income for the year, net of tax (Item 10+200)*	7.418.882	18.139.818

*For the period ended 31 December 2025, the reference period corresponds to the six-month reporting cycle covering July 2025 through 31 December 2025. Conversely, the reference to June 2025 relates to the 12-month financial period running from 1 July 2024 to 30 June 2025.

The accompanying notes form an integral part of the financial statements.

Statement of Other Comprehensive Income is included for disclosure this year that would provide useful information for primary users, although the information resulting from the disclosure is not material and not required to state compliance.

STATEMENT OF CHANGES IN EQUITY FROM 30.06.2025 TO 31.12.2025 (in €)

	Balance as of June 30, 2025	Allocation of the profit for the previous period		Changes in reserves	Transactions involving equity				Other Comprehensive income of the period	Balance as of December 31, 2025
		Reserves	Dividends and other fund applications		Additional Tier 1	New shares issued	Treasury shares derivatives	Stock options and others		
Share capital	10.000.000	—	—	—	—	—	—	—	—	10.000.000
a) ordinary shares	10.000.000	—	—	—	—	—	—	—	—	10.000.000
b) other shares	—	—	—	—	—	—	—	—	—	—
Profit brought forward	—	—	—	—	—	—	—	—	—	—
Reserves	314.521.344	—	—	-5.747.350	—	—	—	-22.771	—	308.751.223
a) legal reserve	1.000.000	—	—	—	—	—	—	—	—	1.000.000
b) free reserve	287.511.645	—	—	-14.305.925	—	—	—	-22.771	—	273.182.949
c) special reserve ⁽¹⁾	26.009.700	—	—	8.558.575	—	—	—	—	—	34.568.275
Valuation reserves	-346.195	—	—	-1.750	—	—	—	—	29.643	-318.302
Own shares	—	—	—	—	—	—	—	—	—	—
Capital instruments	100.000.000	—	—	—	—	—	—	—	—	100.000.000
Profit (loss) of the period	18.314.850	—	-18.314.850	—	—	—	—	—	7.389.239	7.389.239
Total equity	442.489.999	—	-18.314.850	-5.749.100	—	—	—	-22.771	7.418.882	425.822.160

The accompanying notes form an integral part of the financial statements. The allocation of prior year result to the **NWT reserve** results is in line with the resolution taken by the AGM of October 2025.

(1) Luxembourg resident companies are subject to a Net Worth Tax ('NWT') of 0.5% of taxable wealth. This charge may be reduced provided the following conditions have been respected: (i) a special reserve account equivalent to five-times the net wealth tax charge for the year is recorded following the decision of the Shareholders meeting, and (ii) the reserve will be maintained for a period of at least five years.

STATEMENT OF CHANGES IN EQUITY FROM 30.06.2024 TO 30.06.2025 (in €)

	Balance as of June 30, 2024	Allocation of the profit for the previous period		Changes in reserves	Transactions involving equity				Other Comprehensive income of the period	Balance as of June 30, 2025
		Reserves	Dividends and other fund applications		Additional Tier 1	New shares issued	Treasury shares derivatives	Stock options and others		
Share capital	10.000.000	—	—	—	—	—	—	—	—	10.000.000
a) ordinary shares	10.000.000	—	—	—	—	—	—	—	—	10.000.000
b) other shares	—	—	—	—	—	—	—	—	—	—
Profit brought forward	—	—	—	—	—	—	—	—	—	—
Reserves	321.642.009	—	—	-7.140.705	—	—	—	20.040	—	314.521.344
a) legal reserve	1.000.000	—	—	—	—	—	—	—	—	1.000.000
b) free reserve	299.200.595	—	—	-11.708.991	—	—	—	20.040	—	287.511.645
c) special reserve ⁽¹⁾	21.441.413	—	—	4.568.286	—	—	—	—	—	26.009.700
c) FTA reserve ⁽²⁾	—	—	—	—	—	—	—	—	—	—
Valuation reserves	-1.911.932	—	—	1.740.769	—	—	—	—	-175.032	-346.195
Own shares	—	—	—	—	—	—	—	—	—	—
Capital instruments	100.000.000	—	—	—	—	—	—	—	—	100.000.000
Profit (loss) of the period	19.697.804	—	-19.697.804	—	—	—	—	—	18.314.850	18.314.850
Total equity	449.427.881	—	-19.697.804	-5.399.936	—	—	—	20.040	18.139.818	442.489.999

The accompanying notes form an integral part of the financial statements.

(1) Luxembourg resident companies are subject to a Net Worth Tax ('NWT') of 0.5% of taxable wealth. This charge may be reduced provided the following conditions have been respected: (i) a special reserve account equivalent to five-times the net wealth tax charge for the year is recorded following the decision of the Shareholders meeting, and (ii) the reserve will be maintained for a period of at least five years.

(2) FTA - Refers to "first time adoption" of the new accounting principle IFRS9 application.

CASH FLOW STATEMENT - Direct Method (€'000)

	Amount	
	31/12/2025	30/06/2025
A. Cash flow from (used in) operating activity	69.845	-201.202
1. Operating activity	-1.303	8.719
– interests received (+)	153.207	352.721
– interests paid (-)	-135.563	-331.293
– dividends received and similar(+)	826	
– net fees and commissions received/paid (+/-)	3.609	4.483
– dividends and similar income (+)	—	—
– net premium income (+)	—	—
– cash payments to employees (-)	-1.607	-2.836
– other expenses paid (-)	-13.078	-12.819
– other income received (+)	3.921	712
– taxes and duties (+/-)	-12.618	-2.249
2. Cash generated/absorbed by financial assets	-818.191	-1.047.962
– financial assets held for trading	-65.536	-98.977
– financial assets designated at fair value	-19.200	-6.081
– Other financial assets mandatorily measured at fair value	-6.122	24.862
– financial assets measured at amortised cost	-727.496	-970.432
– other assets	163	2.666
3. Cash generated/absorbed by financial liabilities	889.339	838.041
– financial liabilities measured at amortised cost	875.989	911.818
– Trading liabilities	-4.969	-3.000
– financial liabilities designated at fair value	18.788	-73.262
– other liabilities	-469	2.485
B. Cash flow from (used in) investment activity	—	—
1. Cash generated from:	—	—
– disposal of shareholdings	—	—
– disposal of tangible assets	—	—
– disposal of intangible assets	—	—
2. Cash absorbed by:	—	—
– purchase of shareholdings	—	—
– purchase of tangible assets	—	—
– purchase of intangible assets	—	—
C. Cash flow from (used in) funding activity	-24.117	-25.448
– issuance/acquisition of T1 capital instruments	-52	—
– distribution of dividends and other purposes	-24.065	-25.448
– issuance/acquisition of T2 capital instruments	—	—
Net cash inflow (outflow) during the fiscal year	45.728	-226.650

	Amount	
	31/12/2025	30/06/2025
Cash and cash equivalents: opening balance	369.858	596.508
Total cash inflow (outflow) during year	45.728	-226.650
Cash and cash equivalents: closing balance	415.586	369.858

NOTES TO THE FINANCIAL STATEMENTS



PART A – CORPORATE INFORMATION

Corporate matters

Mediobanca International (Luxembourg) S.A. (hereinafter also referred as the ‘Bank’) was incorporated under the laws of Luxembourg on 21 December 2005 as a “Société Anonyme” (i.e. as a joint stock company formed under the Commercial Companies Law 1915, as amended) with registered office located in, 4 Boulevard Joseph II, (Luxembourg).

Nature of the bank’s business

Mediobanca International is mostly focused on structured lending transactions and the related activity of buying and selling on the secondary market.

Corporate lending: the business handles loans to corporates, which are generally medium-to-long term, and are granted with a view to meeting our clients' needs for financing in relation either to specific investments or to structural needs generated by growth. Loans may be disbursed to all kinds of corporate clients, whether industrial or service-oriented, European or non-European, large or mid-size. Larger facilities may be syndicated to a selected number of trusted banking counterparties or with the broader involvement of international banks.

Structured finance: the business is focused on transactions involving a considerable degree of financial leverage and limited recourse to the originator. Such deals usually arise as a result of industrial or infrastructure capital spending requirements, or of acquisitions of listed or non-listed companies launched inter alia with the backing of institutional investors. Such facilities are often structured in complex fashion, including in terms of contracts and guarantees, in order to maintain the risk profile of the transaction within limits that are acceptable to the banking community. Because of their size, such loans are often syndicated.

Export finance: the business provides financial support to Italian exporters of goods and services to non-Italian counterparties usually located in emerging markets. It may take the form of financing with the benefit of insurance covers and interest rate subsidies from SIMEST, SACE or other European export credit agencies. The structuring of these transactions, which are often part-syndicated to other banking counterparties, goes hand-in-hand with advisory services provided to clients in respect of commercial negotiations with government organizations granting the insurance cover and/or interest rate subsidy.

The Bank raises funds on international markets, via the issuance of medium-long term or short-term financial instruments under the terms of specific programmes (Notes, Structured Notes, Certificates, Warrants, Negotiable European Commercial Papers, Euro-Commercial Papers) fully guaranteed by the Parent Bank. Mediobanca S.p.A. guarantees a plafond of funding which could be drawn in different ways (i.e. overdraft on current accounts, medium-long term loans, money-market transactions) and provides treasury services as well.

Outsourcing

Since inception, the Bank has outsourced a significant part of its activities to the Parent and to other Group’s affiliates under the terms of specific servicing agreements.

Financial statements

The Bank's financial year runs from 1 January to 31 December.

This is the first period of adoption of the financial year as from 1st January to 31st December, as it was from 1st July to 30th of June until last financial period. The change of financial period has been authorised by the Extraordinary Shareholders' Meeting held on December 2nd, 2025.

The financial statements as at 31 December 2025 were authorised for issue by the Board of Directors on the 5th of March 2026

Parent Bank

The Bank is a wholly-owned subsidiary of Mediobanca – Banca di Credito Finanziario S.p.A., (hereafter “Mediobanca S.p.A.” or “Parent Bank”), having its registered office in Piazzetta Enrico Cuccia n.1, Milan, Italy.

Following the acquisition completed in September 2025, the Mediobanca Group is controlled by Banca Monte dei Paschi di Siena S.p.A., which therefore represents the ultimate parent entity of the Group (hereafter “Ultimate Parent Bank”).

Mediobanca S.p.A. is the leading investment bank in Italy and helped for over seventy years clients grow, offering high-quality advisory services and providing finance in all its various forms, from more traditional bank credit to the most sophisticated solutions available on capital markets.

The Bank utilized the exemption provided by article 83 of Luxembourg Law on the annual and consolidated accounts of credit institutions (Law of 17 June 1992). The financial statements of the Bank are included in the consolidated financial statements of the Ultimate Parent Bank. The Ultimate Parent Bank does not object to the Bank not presenting consolidated financial statements. The consolidated financial statements are compliant with International Financial Reporting Standards as adopted by EU and available at the registered office of the Ultimate Parent Bank.

Group Direction and Coordination

The Bank belongs to the MPS Group and is controlled by Banca Monte dei Paschi di Siena S.p.A., which exercises management and coordination activities.

The following provides key figures from the latest Financial Statements (2024) approved by the parent company.

Name: BANCA MONTE DEI PASCHI DI SIENA S.p.A.

Registered Office: Piazza Salimbeni, 3 - Siena

Other information: Share Capital € 7.453.450.788,44 (fully paid capital)

Registered in the Arezzo-Siena Companies Register, registration number and tax code 00884060526

VAT Group MPS – 01483500524

Member of the Interbank Deposit Protection Fund. Registered in the Register of Banks under n. 5274

Monte dei Paschi di Siena Banking Group, registered in the Register of Banking Groups

Key financial statement figures of the Ultimate parent Company Banca Monte dei Paschi di Siena S.p.A. as of December 31, 2024

	Euro unit
BANCA MONTE DEI PASCHI DI SIENA S.p.A.	
Summary data as of 31.12.2024	
Total Assets	122.046.576.795
Total Liabilities	110.762.116.298
Total Equity	11.284.460.497
Profit (Loss) from current operations	1.653.258.510
Income taxes for the financial year	523.549.021
Profit (Loss) for the financial year	1.922.898.242

The key figures for Banca Monte dei Paschi di Siena S.p.A. presented in the summary statement above, required by Article 2497-bis of the Italian Civil Code, were extracted from the related financial statements for the year ended December 31, 2024 (the latest available). For a complete and accurate understanding of Banca Monte dei Paschi di Siena S.p.A.'s financial position as of December 31, 2024, as well as the company's results for the year ended on that date, please refer to the financial statements, which, along with the independent auditors' report, are available in the forms and ways required by law.

PART B – MATERIAL ACCOUNTING POLICIES

Section 1

Statement of compliance with the International Financial Accounting Reporting Standards (IFRS)

The stand-alone financial statements of the Bank are prepared in accordance with the International Financial Accounting Reporting Standards (IFRS) and the International Accounting Standards (IAS) promulgated by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) adopted by the European Commission in accordance with the procedure laid down in Article 6 of the Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002. The financial statements as at 31 December 2025 have been prepared based on the template of the Parent Bank which, in turn, was based on the “Instructions for drawing up separate and consolidated financial statements for banks and financial companies that head banking groups”, issued by the Banca d’Italia (Bank of Italy) through Circular no. 262 of 22 December 2005 – 8th update of 29 October 2021, as subsequently amended – which sets out the structure of the financial statements, as well as the content of the notes to the account.

Section 2

General principles for preparation

The financial statements comprise:

- statement of financial position;
- statement of profit or loss;
- statement of other comprehensive income;
- statement of changes in equity;
- the statement of cash flows, prepared according to the direct method;
- the notes to the financial statements

During the financial period, the European Commission approved the following regulations, which include certain amendments to accounting standards already in force:

- Regulation (EU) No 2025/1047 of 27 May 2025, adopting amendments to the classification and measurement requirements of IFRS 9 and IFRS 7, effective for financial years beginning on or after 1 January 2026.
- Regulation (EU) No 2025/1266 of 30 June 2025, amending Regulation (EU) 2023/1803 to incorporate further IFRS 9 and IFRS 7 amendments, also effective for annual reporting periods commencing on or after 1 January 2026.
- Regulation (EU) No 2025/1331 of 9 July 2025, adopting the Annual Improvements to IFRS Accounting Standards — Volume 11, which includes targeted amendments across IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7, with mandatory application from 1 January 2026 and earlier application permitted.

None of the above amendments will have any material impact on the financial statements when adopted.

ESMA:

On 14 October 2025, ESMA published the annual statement “European Common Enforcement Priorities for 2025 Corporate Reporting”, outlining key areas on which listed companies should concentrate when preparing the annual reports as at 31 December 2025. ESMA, in particular, recommended that issuers focus on the following information in their financial and non-financial statements: entity-specific disclosure of geopolitical risks and uncertainties and segment reporting in the IFRS financial statements; enhanced disclosure on materiality considerations, the scope and structure of sustainability statements under the European Sustainability Reporting Standards (ESRS); and attention to common European Single Electronic Format (ESEF) filing matters, especially in the Statement of Cash Flows, to improve digital reporting quality. ESMA also highlights the importance of connectivity between financial and sustainability information and the consistent application of applicable reporting frameworks.

The above principle does not have any material impact on the financial statements when adopted.

Corporate Sustainability Reporting Directive (CSRD)

Following the enactment of Directive (EU) No. 2022/2464 as regards corporate sustainability reporting (the “Corporate Sustainability Reporting Directive”, or the “CSRD”) and the adoption of the European Sustainability Reporting Standards (the “ESRS”), the Group has implemented a structured ESG disclosure and reporting framework aimed at identifying the relevant areas of activity and information required for the preparation of its Sustainability Statement, in accordance with the applicable regulatory requirements. MBIL, as a contributing entity, fulfils its disclosure obligations through the Group’s CSRD-compliant sustainability reporting. All required information is provided to the parent company and incorporated into the Group’s consolidated ESRS disclosures; therefore, MBIL does not issue a standalone CSRD report.

Changes in accounting policies since the previous annual publication

Standards effective for Mediobanca International (Luxembourg) S.A. from or after 1 July 2025:

Reference to balance sheet asset and liability classification, recognition, valuation, and derecognition phases and with regard to revenue and cost recognition methods, the accounting standards adopted for the preparation of these December 2025 financial statements remained unchanged compared to those adopted for the preparation of the June 2025 financial statements.

New standards and interpretations issued that are mandatory for the annual periods beginning on or after 1 July 2025 or later (as of 31 December 2025), and which Mediobanca International (Luxembourg) S.A. has not early adopted:

- IAS 21 Amendments: “The Effects of Changes in Foreign Exchange Rates”. Amendments on lack of exchangeability (effective 1 January 2025).

As of 31 December 2025, the following new standards and interpretations had been issued for annual periods beginning on or after 1 July 2025, but had not yet been endorsed by the EU or had their endorsement deferred:

- IFRS 1, 7, 9, 10 and IAS 7, Annual Improvements to IFRS Accounting Standards, Volume 11 (effective for reporting periods beginning on or after 1 January 2026)
- IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments (effective for reporting periods beginning on or after 1 January 2026)
- IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent electricity effective for reporting periods beginning on or after 1 January 2026
- IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (application deferred indefinitely)
- IFRS 18 'Presentation and Disclosures in Financial Statements' effective for periods beginning on or after 1 January 2027. The standard introduces new requirements for the presentation of financial performance, including specified subtotals in the statement of profit or loss. The Bank is currently assessing the impact of the new standard on its financial statements.
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures' effective for periods beginning on or after 1 January 2027. The Bank does not expect this standard to have an impact as it does not meet the scope criteria.

Except for IFRS 18, for which the Bank is currently assessing the impact, none of the above standards are expected to have a material impact on the financial statements when adopted.

Section 3

Basis of preparation

The financial statements are prepared on the historical cost basis except for financial instruments valued at fair value through profit or loss and for derivatives concluded for hedging purposes, which are measured at fair value. The carrying amounts of recognized assets and/or liabilities that are hedged items in fair value hedges, and otherwise carried at amortised cost, are adjusted to record changes in fair value attributable to the risks that are being hedged.

On the 2nd of December 2025, the Shareholders resolved to change the Bank's financial year-end from 30 June to 31 December in order to align its reporting timetable with that of its Parent. As a result, the financial year beginning on 1 July 2025 was closed early on 31 December 2025, resulting in a six-month transitional reporting period. From next year onwards, the Bank's financial statements will be prepared on a 12-month basis, consistent with the reporting cycle of its Parent.

Due to the shortened reporting period, the amounts presented in these financial statements are not fully comparable with those of the previous twelve-month period.

The statement of financial position, the statement of profit or loss, statement of other comprehensive income and the statement of changes in equity are presented in Euro (€) and all values are rounded to the nearest Euro (functional currency is also Euro). Cash flow statement and notes to the financial statements are presented in Euro thousands unless otherwise stated.

The preparation of financial statements in accordance with IFRS as endorsed by the European Union requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense items. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The statement of financial position is structured by liquidity, based on bank's expectations regarding the recovery of assets and settlement of liabilities for each financial statement line items.

Due to rounding, numbers may not add up precisely to the totals provided across these financial statements.

Section 4

Summary of significant accounting policies

Cash and cash equivalents

Cash and cash equivalents⁴ comprise cash balances on hand, short-term highly liquid investments with maturities of three months or less when purchased, non-restricted current accounts with the Central Bank and current accounts.

Financial assets measured at fair value through profit or loss (FVTPL)

Recognition: Financial assets represented by debt or equity instruments are initially recognised on the settlement date, while derivative contracts are recognised on the date of signature. In particular, any changes in the fair value of the asset to be received between the settlement date and the earlier arrangement date are recognised at the time of settlement, in the same way in which the asset acquired is recorded. Financial assets measured at fair value through profit or loss are initially recorded at fair value; unless stated otherwise, this is represented by the consideration paid for the transaction, without considering any related costs or income attributable to them, which are recorded directly in the income statement.

Classification:

a) **financial assets held for trading:** financial assets held for trading are assets which have been acquired principally for the purpose of being traded and comprise those whose business model is defined as "Other". This also includes debt securities, equities, loans held for trading purposes, and the positive value of derivatives held for trading, including those embedded in complex instruments (such as structured bonds), which are recorded separately.

b) **financial assets designated at fair value:** this category comprises the financial assets for which the fair value option has been exercised upon initial recognition, in accordance with IFRS 9 paragraph 4.1.5. Financial assets are recognized irrevocably at fair value through profit or loss if, and only if, their inclusion in this category eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch) that would otherwise arise from measuring related financial liabilities at fair value through profit or loss, while the corresponding assets would be measured on a different basis. The designation is supported by an economic relationship between these assets and liabilities, sharing the interest rate risk that gives rise to changes in fair value that tend to offset each other and the Bank does not use hedge accounting. By applying the fair value option, the Bank represents the economic substance of the transactions and provides more relevant and reliable information, as required by IAS 8.

c) **other financial assets mandatorily measured at fair value:** this category includes financial assets which fail the SPPI test and therefore do not satisfy the requirements to be classified at amortized cost or at fair value through other comprehensive income. In particular, the units in mutual funds are here included as clarified by the IFRS Interpretation Committee⁵

⁴ According to the 7th update of Circular 262/2005 of Bank of Italy, in force from December 2021.

⁵ The IFRS Interpretation Committee's clarification rules out any possibility of such instruments being treated as equities.

The category also includes loans which do not guarantee full repayment of principal in the event of the counterparty's financial difficulties and which have therefore failed the SPPI test. The process followed to write down these positions is aligned with that used for other loans, on the grounds that the exposure is basically attributable to credit risk, with both the gross exposure and related provisioning stated.

Measurement and criteria for the recognition:

After initial recognition, these assets continue to be measured at fair value. If the fair value of derivatives classified as "financial assets held for trading" becomes negative, this caption is recognised as a financial liability. The positive components of income, represented by the interest income deriving from financial assets classified as "Financial assets measured at fair value through profit or loss", are recognised on an accruals basis in the "interest" captions of the income statement.

Gains and losses deriving from changes in the fair value of "Financial assets measured at fair value through profit or loss – financial assets held for trading" are recognised in income statement caption "Net income from trading activities".

Gains and losses deriving from changes in the fair value of "financial assets designated at fair value" are recognised in income statement caption "Net income on other financial assets and liabilities measured at fair value through profit or loss – financial assets and liabilities designated at fair value", while the other financial assets mandatorily measured at fair value are recognised in caption "Net income on other financial assets and liabilities measured at fair value through profit or loss – other financial assets mandatorily measured at fair value".

If the Bank sells a financial asset classified among the "Financial assets measured at fair value through profit or loss", it is derecognised on the transfer date (settlement date).

Financial assets measured at amortised cost

Financial assets measured at amortised cost include loans to customers and banks, debt securities and repo transactions that meet the following conditions:

- the financial instrument is held and managed on the basis of the *hold-to-collect* business model, i.e. with the goal of holding it to collect the contractually prescribed cash flows.
- the contractual cash flows represent exclusively the payment of capital and interest (and therefore meet the requirements of the SPPI test).

The business model of the Bank must reflect the management procedures of the financial assets at the portfolio level (and not at the individual instrument level) on the basis of the observable factors at the portfolio level (and not at the individual instrument level) such as:

- operating procedures adopted by management in the measurement of performance;
- type of risk and procedures for managing the risks undertaken, including portfolio turnover ratios;
- procedures for determining the mechanisms for the remuneration of managers.

The business model is based on reasonable expected scenarios (without considering "worst case" or "stress case") and in the presence of different cash flow trends from those expected initially. The Bank is not obligated to change the classification of the financial instruments in the portfolio but uses this

information for the purposes of classification of the new financial instruments. Upon first recognition, the Bank analyses contractual cash flows for the instrument as part of the SPPI test. In this connection, the Group has developed a standardized process for performing the test, which involves analysing the loans using a specific tool, developed internally, which is structured on the basis of decision-making trees. If the test is not passed, the tool will show that the assets should be recognized at fair value through profit and loss (FVTPL). The method by which loans are tested differs according to whether or not the asset concerned is a retail or corporate loan: at product level for retail loans, individually for corporate loans. An external info-provider is used to test debt securities; if, however, the results of the test are unavailable, the instrument is analysed using the SPPI tool. When contractual cash flows do not represent solely payments of principal and interest on the outstanding amount, the Bank mandatorily classifies the instrument at fair value through profit and loss.

At the initial recognition date, the financial assets are recorded at fair value inclusive of the costs/income directly attributable to the individual transactions and determinable from the origin even though they were liquidated at subsequent times. The recognition value does not, however, factor in costs with the above characteristics which are repaid separately by the borrower or may be classified as normal internal administrative expenses.

The instrument is recognized at amortised cost, i.e. the initial value minus/plus principal repayments, write-downs/write-backs and amortization - calculated with the effective interest rate method - of the difference between the amount disbursed and the amount repayable at maturity, adjusted to take into account the expected losses.

The amortised cost method is not used for short-term loans for which the time-discounting effect is negligible; these receivables are measured at the historical cost. The effective interest rate is identified calculating the rate that equals the present value of the future flows of the loan, for principal and interest, to the initial recognition value.

The original effective interest rate for each loan remains unchanged in subsequent years, even if new terms are negotiated leading to a reduction to below market rates, including non-interest-bearing loans. The relevant value adjustment is taken through the statement of profit or loss.

Following initial recognition, all financial assets recognized at amortised cost are subject to the impairment model based on the expected loss, i.e. performing as well as non-performing assets.

The impairment pertains to the losses expected to arise in the twelve months following the reporting date or, if there is a significant increase in the credit risk, the losses expected to arise along the residual maturity of the instrument. Both losses expected at twelve months and those over the residual maturity of the instrument can be calculated on an individual or collective basis according to the nature of the underlying portfolio.

The expected credit losses are recorded and released only insofar as the changes actually occur. For financial instruments held to be in default, the Group records an expected loss for the outstanding life of the instrument (similar to stage 2 above); while value adjustments are calculated for all the exposures split into different categories, factoring in forward-looking information which reflects macro-economic factors.

In accordance with IFRS9, financial assets at amortised cost are divided in three categories:

- *stage 1*: includes exposures at the date of initial recognition in the financial statements and as long as their credit rating does not undergo a significant deterioration. For these instruments, the expected loss

is to be calculated on the basis of default events that are possible within twelve months from the reporting date;

- *stage 2*: includes exposures that, while not impaired, underwent a significant deterioration in credit risk since the initial recognition date. In moving from stage 1 to stage 2, it is necessary to recognize the expected losses along the residual maturity of the instrument;
- *stage 3*: includes impaired exposures according to the regulatory definition. In moving to stage 3, exposures are evaluated on an individual basis, i.e. the value adjustment is calculated as the difference between the carrying amount at the date (amortised cost) and the present value of the expected cash flows, calculated applying the original effective interest rate. Expected cash flows take into account the expected collection times, the estimated realizable value of any guarantees, the costs expected to be incurred to recover the credit exposure with a forward-looking perspective which takes account of alternative recovery scenarios and developments in the economic cycle.

In the expected credit loss calculation model used by the Group, forward-looking information has been taken into consideration with reference to three possible macroeconomic scenarios (baseline, and two alternatives scenarios) which impact on the PD and the LGD, including possible disposal scenarios where the Group's NPL strategy aims at derisking through market sales. Intercompany exposures (and guarantees) are included as well in the expected credit loss calculation perimeter.

The Group's policy to establish the significant increase in credit risk takes into consideration qualitative and quantitative elements of each credit transaction or financial instrument and consideration is given in particular to elements determining the recognition of "forbearance measures", the "30 days past due" criterion or the identification of other backstops like the passage to watch list according to credit risk monitoring rules. The Group uses the simplified approach of the "low credit risk exemption" to a very limited extent.

POCI (Purchased or Originated Credit Impaired) are receivables that are already impaired at the point in time when they are acquired or disbursed. At the initial recognition date they are recognized at amortized cost on the basis of an internal rate of return which is calculated using an estimate of the recovery flows expected for the item, and recovery flows are periodically updated in light of new evidence, with flows discounted using the above-mentioned internal rate of return.

Hedging transactions

For hedging transactions, since 1 July 2018 the Group has adopted the provisions of IFRS 9 and has chosen not to avail itself of the exemption provided which would have enabled it to continue applying IAS 39 previously in force to such operations rather than IFRS 9.

The types of hedging transactions which might be adopted by the Bank are as follows:

- *fair value hedges*, which are intended to offset the exposure of recognized assets and liabilities to changes in their fair value;
- *cash flow hedges*, which are intended to offset the exposure of recognized assets and liabilities to changes in future cash flows attributable to specific risks relating to the items concerned.

Hedging derivatives are recognized and measured at fair value. In particular:

- for *fair value hedging*, the change in the fair value of the hedged item is offset by the change in the fair value of the hedging instrument, both recognized in the statement of profit or loss, where a difference between the two emerges as a result of the partial ineffectiveness of the hedge;
- for *cash flow hedging*, the changes in fair value are recognized in net equity in the amount of the effective portion of the hedging, while the gain or loss deriving from the ineffective portion is recognized through the statement of profit or loss only as and when, with reference to the hedged item, the change in cash flow to be offset crystallizes.

Hedge accounting is permitted for derivatives where the hedging relationship is formally designated and documented and provided that the hedge is effective at its inception and is expected to be so for its entire life.

At the start of the hedging relationship, the Bank designates and formally documents the hedging relationship, indicating the risk management objectives and the strategy of the hedge. The documentation includes identification of the hedging instrument, of the hedged item, of the nature of the hedged risk and of how the entity will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of the sources of ineffectiveness of the hedge and of how it determines the hedging relationship). The hedging relationship meets the hedge accounting criteria if, and only if, all the following conditions are met:

- the existence of economic relationship between the hedged item and hedging instrument(s);
- the effect of credit risk does not prevail over the changes in value resulting from the economic relationship;
- the hedging ratio of the hedge is the same as that resulting from the amount of the hedged element that the entity effectively hedges and from the amount of the hedging instrument that the Bank effectively uses to hedge that amount of the hedged element. Nonetheless, that designation must not reflect an imbalance of the weightings of the hedged element and the hedging instrument that would make the hedge ineffective (irrespective of whether it is recognized) which could give rise to an accounting result that could conflict with the purpose of the accounting for hedging transactions.

Fair value hedges

As long as the fair value hedge meets the eligibility criteria, the fair value of the hedging instrument is recognized in the statement of profit or loss or under one of the other comprehensive income headings if the hedging instrument hedges an equity instrument for which the Bank chose to recognize the changes in fair value through OCI. The fair value on the hedged item are recognized as adjustments to the carrying amount of the hedge with balancing entry in the statement of profit or loss, even in cases where the item hedged is a financial asset (or one of its components) recognized at fair value with changes taken through OCI. However, if the item hedged is an equity instrument for which the entity has opted to recognize changes in fair value through OCI, the amounts remain in the other items in the comprehensive statement of other comprehensive income. Please refers to Heading 50 (Section 5 Assets) to Heading 40 (Section 4 Liabilities) for further information about outstanding hedges.

If the item hedged is an irrevocable commitment (or one of its components) not booked to the accounts, the cumulative change in the fair value of the item hedged resulting from its designation as such is recorded as an asset or liability with corresponding gain or loss recorded in the profit (loss) for the period.

The Bank applies the FV hedges to manage the interest rate risk and, more specifically, to hedge the exposure to fluctuations in the fair value of fixed rate debt instruments (not measured at fair value through profit or loss) resulting from changes in interest rates. As of 31 December 2025, the Bank holds FV hedge derivatives for a nominal value amount of € 195.083k (€ 586.267k as of June 2025), hedging the corresponding bond issuance measured at amortized cost.

Cash flow hedges

As long as it meets the eligibility criteria, the cash flow hedge is accounted for as follows:

- The gain or loss on the hedge instrument in relation to the effective part of the hedge is taken through OCI in the cash flow reserve, whereas the ineffective part is taken directly through profit and loss.
- The cash flow reserve is adjusted to reflect the lower amount of:
 - the gain or loss accumulated on the hedge instrument since the hedge's inception; and
 - the cumulative change in fair value (versus the present value) of the item hedged (i.e. the present value of the cumulative change in the estimated future cash flows hedged) since the hedge's inception.

The amount accumulated in the cash flow hedge reserve must be reclassified from the cash flow hedge reserve to profit (loss) for the period as an adjustment due to reclassification in the same period or periods in which the estimated future cash flows hedged impact on the profit (loss) for the period (e.g. in periods when interest receivable or payable are recorded, or when the planned sale takes place). However, if the amount constitutes a loss and the entity does not expect to recover the whole loss or part of it in one or more future periods, the entity must classify the amount it does not expect to recover in the profit (loss) for the period (as an adjustment due to reclassification) immediately.

As at 31 December 2025, the Bank does not hold any cash flow hedged transaction.

Investments

The item includes the stakes held in subsidiaries.

A subsidiary in an entity controlled by the Bank. The Bank controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity, generally accompanied by a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Bank controls another entity.

The investments are initially measured at cost. When indicators of impairment are identified, the recoverable amount is estimated. This estimation considers observable market prices, where available, and the present value of expected future cash flows, including the terminal value. If the recoverable amount is lower than the carrying amount, the difference is recognized as an impairment loss in the profit and loss account, in accordance with IAS 36.

Tangible assets

These include land, business and investment properties, technical plants, furniture, furnishings and equipment of any type as well as assets used within financial lease agreements, although the lessor remains

their legal owner (at the end of this Financial Year the Bank does not have any tangible asset as listed above but only leasing contracts).

Leasing (IFRS16)

With reference to the transactions governed by IFRS 16 and the contracts which fall within its scope of application, the only leases have in place in this connection are for properties and company cars. Such leases normally have durations of more than twelve months, and typically contain renewal or termination clauses which both lessor and lessee can exercise in accordance with the provisions of law and/or specific contractual arrangements, if any.

The classification of an agreement as a lease⁶ (or containing an element of a lease) is based on the substance of the agreement at the date on which it is entered into. An agreement is or contains a lease if it envisages the use of a specific asset (or assets) and grants the “Right of Use” (RoU) on that asset (or assets) for an established period of time and in exchange for consideration (lease liabilities); therefore, rental and long-term rental agreements are defined as leases.

The right of use recognized under “tangible assets” is equal to the sum of the present value of future payments (corresponding to the present value of the liability recognized), of the initial direct costs, of any payment received in advance or at the start date of the lease (balloon instalment), of any incentive received from the lessor, and the estimate of any costs of removal or restoration of the asset underlying the lease.

This item is recognized against a liability posted under “liabilities measured at amortised cost” which corresponds to the present value of payments due for the lease; the incremental borrowing rate is equal to the internal rate of transfer at that date.

The duration of the lease agreement must consider not only the non-cancellable period established by the contract, but also extension options if it is deemed reasonably certain that they will be exercised. In particular, if there is a right to automatic renewal, it is necessary to consider past behaviors, the existence of company plans to dispose of the leased asset, and any other circumstance indicative of the existence of the reasonable certainty of renewal.

Subsequent to initial recognition, the right of use is depreciated throughout the term of the lease and, in certain circumstances, subject to adjustment for impairment. The liability is increased due to the accrual of interest expense and progressively reduced due to the payments made; if the payments are modified, the liability is redetermined against the right of use asset.

Derecognition of assets

A financial asset must be derecognized from the balance sheet if, and only if, the contractual rights to the cash flows deriving from it have expired, or if the asset has been transferred in compliance with IFRS9. In this case, the Bank verifies that the contractual rights to receive the cash flows from the asset are transferred or, alternatively, said rights are maintained, but at the same time, there is a contractual obligation

⁶ Lease agreements in which the Bank is lessor (if any) are broken down between finance leases and operating leases. An agreement is classified as a finance lease if it transfers all risks and rewards typical of ownership to the lessee. It is accounted for with the financial method, with the recognition in the Assets of a receivable the value of which is equal to the amount disbursed net of the principal amount of the lease instalments falling due and paid by the lessee, with interest income recognized in the income statement.

to pay them to one or more beneficiaries. It is necessary to verify that substantially all risks and rewards are transferred, and any rights and obligations originating from or maintained with the transfer, are, if the case warrants it, recognized separately as an asset or liability. If, on the contrary, the Bank maintains substantially all the risks and rewards, then the financial asset must continue to be recognized.

If the Bank has neither transferred nor maintained all risks and benefits, but at the same time has retained control of the financial asset, this continues to be recognized up to the residual interest retained in that asset.

Currently, the main transactions carried out by the Bank that do not determine the elimination of the underlying asset are credit securitization, repurchase and securities lending transactions.

In case of renegotiation of the financial assets measured at amortised cost, the Bank eliminates the instrument solely if the renegotiation entails such a change that the initial instrument has substantially become a new instrument. In these cases, the differences between the carrying amount of the original instrument and the fair value of the new instrument is recognized in the statement of profit or loss, taking into account any previous write-downs. The new instrument is classified in stage 1 for the purposes of the calculation of expected losses (barring those cases in which the new instrument is classified among the POCI).

If the renegotiation is not translated into substantially different cash flows, the Bank does not eliminate the instrument, however it will recognize in the statement of profit or loss the difference between the original carrying amount and the discounting of the expected cash flows at the original internal rate of return (taking into account any existing impairment provision).

Financial guarantees and loan commitments

In the ordinary course of business, the Bank gives financial guarantees, consisting of letters of credit, guarantees and acceptances, that means contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of *i*) the amount determined in accordance with the impairment provisions of IFRS 9, *b*) the premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Loan commitments provided by the Bank are firm commitments to provide loans or advances under pre-specified terms and conditions and are measured as the amount determined in accordance with the impairment provision of IFRS 9. Financial guarantee contracts and loan commitments are recognised in off-balance sheet. The Bank recognises loan commitments when it has fulfilled all its obligations and related contracts have been duly signed by all the counterparties involved.

The Bank recognises a loss allowance in compliance with IFRS 9.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost include the items due to banks, due to customers and debt securities in issue less any repurchased amounts.

The initial recognition - upon collecting the amounts raised or issuing the debt securities - is carried out at fair value, equal to the amount collected net of the transaction costs directly attributable to the financial liabilities. Thereafter liabilities are stated at amortised cost on the basis of the original effective interest rate, with the exception of short-term liabilities which continue to be stated at the original amount collected.

Derivatives embedded in structured bonds are stripped out from the underlying contract and recognized at fair value when they are not closely correlated to the host instrument. Subsequent changes in the fair value of the derivatives are recognized through the statement of profit or loss. After separating the embedded derivatives, the remaining portion of the financial liability is measured at amortised cost.

Financial liabilities are derecognized upon expiry or repayment, even if buybacks of previously issued bonds are involved. The difference between the carrying value of the liabilities and the amount paid to repurchase them is recorded through the statement of profit or loss.

The sale on the market of own securities bought back (even in the form of repos and securities lending transactions) is treated as a new issue with recognition at the new sale price, without effects on the statement of profit or loss.

Financial liabilities valued at fair value through profit or loss (FVTPL)

They include the negative value of derivatives held for trading and of embedded derivatives present in any complex contracts. All liabilities held for trading are measured at fair value and changes are recognized in the statement of profit or loss.

Financial liabilities designated at fair value

This category comprises the financial liabilities for which the fair value option has been exercised upon initial recognition, in accordance with IFRS 9 paragraph 4.2.2. Financial liabilities are recognized irrevocably at fair value through profit or loss if, and only if, their inclusion in this category eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring related financial assets at fair value through profit or loss, while the corresponding liabilities would be measured on a different basis.

There is a perceived economic relation between these assets and liabilities, since the financial liabilities and financial assets, including options, IRS and CDS, share the risks, such as interest rate risk and/or credit risk, that give rise to changes in fair value that tend to offset each other, and the Bank does not use hedge accounting.

Fair value adjustments consistently reflect the influence of the Bank's own credit spread. To isolate the portion of fair value attributable to this factor, each security is evaluated at every reporting date using either a directly observable market price or a price derived from credit spreads of comparable instruments issued by the same entity. The valuation is then carried out using discounted cash flow techniques and an appropriate market discount curve. The resulting difference between these valuations quantifies the impact of the Bank's own credit spread. This methodology is applied consistently across all relevant securities.

The option to designate financial liabilities at fair value was used in accordance with IFRS 9 paragraph 4.2.2 and in compliance with the cases set forth by International Accounting Bodies, therefore, the following rules provided by IFRS 9 was applied:

- changes in fair value attributable to changes in the own credit quality must be recognized in the Statement of Other Comprehensive Income (Net Equity);
- other changes in fair value must be recognized through profit or loss;
- amounts stated in other comprehensive income will not flow through profit or loss.

This method cannot be applied, however, if the recognition of the effects of the liability credit risk in net equity would create or enlarge an accounting mismatch in profit and loss. In such cases, gains or losses related to the liability, including those caused as the effect of the change in the issuer's credit standing, must be measured through profit or loss.⁷

The correlation between the assets and liabilities instruments is continuously monitored, in accordance with the guidelines provided by IFRS 9.

Tax assets and liabilities

Income taxes are recognized in the statement of profit or loss, with the exception of tax payable on items debited or credited directly to net equity. Provisions for income taxes are determined on the basis of a prudential forecast of current, advance and deferred tax charge. In particular, deferred tax assets and liabilities are determined on the basis of the temporary differences - without time limits - between the carrying value attributed to an asset or a liability according to statutory criteria and the corresponding value assumed for tax purposes.

Deferred tax assets are recorded in the financial statements to the extent to which there is a probability that they will be recovered.

Deferred tax liabilities are recorded in the balance sheet with the exception of tax-suspended reserves, if the size of the reserves available already subjected to taxation is such that it may be reasonably assumed that no transaction will be carried out on the bank's own initiative that might lead to their being taxed.

Tax assets and liabilities are adjusted as and when any changes occur in the regulatory framework or in the applicable tax rates, inter alia to cover the costs that might arise in connection with assessments by or disputes with the tax revenue authorities.

Contributions to resolution funds are accounted for according to IFRIC21.

Provisions for risks and charges

These pertain to risks tied to the operations of the Bank, not necessarily connected with the missed repayment of receivables, which may entail future costs, that can be estimated reliably. If the time element is significant, allocations are discounted using current market rates. Provisions are recognized in the statement of profit or loss.

Allocated provisions are periodically reviewed, and if it becomes improbable that possible costs may be incurred, allocations are wholly or partly reversed to the benefit of the statement of profit or loss.

Withdrawals are only made from provisions to cover the expenses for which the provision was originally made.

This heading also includes credit risk provisions in respect of commitments to disburse funds and guarantees issued falling within the scope of application of the rules on impairment introduced by IFRS9.

In such cases the same staging and expected loss calculation criteria are used for both financial assets recognized at amortised cost and/or fair value through other comprehensive income.

⁷ This case concerns the related portfolio of assets and liabilities concerning the business model for managing the funding of equity-linked certificates aiming to eliminate the accounting mismatch.

Pension plans

The Bank operates a defined contribution pension plan. The contribution payable to a defined contribution plan is in proportion to the services rendered to the Bank by the employees and is recorded as an expense under personnel costs. The Bank has no defined benefit obligation regarding post employee benefit to be recognized under IAS19.

Stock Options, Performance Shares and Long-Term Incentives

Stock option, performance share and long-term incentive (LTI) schemes operated on behalf of Group staff members and collaborators are treated as a component of labour costs.

Schemes which involve payment through the award of shares are measured through profit or loss, with a corresponding increase in net equity, based on the fair value of the financial instruments allocated at the award date, thus spreading the cost of the scheme throughout the period of time in which the requirements in terms of service have been met and the performance targets, if any, have been achieved.

The overall cost of the scheme is recorded in each financial year up to the date on which the plan vests, so as to reflect the best possible estimate of the number of shares that will actually vest. Requirements in terms of service and performance targets are not considered in determining the fair value of the instruments awarded, but the probability of such targets being reached is estimated by the Group and this is factored into the decision as to the number of instruments that will vest. Conversely, market conditions will be included in establishing the fair value, whereas conditions unrelated to the requirements in terms of service are considered “non-vesting conditions” and are reflected in the fair value established for the instruments, and result in the full cost of the scheme being recorded in the income statement immediately in the event that no service requirement and/or performance conditions have been met.

In the event of performance or service conditions not being met and the benefit failing to be allocated as a result, the cost of the scheme is written back. However, if any market conditions fail to be reached, the cost must be recorded in full if the other conditions have been met.

Foreign currency transactions

Foreign currency transactions are recorded applying to the foreign currency amount the exchange rate prevailing on the date of the transaction.

Assets and liabilities denominated in currencies other than the Euro are translated into Euros using exchange rates prevailing at the dates of the transactions. Differences on monetary items due to translation are recorded through the statement of profit or loss, whereas those on non-monetary items are recorded according to the valuation criteria used in respect of the category they belong to (i.e. at cost, through the profit and loss account or on an equity basis).

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Bank has a legally enforceable right to offset the recognized amounts and the transactions are intended to be settled on a net basis or realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements; therefore, the related assets and liabilities are presented gross in the statement of financial position.

Fair value

The Group has laid down precise guidelines regarding three key aspects: independent calculation of Fair Value, conducted by the Group's control units; the adoption of any Fair Value adjustments to consider aspects of uncertainty/ liquidity; and classification of financial instruments according to a Fair Value hierarchy based on the level of uncertainty of the valuation. In addition to the book fair value, which affects both the balance sheet and the income statement, the Group is required to make prudent valuation adjustments in order to calculate prudential requirements.

In line with the international accounting standards, the fair value of financial instruments stated in the financial statements is the so-called exit price, i.e. the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (exit price), regardless of whether such price is directly observable or estimated using another valuation technique (IFRS 13 §24).

Fair value, therefore, is “the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction between market operators at the measurement date”.

The Fair Value hierarchy of an instrument is a direct consequence of the Fair Value estimation approach: in principle, a financial instrument is considered to be listed on an active market if its price represents its current exchange value in normal, effective and regular market operations.

If the market is not active, the fair value of the instrument being estimated is measured by using market prices for similar instruments on active markets (comparable approach) or, in the absence of similar instruments, using a valuation technique that uses market and non-observable information (observable/unobservable inputs).

Related guidelines and implementation Directives were defined in compliance with the main international regulations (IFRS 13 and CRR art 105) and corroborated by a benchmarking test⁸; the main activities for calculating the exit price of the financial instruments in the portfolio are shown below.

In particular, the following levels are distinguished:

- Level 1: measurements based on (uniform, unadjusted) quoted prices taken from an active market for the individual financial instrument being measured.
- Level 2: measurements based on valuation techniques using inputs that can be observed directly (prices) or indirectly (price derivatives) on the market. In this case, fair value is measured through a comparable approach or the use of a pricing model that does not leave overly ample margins for subjectivity, normally used by other financial operators and based on inputs that can be observed on the market or estimated internally with a limited impact on fair value.
- Level 3: measurements based on valuation techniques using significant inputs that cannot be observed on the market and/or complex pricing models subject to uncertainty. In this case, fair value is determined on the basis of assumptions concerning future cash flows, which could yield different estimates for the same financial instrument by different valuers.

⁸ It should be emphasized that the accuracy and consistency of these guidelines are subject to rigorous supervision by the Group Audit unit, which verifies the effectiveness and adequacy thereof. Furthermore, a specific internal validation unit has been established, i.e. the Quantitative Risk Methodologies (QRM), which focuses on the validation of the quantitative methods used

Where the input data used to measure an asset or a liability are of different levels, determination of the fair value level is guided by the significance of the input data (IFRS 13, para. 73).

Fair Value Adjustment

Fair value adjustment is defined as the quantity to be added to, or subtracted, from the price observed on the market or the theoretical price generated by the model, to ensure that the fair value reflects the price that can be realized in a market transaction which is effectively possible. The guidelines defined in the Fair Value policy fully reflect the requirements defined by accounting standard IFRS 13, according to which the valuation of financial instruments should use the exit price method and allow for corrections to be made to the valuations in specific circumstances.

Fair value adjustments have an impact on profit or loss and take into account market liquidity, the uncertainties of parameters, the financing costs, and the complexity of the valuation models used in the absence of shared market practices. The scope of fair value adjustments includes, among others, the following categories:

- Market Price Uncertainty (MPU): this consists in uncertainties in valuations based on market quotations;
- Closed-Out Cost (COC): this indicates uncertainties regarding the liquidity cost that the Group may incur in the event of a partial or total sale of an asset measured at fair value;
- Model Risk (MR): adjustments aimed at mitigating the risk of discrepancy with respect to market practice in the valuation of a product in relation to the choice and implementation of the valuation model.

Credit Value Adjustment and Debt Value Adjustment

Credit and Debt Value Adjustments (CVA and DVA) are incorporated into the valuation of derivatives to reflect the impact of the counterparty's credit risk and the Bank's credit quality. In particular:

- CVA is a negative quantity which takes into account scenarios in which the counterparty might fail (bankruptcy) before the Bank, while amounts are still receivable (positive MTM) by the Bank from the counterparty;
- DVA is a positive quantity which takes into account scenarios in which the Bank itself might fail before the counterparty, while amounts are still payable (negative MTM) to the counterparty

CVA and DVA are calculated taking into consideration any counterparty risk mitigation agreements that have been entered into, in particular collateral and netting agreements for each counterparty. The CVA/DVA methodology used by Mediobanca is based on the following inputs:

- Expected positive exposure (EPE) and expected negative exposure (ENE) of the valuation of the derivatives, deriving from simulation techniques;
- PD (probability of default (PD), derived from historical PD readings or those implied in market prices for credit default swaps or bond securities;
- Loss given default (LGD) based on the estimated value of recovery in the event of the counterparty going bankrupt, as defined in specific analysis conducted by the Bank itself or the recovery rates conventionally utilized for credit default swap prices.

Furthermore, the fair value of non-collateralized derivatives may be influenced by the Bank's cost of funding. To take account of this aspect, some adjustments are calculated to reflect the different cost of funding (Funding Value Adjustments), using a discount curve representative of the average funding level of banks participating in the European corporate derivative market.

1. Fair value Hierarchy: Observability and materiality of inputs

The Observability Levelling and Day-one Profit Directive, as specified in IFRS 13 and Bank of Italy Circulars and No. 262 and in IFRS 13, requires a hierarchy of levels reflecting the significance of inputs used in the valuations. These inputs, called "valuation inputs," are the market data used to estimate the fair value of financial instruments. The term "valuation input" refers to the market data used to estimate the fair value of instruments. To estimate the fair value of instruments, the Group uses valuation techniques that are adequate to the circumstances and for which sufficient data are available. Valuation techniques can be based on various approaches, including:

- market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- cost approach (or current method), which reflects the amount that would currently be required to replace an asset's service capacity;
- income approach, which converts future amounts (e.g. cash flows or revenues and expenses) into a single discounted amount through, for example: present value methods and option pricing models.

These valuation methods may use different types of inputs, which may be observable or unobservable. Prices quoted in active markets are classified as "observable inputs". In other cases, the information is considered observable when the valuation is based on market information obtained from sources independent of the Group or from actual transactions. Under IFRS 13, paragraph B34, some examples of markets from which observable inputs can be derived include the following:

- exchange markets: In an exchange market, closing prices are both readily available and generally representative of fair value. An example of such a market is the London Stock Exchange.
- dealer markets: In a dealer market, dealers stand ready to trade (either buy or sell for their own account), thereby providing liquidity by using their capital to hold an inventory of the items for which they make a market. Typically, bid and ask prices (representing the price at which the dealer is willing to buy and the price at which the dealer is willing to sell, respectively) are more readily available than closing prices. Over-the-counter markets (for which prices are publicly reported) are dealer markets. Dealer markets also exist for some other assets and liabilities, including some financial instruments, commodities and physical assets.
- brokered markets: In a brokered market, brokers attempt to match buyers with sellers but do not stand ready to trade for their own account. Brokers do not use their own capital to hold an inventory of the items for which they make a market, but they know the prices bid and asked by the respective parties. Prices of completed transactions are sometimes available. Brokered markets include electronic communication networks, in which buy and sell orders are matched, and commercial and residential real estate markets.;

All cases in which it is not possible to demonstrate the observability of inputs are classified as "unobservable inputs" and, in particular, when the information on which the valuation techniques are

based reflects the Group's judgement formulated using the best information available in such circumstances.

Under IFRS 13, para. 67, valuation techniques used to measure fair value should maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

In more detail, based on their observability and considering additional criteria, inputs can be classified into three different levels.

Level 1 inputs:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A quoted price in an active market provides the most reliable evidence of fair value and it is the price to be used preferentially to measure financial assets and liabilities held by the Bank. If a quoted price recorded on an active market is available, alternative valuation techniques based on quotes for comparable instruments or quantitative models cannot be used and the instrument is classified as a "Level 1 instrument" in its entirety. The objective is to reach a price at which a financial instrument would be traded at the reporting date (without altering the instrument) on an active market considered to be the main one or the most advantageous one for the Bank and to which it has immediate access.

Level 2 inputs:

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include the following:

- quoted prices for similar assets or liabilities in active markets.
- quoted prices for identical or similar assets or liabilities in markets that are not active.

Inputs other than quoted prices that are observable for the asset or liability, for example:

- (i) Interest rates and yield curves observable at commonly quoted intervals.
- (ii) Implicit volatility.
- (iii) Credit spread.
- (iv) Market-corroborated inputs.

Level 2 inputs may require adjustments for example relating to:

- the condition or location of the asset;
- the extent to which inputs relate to items that are comparable to the asset or liability;
- the volume or level of activity in the markets within which the inputs are observed.

If there is no public quotation on an active market for the price of the financial instrument as a whole, but active markets exist for its components, Fair Value will be calculated by reference to the relevant market prices for those components. In this case, valuation will not be based on active market quotations for the financial instrument in question, but on observable market inputs or through the use of inputs that are not observable but are supported and confirmed by market data.

The use of this approach does not exclude the use of a calculation method, or rather, of a pricing model, through which it is possible to establish the correct price of the transaction at the reference date, in an ideal and independent trading environment justified by normal market considerations.

Level 3 inputs:

Level 3 inputs are not directly observable inputs that are used to measure the Fair Value in the event that relevant observable inputs are not available, making it possible to estimate a closing price even in situations of low market activity for the asset or liability as at the measurement date. The Bank estimates unobservable inputs using the best information available in the circumstances, which could include its own data, considering all information on the assumptions of market participants that is reasonably available. Unlike Level 2 inputs, in this case the inputs must be internally estimated according to quantitative methods, such as the use of historical series and comparable underlying instruments. Both Level 2 and Level 3 inputs may be used for a certain instrument. In this case, the final classification of the instrument is defined by applying the materiality assessment. There are two stages in the process of determining the levels and observability of inputs. In the first stage, a level is assigned to all inputs applied in the instrument valuation model. In the second stage, the materiality of the various inputs used to determine the relevance of unobservable inputs on the overall valuation of the instrument is verified.

Materiality is a crucial step in establishing whether unobservable inputs (Level 2 or 3) are meaningful to the entire measurement of the instrument. This materiality analysis also extends to inputs used to calculate any adjustments, such as the Fair Value Adjustment (FVA) or the Credit Value Adjustment (CVA).

In summary, the observability and materiality process ensure that the Fair Value of financial instruments is classified correctly based on the significance of the inputs used, ensuring an adequate valuation of the Bank's financial assets and liabilities.

2. Assets and liabilities measured at fair value on a recurring basis

This section provides disclosure on the measurement techniques and inputs used for assets and liabilities measured at fair value on a recurring basis, by fair value level.

Level 1

This level comprises all instruments quoted on active markets or for which quotations are available on an ongoing basis. The former instance covers cash equity instruments, funds and listed derivatives⁹ (futures and options with equity, interest rates and sovereign debt as the underlying) traded on regulated markets for which an official price was available¹⁰. The second instance covers liquid debt securities for which quotations are available on an ongoing basis, and ABS and CLOs for which tradable quotations are available at the reporting date.

Level 2

- Bonds: securities traded on less liquid markets that show bid/ask spreads above adequate levels are classified as Level 2; as are instruments not traded on active markets that are marked to model using the implied credit spread curves obtained from Level 1 or Level 2 instruments, to which a further spread

⁹ Provided that the quotation, following the IPV process, is considered to be effectively liquid.

¹⁰ The current bid price is used for financial assets and the current ask price for financial liabilities.

is added to reflect their illiquidity. The model makes maximum use of observable inputs and minimum use of non-observable inputs. In this way, only if the credit spread curve applied is representative, the bonds are categorized as Level 2. In fair value measurement, fair value adjustments can be used in cases where there is reduced liquidity and model risk, to compensate for the lack of observable market inputs;

- Derivatives: the fair value of derivatives not traded on an active market derives from application of mark-to-model measurement techniques. In accordance with the definitions provided in paragraphs 3, 61 and 67 of IFRS 13, where possible the Bank uses models that maximize observable parameters, which are preferable to models where the use of unobservable parameters is predominant. When there is an active market for the input parameters to be used for the different components of the valuation model, the fair value is established on the basis of their market quotations. Hence an OTC derivative that mainly uses observable inputs deriving from Level 1 instruments (quoted prices, as established in paragraphs 76-80 of IFRS 13) or Level 2 instruments (interest rate curves, implicit volatilities and credit spreads, as stipulated in paragraph 82 of IFRS 13) is classified as Level 2. These derivatives include:
 - Plain vanilla instruments, such as options with equity or exchange rates, interest rate swaps, cap & floor, credit default swaps and credit default indexes as underlying;
 - Exotic instruments which use more complex models such as exotic equity options, structured forex including derivatives embedded in notes issued by Mediobanca whose characteristics replicate those referred to above;
 - Issues of certificates with credit derivatives or shares as underlying (basket or single name), including the issuer credit risk which is thus factored into the total calculation of the fair value.

The instruments referred to above are classified as Level 2 when the fair value component calculated using models based on observable inputs is adjudged to be predominant.

The observability of an input parameter depends on the type of product, and on the adequacy of the parameters used. In both cases the relevant issuers are the availability of quotes, expiry and level of moneyness.

Level 3

- Bonds: instruments whose fair value is determined using prices that cannot be corroborated are classified as Level 3, as are instruments not traded on active markets which are marked to model using the credit spread curves implicitly derived from Level 1 or Level 2 instruments, to which a spread is added in order to factor in their unobservable illiquidity. Fair value adjustments may be used in recognizing such instruments at fair value when there is low liquidity, in order to compensate for the lack of observable market parameters for the Level 3 positions;
- Asset-backed securities, CLOs and loans: the measurement process relies on info-providers which effectively collect market prices. Basically, ABS are categorized as Level 3, with the exception of those for which a bid/ask contribution can be provided with the respective quantities on an ongoing basis, in which case they are categorized as Level 1;
- Credit exposures which, based on the characteristics of their cash flows, are recognized at fair value (IFRS 9, SPPI criteria - Solely Payments of Principal and Interest): specific valuation methodologies

are adopted to represent the individual exposure's characteristics, seeking to maximize use of observable market data;

- Equities and UCITS: equities and UCITS are categorized as Level 1 when quoted prices are available on an active market considered to be liquid, and Level 3 when there are no quoted prices or when quoted prices have been suspended indefinitely and for which an internal model is used in order to determine the fair value.
- Derivatives: when the valuation of an OTC derivative has been materially affected by unobservable parameters it is classified as Level 3. Such derivatives include:
 - Plain vanilla instruments, such as options with equity as the underlying and long expiries, or dividends on which there is no market consensus and options on equity baskets (indexes and single name);
 - Equity certificates for which the valuation inputs show a high degree of uncertainty (as it emerges during the Independent Price Verification process) in terms of volatility or future dividends;
 - Exotic instruments that use certain payoffs (i.e. Knock-in/Knock-out reverse notes) on a single security (or baskets) for which the valuation inputs are not directly observable;
 - Bespoke CDO tranches.

3. Assets and liabilities not measured at fair value

The fair value of the financial assets and liabilities measured at amortized cost and classified as “Financial assets measured at amortized cost” (loans to banks and customers) or as “Financial liabilities measured at amortized cost” (payables to banks and customers and debt securities in issue) is relevant only for information purposes in line with IFRS 7 requirement

- In such cases the fair value is calculated only for the purpose of meeting the Bank's responsibilities in terms of providing market disclosure and has no impact on the book value of the investment, on the profit and loss account or on net equity. Such instruments are not normally traded, and their fair value is thus measured on the basis of internal inputs not directly observable on the market.
- The fair value of corporate loans is measured using the Discounted Cash Flow Method i.e., adding, at the measurement date, the value of future cash flows discounted with appropriate rates to reflect the credit risk of the counterparty. The credit spread is determined using industry curves representing the counterparty (rating, geography, industry). For corporate receivables, loans to counterparties with official ratings are categorized as Level 2; in all other cases as Level 3. The same applies to retail loans (i.e., mortgage loans and consumer credit).
- For on-demand or short-term receivables and payables, their book value is considered a good approximation of their fair value.
- Bonds issued by Mediobanca are categorized as Level 1 fair value if quoted in an active market (considering the market price as the input); if there are no quoted prices, fair value is categorized as Level 2 and is determined using the discounted cash flow method at a market interest rate adjusted for the Group's issuer risk (with a distinction being made between senior and subordinated risks). The fair value of our naked derivatives is also categorized as Level 2 when the Group proceeds to the split-off of the embedded derivatives whose fair value level is determined as described above.

Valuation processes and sensitivity analysis (IFRS 13)

As required by IFRS 13, quantitative information on the significant non-observable inputs used for the assessment of Level 3 instruments is provided below.

Uncertainties of the inputs and impact on the Mark-to-Market method

Non-observable inputs	Quantification of parameter uncertainty (Variation for 1 bps of the Associated Risk Parameter)	MtM +/- delta	MtM +/- delta
		(€/k) 31 December 2025	(€/k) 30 June 2025
Implied volatility	Defined as a standard deviation from the consensus provided by the independent data provider. For underlying instruments for which no data is contributed, a proxy is derived from the underlying instruments for which data is contributed.	—	—
Equity-equity correlation	Defined as a standard deviation from the consensus provided by the independent data provider. For underlying instruments for which no data is contributed, a proxy is derived from the underlying instruments for which data is contributed.	—	—
Credit Spread	For financial guarantees with specific underlyings, credit spread curves are not observable. For these instruments, proxy curves obtained from prices of the underlyings are therefore used.	-0,4	-0,4

Measurement techniques - Equity, receivables, interest rate and exchange rate products

Product	Measurement technique	Non-observable inputs	Fair value (*)	Fair value (*)	Fair value (*)	Fair value (*)
			Assets 31 December 2025 (€m)	Liabilities 31 December 2025 (€m)	Assets 30 June 2025 (€m)	Liabilities 30 June 2025 (€m)
<i>OTC bond option</i>	Black-Scholes model	Implied volatility ¹	—	—	—	—
<i>OTC equity basket options, best of/ worst of, equity autocallable multiasset options</i>	Black-Scholes model, local volatility model	Implied volatility Equity-equity correlation ²	15,06	—	16,42	—
<i>CSD on Single Names with Recovery Rate 0</i>	Arbitrage Free Credit Spread Model	Recovery Rate	—	—	—	—
<i>Financial Guarantees</i>	Arbitrage Free Credit Spread Model	Credit Spread and Recovery Rate ³	1,06	-3,21	0,68	-1,95

(*) The carrying amount shown above is equal to the full fair value of structures and includes fair value adjustments.

¹Volatility, in the financial context, is an indicator of how much the price of an underlying financial instrument of a derivative can vary over time. The higher the volatility of the underlying, the greater the risk associated with the instrument. In general, long positions in options benefit from increases in volatility, while short positions in options are adversely affected. With reference to equity derivatives, the implied volatility surface can be derived from the price of call and put options, as there are regulated markets for them. The uncertainty of this parameter can be linked to one of the following three cases: illiquidity of quotations (wide bid/ask spreads, typically present at long maturities or moneyness far from At-The-Money), concentration effects, and non-observability of market data (also present when considering maturities that are too long or moneyness too far from At-The-Money).

²Equity-equity correlation is a measurement of the correlation between two equity-based underlying instruments. Variations in the correlation levels may impact an instrument's fair value positively or negatively, depending on the correlation type. Equity-equity correlations are less observable than volatility, because no correlation products are quoted on any regulated markets. For this reason, correlations are more subject to data uncertainties.

³The contractual form is structured as a guarantee on specific underlying instruments for which there are no observable input parameters.

The main factors contributing to transitions between fair value levels include changes in market conditions and refinements in the measurement models and/ or the non-observable inputs.

Fair value of an instrument may transition from Level1 to Level2 or vice versa mainly as a result of the loss (increase) in significance of the price expressed by the active market of the instrument.

Conversely, transfers from Level2 to Level3 or vice versa mainly arise as a result of the loss (increase) in significance of inputs, in particular the predominance of non-observable inputs over observable inputs.

Fair Value Hierarchy: Quantitative information

Assets and liabilities measured at fair value, breakdown by fair value hierarchy (€/k)

Financial assets/liabilities measured at fair value	31/12/2025			30/06/2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	-	59.751	338.551 -	-	69.276	247.663
a) financial assets held for trading	-	49.698	245.613	-	66.690	172.998
b) financial assets designated at fair value	-	10.053	24.548	-	2.586	14.122
c) other financial assets mandatorily measured at fair value	-	-	68.390	-	-	60.543
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Hedging derivatives	-	1.495	-	-	3.800	-
4. Tangible assets	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	-	61.246	338.551 -	-	73.076	247.663
1. Financial liabilities held for trading	-	45.104	3.210	-	57.107	3.463
2. Financial liabilities designated at fair value	-	31.352	40.544	-	24.613	28.697
3. Hedging derivatives	-	1.912	-	-	3.165	-
Total	-	78.368	43.754 -	-	84.885	32.160

The Bank is mainly concentrated on complex transactions, (level 2 and level 3) which, even in this context of greater uncertainty, has not undergone significant changes. There have been no transfers of financial assets or liabilities measured at fair value from Level 2 to Level 1 during the period between July and December 2025

Level 2 liabilities decrease is mainly due to the decrease of instruments held for trading as of December 2025 (- € 12.003k, compared to June 25). Level 2 assets decreased slightly due to a decrease in financial assets held for trading (- € 16.992k). Level 3 assets had undergone a more noticeable variation with an increase in financial assets held for trading of + € 72.616k as of December 2025

Financial assets mandatorily measured at fair value on level 3 increased from €60.543k to €68.390k due to an increase in the value of the investment into the closed alternative fund (under Luxembourg law) Polus Special Situations Fund¹¹ (PSSF) managed by the Polus Capital Management.

¹¹ The Fund qualifies as Alternative Investment Fund and invests in loans, debt and equity of entities in financial distress and other special situations (corporate or asset-backed), predominantly in Europe

Annual changes in financial assets measured at fair value on a recurring basis (Level 3) - in €/k

31/12/2025	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Tangible assets	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
1. Opening amount	247.663	172.998	14.122	60.543	-	-	-	-
2. Increases	113.855	93.622	12.386	7.847	-	-	-	-
2.1. Purchases	104.152	91.911	12.241	-	-	-	-	-
2.2. Gains recognized in:	9.703	1.711	145	7.847	-	-	-	-
2.2.1. Income statement	9.703	1.711	145	7.847	-	-	-	-
- of which, capital gains	-	-	-	-	-	-	-	-
2.2.2. Net equity	-	-	-	-	-	-	-	-
2.3. Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	-	-	-	-
3. Decreases	22.966	21.006	1.960	-	-	-	-	-
3.1. Disposal	19.569	19.569	-	-	-	-	-	-
3.2. Redemptions	-	-	-	-	-	-	-	-
3.3. Losses recognized in:	3.397	1.437	1.960	-	-	-	-	-
3.3.1. Income statement	3.397	1.437	1.960	-	-	-	-	-
- of which, capital losses	-	-	-	-	-	-	-	-
3.3.2. Net equity	-	-	-	-	-	-	-	-
3.4. Transfers to other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	-	-	-	-	-	-	-	-
4. Closing amount	338.552	245.614	24.548	68.390	-	-	-	-

30/06/2025

Financial assets measured at fair value through profit or loss

	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value	Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Tangible assets	Intangible assets
1. Opening amount	180.209	85.943	9.532	84.734	-	-	-	-
2. Increases	93.915	88.672	5.243	-	-	-	-	-
2.1. Purchases	92.913	88.535	4.378	-	-	-	-	-
2.2. Gains recognized in:	1.002	137	865	-	-	-	-	-
2.2.1. Income statement	1.002	137	865	-	-	-	-	-
- of which, capital gains	-	-	-	-	-	-	-	-
2.2.2. Net equity	-	-	-	-	-	-	-	-
2.3. Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	-	-	-	-
3. Decreases	26.461	1.617	653	24.191	-	-	-	-
3.1. Disposal	24.725	13	521	24.191	-	-	-	-
3.2. Redemptions	-	-	-	-	-	-	-	-
3.3. Losses recognized in:	1.736	1.604	132	-	-	-	-	-
3.3.1. Income statement	1.736	1.604	132	-	-	-	-	-
- of which, capital losses	-	-	-	-	-	-	-	-
3.3.2. Net equity	-	-	-	-	-	-	-	-
3.4. Transfers to other levels	-	-	-	-	-	-	-	-
3.5. Other decreases	-	-	-	-	-	-	-	-
4. Closing amount	247.663	172.998	14.122	60.543	-	-	-	-

Annual changes in liabilities measured at fair value on a recurring basis (Level 3) - in €/k

31/12/2025	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging derivatives
1. Opening amount	3.463	28.697	-
2. Increases	1.687	17.507	-
2.1. Purchases	781	16.148	-
2.2. Gains recognized in:	906	1.359	-
2.2.1. Income statement	906	1.359	-
- of which, capital gains	-	-	-
2.2.2. Net equity	-	-	-
2.3. Transfers from other levels	-	-	-
2.4. Other increases	-	-	-
3. Decreases	1.940	5.660	-
3.1. Disposal	1.676	3.657	-
3.2. Redemptions	-	-	-
3.3. Losses recognized in:	264	2.003	-
3.3.1. Income statement	264	2.003	-
- of which, capital losses	-	-	-
3.3.2. Net equity	-	-	-
3.4. Transfers to other levels	-	-	-
3.5. Other decreases	-	-	-
4. Closing amount	3.210	40.544	-

30/06/2025

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging derivatives
1. Opening amount	3.637	41.428	-
2. Increases	921	10.234	-
2.1. Purchases	802	9.370	-
2.2. Losses recognized in:	119	864	-
2.2.1. Income statement	119	864	-
- of which, capital losses	-	-	-
2.2.2. Net equity	-	-	-
2.3. Transfers from other levels	-	-	-
2.4. Other increases	-	-	-
3. Decreases	1.095	22.965	-
3.1. Disposal	782	21.916	-
3.2. Redemptions	-	-	-
3.2. Gains recognized in:	313	1.049	-
3.2.1. Income statement	313	1.049	-
- of which, capital gains	-	-	-
3.3.2. Net equity	-	-	-
3.4. Transfers to other levels	-	-	-
3.5. Other decreases	-	-	-
4. Closing amount	3.463	28.697	-

Assets and liabilities not measured at fair value: breakdown by fair value hierarchy - in €/k

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	31/12/2025				30/06/2025			
	Book Value	Level 1	Level 2	Level 3	Book Value	Level 1	Level 2	Level 3
1. Financial assets measured at amortised cost	7.638.809	-	5.698.700	2.091.592	6.865.517	-	5.344.222	1.663.560
2. Tangible assets held for investment purposes	-	-	-	-	-	-	-	-
3. Non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-	-	-
Total	7.638.809	-	5.698.700	2.091.592	6.865.517	-	5.344.222	1.663.560
1. Financial liabilities measured at amortised cost	7.905.746	-	8.109.264	-	7.037.657	-	7.262.054	-
2. Liabilities associated with assets classified as held for sale	-	-	-	-	-	-	-	-
Total	7.905.746	-	8.109.264	-	7.037.657	-	7.262.054	-

“Day-One Profit/Loss”

Pursuant to IFRS 7, paragraph 28, the “Day-one Profit/Loss” is understood as the difference between the fair value of a financial instrument at the initial recognition date (transaction price) and the amount estimated at that date using a valuation technique. This difference may be positive or negative.

In the event that the difference is positive (day-one profit) and based on market quotations and models that almost exclusively include the use of observable market inputs, this amount can be included in the

positive components of the income statement. However, if the positive difference is based on non-observable market inputs, the fair value of the instrument must be adjusted for such difference and charged through profit or loss when the inputs become observable.

In the event, however, that the difference attributable to non-observable inputs is negative (day-one loss), it is immediately recorded through profit or loss on a prudential basis.

The Group applies the day-one profit suspension rule to financial instruments classified as Level 3 of the Fair Value hierarchy, i.e. instruments for which the impact of one or more non-observable inputs on the fair value is considered significant, as defined in paragraph 73 of IFRS 13. The day-one profit, calculated after fair value adjustments, is amortized over the expected period for which the input data will remain unobservable. The day-one profit is not applied if the risks generated by the transaction are hedged with a market counterparty (back-to-back) and therefore there are no impacts on profit or loss due to the non-observable input.

Securities lending and borrowing

Financial assets are derecognized as and when the Bank is no longer entitled to receive cash flows deriving from them, or when they are sold, and the related risks and benefits are transferred accordingly.

Assets or groups of assets which are sold, continue to be recognized if the risks and benefits associated with them (in the relevant technical form) continue to be attributable to the bank. A corresponding amount is then entered as a liability to offset any amounts received (as Other amounts receivable or Repos).

The main forms of activity currently carried out by the Bank which do not require underlying assets to be derecognized are the secured financing, repo trading and securities lending.

Interest income and expenses

For most instruments measured at amortised cost, interest income and expenses are recognized in the statement of profit or loss as they accrue (the same apply for interest in current accounts and debt securities), taking into account the effective yield of the asset and the liability or an applicable floating rate. Interest income and expenses include the amortization of any discount or premium or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis. In addition, interest income and expenses include revenue generated by financial assets held for trading and costs by financial liabilities designated at fair value as well as some instruments measured at amortised cost for which the interest income and expense is not computed using the effective yield method but for which the interest income and expense is computed using the accrual method.

Fee and commission income and expense

This heading includes all revenues deriving from the provision of services to customers (in the form of upfront fees, guarantees given fees, net stable funding ration fees, ongoing fees, and stock lending fees from revenue side, while include from the expense side: ongoing fees, stock lending fees, brokerage fees, treasury fees, CD-CP fees, payment services fees) with the exception of those relating to financial instruments, leases and insurance contracts.

Revenues from contracts with customers are measured through profit or loss when control over the service is transferred to the customer, in an amount that reflects the fee to which the Bank considers to be entitled in return for the service rendered.

For revenue recognition purposes, the Bank analyses the contracts to establish whether they contain more than one obligation to provide services to which the price of the transaction should be allocated. The revenues are then recorded throughout the time horizon over which the service is rendered, using suitable methods to recognize the measurement in which the service is provided. The Bank also takes into consideration the effects of any variable commissions, and whether or not a significant financial component is involved.

In the event of additional costs being incurred to perform or execute the contract, where such costs meet the requirements of IFRS 15, the Bank will assess whether to capitalize them and then amortize them throughout the life of the contract, or to make use of the exemption provided by IFRS 15 to expense the costs immediately in cases where their amortization period would be complete within twelve months.

Net trading income/expense

Gains and losses on financial instruments measured at fair value through profit or loss includes gains and losses arising from disposals and changes in the fair value of financial assets and liabilities held for trading or designated at fair value through profit or loss.

Administrative expenses

Administrative expenses are recognized in the statement of profit or loss as incurred and comprise expenses relating to administrative staff and management, including bonus.

Related parties

Related parties are defined by IAS24 as:

- a) Individuals or entities which directly or indirectly:
 - 1. are subject to joint control by the Bank (including parent companies, subsidiaries and associates);
 - 2. own an interest in the Bank which enables them to exert a significant influence over it: “significant influence” is presumed to exist in cases where an individual or entity owns a shareholding of more than 5% of the share capital of Mediobanca International (Luxembourg) S.A., along with the entitlement to appoint at least one member of the Board of Directors.
- b) Associate companies;
- c) Management with strategic responsibility, that is, those individuals vested with powers and responsibilities, directly or indirectly, in respect of the planning, management and control of the activities of the Parent Bank, including directors and members of the statutory audit committee;
- d) Subsidiaries, companies controlled jointly and/or subject to significant influence by one of the individuals referred to under the foregoing letter c), or in which the said individuals hold, directly or indirectly, a significant share of the voting rights or are shareholders or hold strategic positions such as Chairman or Managing Director;

- e) close relations of the individuals referred to under the foregoing letter c), that is, individuals who might be expected to be able to influence or be influenced by them in their relations with Mediobanca (this category includes partners, children, partners' children, dependents and partners' dependents), and the entities controlled or controlled jointly or otherwise subject to significant influence by one of these individuals, or in which they directly or indirectly hold a significant share of the voting rights;
- f) staff pension schemes operated by the Parent Bank or by any other entity related to it.

All related party transactions are conducted at arm's length.

Section 5

Significant accounting estimates and judgment

In the process of applying the accounting policies, the bank's management makes estimates and assumptions concerning the future and the amounts recognized in the financial statements. The most significant uses of judgment and estimates are as follows:

Going concern

The Board of Directors assessed the bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue in business for the foreseeable future. Furthermore, the Board of Directors is not aware of any material uncertainties that may cast significant doubt upon the bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for structured securities. The valuation of financial instruments is described in more detail in Section 4.

Impairment losses on loans and advances

The Bank reviews its individually significant loans and advances on a monthly basis to assess whether an impairment loss should be recorded in the statement of profit or loss. In particular, risk judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumption about a number of factors and actual results may differ, resulting in future changes to the allowance. Impairment of financial assets takes account of data from the portfolio (such as level of arrears, credit utilization, loan to collateral ratio, etc.) and judgments to the effect of concentration of risk and economic data. The impairment loss on loans and advances is disclosed in more detail in Section 5.

Deferred tax assets

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that taxable profit will be available against which the loss can be utilized. Judgment is required to determine the amount

of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

Section 6

Impacts deriving from Russia-Ukraine and Middle East conflicts

At 31 December 2025 the Bank's portfolio shows no exposures towards Russia, Ukraine and Middle East countries.

Section 7

Correction and restatements

7.1 Internal Ratings Classification

Before the change in control, the Bank adopted a credit-risk classification framework aligned with the Mediobanca Group methodology. Under this approach, the primary reference for risk segmentation was the internal rating assigned to each counterparty. The rating assigned by the model represented the fundamental input for the positioning of exposures along the credit-risk spectrum. The different rating scales used across the Group were subsequently harmonised through their mapping onto a common master scale consisting of six rating classes, each defined by a probability-of-default (PD) range consistent with the S&P master scale. This ensured methodological consistency and comparability of internal-rating outputs across entities.

Following the integration into the Montepaschi Group, the Bank has progressively realigned its credit-risk reporting framework to the methodologies adopted at Group level. As part of this transition, the compilation of table A.1.9 ("Financial assets, commitments to disburse funds and financial guarantees given by class of internal ratings") has shifted from an internal-rating-based logic to a PD-driven classification framework.

The transition from the former Mediobanca approach—centrally focused on the internal rating as the primary driver for classification (disclosed in the table of 30 June 2025) —to the PD-based methodology adopted by the Montepaschi Group (disclosed in the table of 31 December 2025) reflects the broader process of integration into the new controlling Group. This alignment strengthens the coherence of credit-risk practices, ensures methodological uniformity across the enlarged Group perimeter, and enhances the comparability, reliability and supervisory compliance of consolidated credit-risk disclosures.

PART C - NOTES TO THE STATEMENT OF FINANCIAL POSITION



ASSETS

Section 1

Heading 10 – Cash and cash equivalents

1.1 Cash and cash equivalents: composition (in € k)

	31/12/2025	30/06/2025
a) Cash	—	—
b) Current accounts and Demand deposits held at Central Banks	58	29
c) Current accounts and Demand deposits	415.528	369.829
Total	415.586	369.858

Compared to the June 2025 “Cash and cash equivalent” experienced a rise of approximately €46m as of December 2025. The increase primarily driven by higher balances in current accounts.

Section 2

Heading 20 – Financial assets measured at fair value through profit or loss

2.1 Financial assets held for trading: composition (in € k)

Item/Values	31/12/2025			30/06/2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. Cash assets						
1. Debt securities	—	—	229.492	—	5.845	155.882
1.1 Structured	—	—	229.492	—	5.845	155.882
1.2 Other debt securities	—	—	—	—	—	—
2. Equities	—	—	—	—	—	—
3. OICR units	—	—	—	—	—	—
4. Loans and advances	—	—	—	—	—	—
4.1 Repos	—	—	—	—	—	—
4.2 Others	—	—	—	—	—	—
Total A	—	—	229.492	—	5.845	155.882
B. Derivative products						
1. Financial derivatives	—	39.304	15.080	—	43.357	16.430
1.1 Trading	—	39.304	15.080	—	43.357	16.430
1.2 Linked to FV options	—	—	—	—	—	—
1.3 Others	—	—	—	—	—	—
2. Credit derivatives	—	10.394	1.041	—	17.488	685
2.1 Trading	—	10.394	1.041	—	17.488	685
2.2 Linked to FV options	—	—	—	—	—	—
2.3 Others	—	—	—	—	—	—
Total B	—	49.698	16.121	—	60.845	17.115
Total (A+B)	—	49.698	245.613	—	66.690	172.997

Financial assets held for trading amount to € 295,3m as at 31 December 2025 (+23,20% vs June 2025). The increase is primarily due to a rise in Total A driven by new CLO subscriptions classified as debt securities, which increased by €68 million compared to June 2025. The financial structure underlying this transaction (level 3) is hedged by the payoffs of the protection purchased via financial guarantees by external counterparty (Level 3 accordingly).

Total B is mainly represented by the gross positive fair value of financial and credit derivatives contracts negotiated with the Parent Bank or embedded in other financial instruments¹², in addition to the credit derivatives mentioned above.

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1, quoted (unadjusted) prices available on active markets for identical assets or liabilities;
- Level 2, other techniques for which all inputs which have a significant effect on the recorded fair value are based on observable (either directly or indirectly) market data;
- Level 3, other techniques for which all inputs which have a significant effect on the recorded fair value are based on not observable market data.

For further information about the criteria adopted for the determination of the fair value as well as the classification of the financial instruments within the three-levels of the fair value hierarchy, please refer to Part B - Accounting Policies.

¹² Financial derivatives include certificates to be valued at Level 3 starting from January 2021. See “Fair Value Hierarchy”, p. 68.

2.2 Financial assets held for trading: breakdown by borrower/issuer (in € k)

Item/Value	31/12/2025	30/06/2025
A. CASH ASSETS		
1. Debt securities	229.492	161.727
a. Central Banks	—	—
b. Public administration	—	—
c. Banks	—	—
d. Other financial companies	229.492	161.727
<i>of which: insurance companies</i>	—	—
e. Non-financial companies	—	—
2. Equity securities	—	—
a. Banks	—	—
b. Other financial companies	—	—
<i>of which: insurance companies</i>	—	—
c. Non-financial companies	—	—
d. Other issuers	—	—
3. OICR units	—	—
4. Loans and advances	—	—
a. Central Banks	—	—
b. Public administration	—	—
c. Banks	—	—
d. Other financial companies	—	—
<i>of which: insurance companies</i>	—	—
e. Non-financial companies	—	—
Total A	229.492	161.727
B. DERIVATIVE INSTRUMENTS		
a. Central Counterparties	—	—
- <i>Fair value</i>	—	—
b. Other	65.819	77.960
- <i>Fair value</i>	65.819	77.960
Total B	65.819	77.960
Total A+B	295.311	239.687

2.3 Financial assets designated at fair value: product breakdown

Items/Values	31/12/2025			30/06/2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. Debt securities	—	—	—	—	—	—
1. Structured securities	—	—	—	—	—	—
2. Other debt securities	—	—	—	—	—	—
B. Loans	—	10.053	24.548	—	2.586	14.122
1. Structured	—	—	—	—	—	—
2. Others ¹	—	10.053	24.548	—	2.586	14.122
Total	—	10.053	24.548	—	2.586	14.122

The carrying value of financial assets designated at fair value amounts to €34,6m at the end of the reference period (+107,2% compared to Jun-25). The increase of approx. 17,9m of Euro is due to the positive balance between new and closed loans settled against the equivalent notes in Euro issued at liability side.

For further information about the criteria adopted for the determination of the fair value as well as the classification of the financial instruments within the three-levels of the fair value hierarchy, please refer to Part B - Accounting Policies.

2.4 Financial assets designated at fair value: by borrower/issuer

Items/Values	31/12/2025	30/06/2025
A. Debt securities	—	—
a) Central Banks	—	—
b) General Government	—	—
c) Banks	—	—
d) Other financial companies	—	—
<i>of which: Insurance companies</i>	—	—
e) Non financial companies	—	—
B. Loans	34.601	16.708
a) Central Banks	—	—
b) General Government	—	—
c) Banks ¹	34.601	16.708
d) Other financial companies	—	—
<i>of which: Insurance companies</i>	—	—
e) Non financial companies	—	—
f) Households	—	—
Total	34.601	16.708

(1) Counterparty refers to Mediobanca S.p.A.

2.5 Other financial assets mandatorily at fair value: product breakdown

Items/Values	31/12/2025			30/06/2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. Debt securities	—	—	—	—	—	—
1. Structured securities	—	—	—	—	—	—
2. Others	—	—	—	—	—	—
B. Equity instruments	—	—	—	—	—	—
C. OICR	—	—	68.390	—	—	60.543
D. Loans	—	—	—	—	—	—
1. Reverse Repos	—	—	—	—	—	—
2. Others	—	—	—	—	—	—
Total	—	—	68.390	—	—	60.543

With regard to OICR items, the Bank investment into the closed alternative fund (under Luxembourg law) Polus Special Situations Fund¹³ (PSSF) managed by the Group company Polus Capital Management increased to € 68.4m (€ 60,5m at the end of June 2025).

2.6 Other financial assets mandatorily at fair value: by borrower/issuer

Items/Values	31/12/2025	30/06/2025
1. Equity instruments	—	—
<i>of which: banks</i>	—	—
<i>of which: other financial companies</i>	—	—
<i>of which: other non-financial companies</i>	—	—
2. Debts securities	—	—
a) Central Banks	—	—
b) General Government	—	—
c) Banks	—	—
d) Other financial companies	—	—
<i>of which: insurance companies</i>	—	—
e) Non financial companies	—	—
3. OICR	68.390	60.543
4. Loans	—	—
a) Central Banks	—	—
b) General Government	—	—
c) Banks	—	—
d) Other financial companies	—	—
<i>of which: insurance companies</i>	—	—
e) Non financial companies	—	—
f) Households	—	—
Total	68.390	60.543

¹³ With regard to the PSSF structure, investments are made through three Feeder funds (société en commandite spéciale) denominated in various currencies (USD, EUR) and flow into a Master fund (also société en commandite spéciale) denominated in Euros which implements the investment strategy. The General Partner of the fund is Polus Special Situations Fund (GP) S.A.R.L., which is responsible for the operation of the fund, but does not make investments and has no economic interest in it. Polus Capital Management Limited is the Portfolio Manager of PSSF.

Section 4

Heading 40 – Financial assets measured at amortised cost

4.1 Financial assets measured at amortised cost: composition of due from banks (in € k)

Type of transactions/Values	Total 31/12/2025						Total 30/06/2025					
	Carrying value			Fair value			Carrying value			Fair value		
	Stage 1 and stage 2	Stage 3	of which: non performing acquired or originated	Level 1	Level 2	Level 3	Stage 1 and stage 2	Stage 3	of which: non performing acquired or originated	Level 1	Level 2	Level 3
A. Due from Central Banks	14.242	—	—	—	14.242	—	11.971	—	—	—	11.971	—
1. Term deposits	—	—	—	X	X	X	—	—	—	X	X	X
2. Compulsory reserve	14.242	—	—	X	X	X	11.971	—	—	X	X	X
3. Repos	—	—	—	X	X	X	—	—	—	X	X	X
4. Others	—	—	—	X	X	X	—	—	—	X	X	X
B. Due from banks	4.359.555	—	—	—	4.423.933	—	3.971.278	—	—	—	4.036.142	—
1. Loans and advances	4.359.555	—	—	—	4.423.933	—	3.971.278	—	—	—	4.036.142	—
1.1 Current accounts and demand deposits	—	—	—	X	X	X	—	—	—	X	X	X
1.2 Term deposits	1.466.512	—	—	X	X	X	1.332.431	—	—	X	X	X
1.3 Other financings:	2.893.043	—	—	X	X	X	2.638.847	—	—	X	X	X
- Repos	152.251	—	—	X	X	X	174.292	—	—	X	X	X
- Finance leases	—	—	—	X	X	X	—	—	—	X	X	X
- Others	2.740.792	—	—	X	X	X	2.464.555	—	—	X	X	X
2. Debt securities	—	—	—	—	—	—	—	—	—	—	—	—
2.1 Structured debt securities	—	—	—	X	X	X	—	—	—	X	X	X
2.2 Other debt securities	—	—	—	X	X	X	—	—	—	X	X	X
Total	4.373.797	—	—	—	4.438.175	—	3.983.249	0	0	0	4.048.113	0

The carrying value of financial assets due from banks valued at amortised cost rose throughout the reference period, passing from € 3.983.249k (June 2025) to € 4.373.797k (December 2025). The increase is mainly driven by an increase of Intercompany loans with the Parent (approx. +€248m) and an increase in term deposits (approx. +€134m). The involved intercompany loans are linked to Mediobanca International Luxembourg issuance of notes for approx. €248m subscribed by the Parent. The line “Due from Central Banks” is the balance of the compulsory reserve which, at the end of the year, amounted to EUR 14,2m (€12m as at 30 June 2025). The vast majority of the transactions reported under this caption are de facto concluded with the Parent Bank. For further information about the criteria adopted for the determination of the fair value as well as the classification of the financial instruments within the three-levels of the fair value hierarchy, please refer to Part B - Accounting Policies.

4.2 Financial assets measured at amortised cost: composition of due from customers (in € k)

Type of transactions/Values	Total 31/12/2025						Total 30/06/2025					
	Carrying value			Fair Value			Carrying value			Fair Value		
	Stage 1	Stage 2	Stage 3	Level 1	Level 2	Level 3	Stage 1	Stage 2	Stage 3	Level 1	Level 2	Level 3
1. Loans and advances	3.265.013	—	—	—	1.260.525	2.091.592	2.863.640	18.628	—	—	1.296.109	1.663.560
1.1 Current accounts	—	—	—	X	X	X	—	—	—	X	X	X
1.2 Repos	—	—	—	X	X	X	—	—	—	X	X	X
1.3 Term loans	3.265.013	—	—	X	X	X	2.863.640	18.628	—	X	X	X
1.4 Credit cards and personal loans	—	—	—	X	X	X	—	—	—	X	X	X
1.5 Finance leases	—	—	—	X	X	X	—	—	—	X	X	X
1.6 Factoring	—	—	—	X	X	X	—	—	—	X	X	X
1.7 Other loans	—	—	—	X	X	X	—	—	—	X	X	X
2. Debt securities	—	—	—	—	—	—	—	—	—	—	0	—
2.1 Structured debt securities	—	—	—	X	X	X	—	—	—	X	X	X
2.2 Other debt securities	—	—	—	X	—	X	—	—	—	X	0	X
Total	3.265.013	—	—	—	1.260.525	2.091.592	2.863.640	18.628	—	—	1.296.109	1.663.560

As at 31 December 2025, portfolio total exposure (gross of guarantees) stands at € 3,265bn against € 2,882bn of the previous FY, with an increase of 13% y-o-y; considering the guarantees received by Parent and the guarantee provided to the Group, portfolio net exposure as at 31 December 2025 stands at € 967m (27,0% of drawn total exposures) against € 899m (28,2%) of Jun-25, with an increase of +7,6% y-o-y. The significant increase in the net credit portfolio is mainly attributable to the growth in drawn exposures over the period (+12,2%), combined with a healthier composition of the portfolio, with Stage 1 representing more than 99% of the total and no exposures classified in Stage 3. The credit portfolio coverage provided by the parent company stands at approximately 79.2%, compared with 72% as of June 2025. In addition, Investment Grade exposures account for 89,6% of the loan portfolio, in line with the level recorded in June 2025.

4.3 Financial assets measured at amortised cost: breakdown of due from customers by borrower/issuer
(in € k)

Type of transactions/Value	31/12/2025			30/06/2025		
	Stage 1 / Stage 2	Stage 3	of which: impaired assets acquired or created	Stage 1 / Stage 2	Stage 3	of which: impaired assets acquired or created
1. Debt securities:	—	—	—	—	—	—
a) Public administration	—	—	—	—	—	—
b) Other financial company	—	—	—	—	—	—
<i>of which: insurance companies and funds</i>	—	—	—	—	—	—
c) Non financial companies	—	—	—	—	—	—
2. Loans and advances to:	3.265.013	—	—	2.882.268	—	—
a) Public administration	—	—	—	—	—	—
b) Other financial company	1.323.537	—	—	1.437.665	—	—
<i>of which: insurance companies and funds</i>	17.373	—	—	94.693	—	—
c) Non financial companies	1.941.476	—	—	1.444.603	—	—
d) Households	—	—	—	—	—	—
Total	3.265.013	—	—	2.882.268	—	—

At the reporting date there are no expositions in Stage 3.

4.4 Financial assets measured at amortised cost: gross values and Impairment allowance (in € k)

	Gross value				Expected Credit Loss			Write off partial/total
	Stage 1	<i>of which: low credit risk</i>	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Debt securities	—	—	—	—	—	—	—	—
Loans ¹	7.644.091	—	—	—	-5.282	—	—	—
Total 31/12/2025	7.644.091	—	—	—	-5.282	—	—	—
Total 30/06/2025	6.851.552	12.509	18.677	—	-4.663	-49	—	—

	Gross value				Expected Credit Loss			Write off partial/total
	Stage 1	<i>of which: low credit risk</i>	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Debt securities	—	—	—	—	—	—	—	—
Loans ¹	6.851.552	12.509	18.677	—	-4.663	-49	—	—
Total 30/06/2025	6.851.552	12.509	18.677	—	-4.663	-49	—	—
Total 30/06/2024	6.006.604	—	35.204	12.982	-4.534	-64	-221	—

(1) This item includes loans to customers and credit institutions.

Section 5

Heading 50 – Hedging derivatives

The objective of the fair value hedge is to reduce the interest rate risk through swaps that convert fixed rate into floating rate assets and/or liabilities. The hedging derivatives hold by the Bank are mean to hedge fixed-rate or structured notes issued by the Bank and classified in the portfolio “financial liabilities at amortized cost”. All the hedging derivatives are booked at inception with the Parent Bank. The accounting treatment is in line with the methodological and procedural choices for the accounting management of hedge transactions.

As of June 2025, the notional amount of hedging derivatives stood at €315m on the asset side and €271m on the liability side, with corresponding mark-to-market values of €3.8m and €3.17m, respectively. By December 2025, the notional amounts had decreased to €78m on the asset side and increased to €117m on the liability side. The mark-to-market value of these hedging instruments amounted to €1.5m on the asset side and €1.9m on the liability side (please refer to Tables 4.1 and 4.2 in the Liabilities section).

5.1 Hedging derivatives: breakdown by type of hedging and fair value levels (in € k)

	31/12/2025			Notional value	30/06/2025			Notional value
	Fair value				Fair value			
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial derivatives	—	1.495	—	77.760	—	3.800	—	315.035
1) Fair value	—	1.495	—	77.760	—	3.800	—	315.035
2) Cash flow	—	—	—	—	—	—	—	—
B. Credit derivatives	—	—	—	—	—	—	—	—
1) Fair value	—	—	—	—	—	—	—	—
2) Cash flow	—	—	—	—	—	—	—	—
Total	—	1.495	—	77.760	—	3.800	—	315.035

5.2 Hedging derivatives: breakdown by portfolio hedged and hedge type (in € k)

31/12/2025 Operations/Type of hedging	Fair Value Hedge						Cash Flow Hedge		Net Investments in foreign
	Specific					Generic	Specific	Generic	
	Interest risk	Currency risk	Credit risk	Price risk	Multiple risk				
1. Financial assets valued at FVOCI	—	—	—	—	—	X	—	X	X
2. Financial assets valued at amortised cost	—	—	—	—	—	X	—	X	X
3. Portfolio	X	X	X	X	X	—	X	—	X
4. Other	—	—	—	—	—	X	—	X	—
TOTAL ASSETS	—	—	—	—	—	—	—	—	—
1. Financial liabilities	1.495	—	—	—	—	X	—	—	X
2. Portfolio	X	X	X	X	X	—	X	—	X
TOTAL LIABILITIES	1.495	—	—	—	—	—	—	—	—
1. Highly probable transactions	X	X	X	X	X	X	—	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	—	X	—	—

30/06/2025 Operations/Type of hedging	Fair Value Hedge						Cash Flow Hedge		Net Investments in foreign
	Specific					Generic	Specific	Generic	
	Interest risk	Currency risk	Credit risk	Price risk	Multiple risk				
1. Financial assets valued at FVOCI	—	—	—	—	—	X	—	X	X
2. Financial assets valued at amortised cost	—	—	—	—	—	X	—	X	X
3. Portfolio	X	X	X	X	X	—	X	—	X
4. Other	—	—	—	—	—	X	—	X	—
TOTAL ASSETS	—	—	—	—	—	—	—	—	—
1. Financial liabilities	3.800	—	—	—	—	X	—	—	X
2. Portfolio	X	X	X	X	X	—	X	—	X
TOTAL LIABILITIES	3.800	—	—	—	—	—	—	—	—
1. Highly probable transactions	X	X	X	X	X	X	—	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	—	X	—	—

Section 7

Heading 70 –Investments

7.1 Investments: disclosure on shareholdings

Company Name	Registered office	Control type ¹⁴	Ownership		Voting rights (%)
			Controlling entity	Shareholding %	
Mediobanca International Immobilière S.à r.l.	Luxembourg	3	Mediobanca International (Luxembourg) S.A.	100	100

In accordance with article 83 of the Law of 17 June 1992 (as amended) the undertaking is not consolidated on the local balance sheet since it would represent a negligible interest to the consolidated financial situation. The percentage of shareholding (100%) did not change during the financial year, nor did the carrying amount, which remained at €4,150,000.00.

¹⁴ Type of relationship:

1 = controlled and consolidated

2 = subject to significant influence

3 = controlled and not consolidated

7.2 Investments: financial information (in € k) *

Company Name	Total assets	Total revenues	Net profit (loss)	Shareholders' equity	Carrying value
Mediobanca International Immobilière S.à r.l.	2.199	92	25	2.160	4.150

(*) Figures as at 31/12/2025 from Mediobanca International Immobilière S.à.r.l. are coming from unaudited accounts.

The financial year of Mediobanca International Immobilière S.à.r.l. (which only place of business is Luxembourg) has been modified by the extraordinary Shareholders' meeting held on 2nd December 2025, aligning the closing date to that of BMPS to 31st December. The company owns and leases the building where the Bank has moved its head office in April 2012. Based on the last available evaluation report made in February 2025 by an independent advisor, which shows a market value higher than the carrying amount and looking at the macro trends of the real estate market in Luxembourg, the Bank has decided to not perform any impairment test.

Section 9

Heading 90 – Tangible assets

9.1 Tangible assets: composition (in € k)

Assets/value	31/12/2025	30/06/2025
1. Assets owned by Bank	—	—
a) land	—	—
b) buildings	—	—
c) furniture and fitting	—	—
d) electronic equipment	—	—
e) other assets	—	—
2. Right-of-use assets	837	945
a) land	—	—
b) buildings	722	808
c) furniture	—	—
d) electronic equipment	—	—
e) other assets	115	137
Total	837	945

Section 11

Heading 110 – Tax assets

11.1 Current tax assets: composition (in € k)

	CIT ^A	MBT ^B	Other ^C	Total
Balance at the beginning of the year (01/07/2025)	—	77	4107	4.184
Increase of the period (+)	3.301	1.224	407	4.932
- advances paid	3.301	1.224	400	4.925
- transfers	—	—	—	—
- others	—	—	7	7
Decrease of the period (-)	—	77	4.400	4.477
- releases of the year (assessments)	—	77	4.400	4.477
- transfers	—	—	—	—
- others	—	—	—	—
Balance at the end of the fiscal year (31/12/2025)	3.301	1.224	114	4.639

	CIT ^A	MBT ^B	Other ^C	Total
Balance at the beginning of the year (01/07/2024)	—	77	2524	2.601
Increase of the period (+)	—	—	1.600	1.600
- advances paid	—	—	1.600	1.600
- transfers	—	—	—	—
- others	—	—	—	—
Decrease of the period (-)	—	—	17	17
- releases of the year (assessments)	—	—	—	—
- transfers	—	—	—	—
- others	—	—	17	17
Balance at the end of the fiscal year (30/06/2025)	—	77	4.107	4.184

^A Impôt sur le Revenu des Collectivités (‘Corporate Income Tax’, CIT) is a proportional tax levied on gains made by corporations.

^B Impôt Commercial Communal (‘Municipal Business Tax’, MBT) is a municipal tax levied on gains made by corporations.

^C Other taxes primarily include the outstanding balances in respect of Net Wealth Tax (‘NWT’) and Value Added Tax (‘VAT’).

Current tax asset increased from € 4,184k (June 2025) to € 4,639k (December 2025). This is mostly due to tax advance payments for CIT and MBT counterbalanced by the release of not due advances for Net Wealth Tax (category “Other”). All executed accordingly to the last tax assessment received from Tax authority.

11.2 Deferred tax assets: composition (in € k)

	31/12/2025	30/06/2025
- Deferred tax assets recognised in the statement of comprehensive income	—	—
- Deferred tax assets recognised in the net equity	—	—
Total	—	—

There are no Deferred tax assets in the accounts of the Bank.

Section 13

Heading 130 – Other assets

13.1 Other assets: composition (in € k)

	31/12/2025	30/06/2025
1. Gold, silver and precious metal	—	—
2. Accrued income other than capitalized income	1.206	1.457
3. Trade receivables or invoice to be issued	—	—
4. Amount due from tax revenue Authorities (not attributed to heading 110)	—	—
5. Other	3.931	59.135
- <i>transitory accounts</i>	3.221	58.240
- <i>prepayments</i>	710	895
Total	5.137	60.592

Accrued income other than capitalised income from financial assets mainly refer to accrued commissions on credit facilities to corporate clients and it is generally stable year on year.

Transitory accounts decreased from the previous financial year, in particular for an outstanding payment which has been processed in the beginning of July which was suspended in June 2025 (for the amount of € 51.3m).

LIABILITIES

Section 1

Heading 10 – Financial liabilities measured at amortised cost

1.1 Financial liabilities measured at amortised cost: composition of due to banks (in € k)

Type of transactions/Values	31/12/2025				30/06/2025			
	Carrying value	Fair value			Carrying value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Due to Central Banks	—	X	X	X	—	X	X	X
2. Due to banks	2.640.062	X	X	X	2.111.145	X	X	X
2.1 Current accounts and demand deposits	24.314	X	X	X	35.201	X	X	X
2.2 Term deposits	—	X	X	X	—	X	X	X
2.3 Loans	2.615.212	X	X	X	2.022.048	X	X	X
2.3.1 Repos	—	X	X	X	—	X	X	X
2.3.2 Others	2.615.212	X	X	X	2.022.048	X	X	X
2.4 Liabilities in respect of commitments to repurchase own equity instruments	—	X	X	X	—	X	X	X
2.5 Other liabilities	536	X	X	X	53.896	X	X	X
Total	2.640.062	—	2.658.696	—	2.111.145	—	2.128.018	—

The carrying value of amounts due to banks measured at amortised cost increased by 10% at the end of the reference period, rising from € 2.111.145k (June 2025) to € 2.640.062k (December 2025). The transactions reported under this item are de facto carried out with the Mediobanca S.p.A, serving as an internal source of funding to finance the core lending activities. The carrying value of € 2.615.212k reported at the end of December 2025 under ‘other loans’ includes € 65m of subordinated loan, classified as Tier 2 and concluded with the Mediobanca SpA for regulatory capital purposes.¹⁵

For further information about the criteria adopted for the determination of the fair value as well as the classification of the financial instruments within the three-levels of the fair value hierarchy, please refer to Part B - Accounting Policies.

1.2 Financial liabilities measured at amortised cost: composition of due to customers (in € k)

Type of transactions/Values	31/12/2025				30/06/2025			
	Carrying value	Fair value			Carrying value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Current accounts and demand deposits	—	X	X	X	—	X	X	X
2. Term deposits	75.194	X	X	X	45.138	X	X	X
3. Loans	640	X	X	X	703	X	X	X
3.1 Repos	640	X	X	X	703	X	X	X
3.2 Others	—	X	X	X	—	X	X	X
4. Liabilities in respect of commitments to repurchase own equity instruments	—	X	X	X	—	X	X	X
5. Lease payables ¹	853	X	X	X	959	X	X	X
6. Other liabilities	—	X	X	X	—	X	X	X
Total	76.687	—	76.687	—	46.800	—	46.800	—

(1) This heading includes obligations in respect of future instalments payable on leases as provided by IFRS16.

¹⁵For further regulatory details regarding the subordinated Tier 2 loan, please refer to 'Part G – Capital Management: Capital Adequacy – Quantitative Information' on page 180.

For further information about the criteria adopted for the determination of the fair value as well as the classification of the financial instruments within the three-levels of the fair value hierarchy, please refer to Part B - Accounting Policies.

1.3 Financial liabilities measured at amortised cost: composition of securities in issue (in € k)

Type of transactions/Values	31/12/2025				30/06/2025			
	Carrying value	Fair value			Carrying value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Debt securities								
1. Bonds	3.664.967	—	3.849.851	—	3.498.984	—	3.706.509	—
1.1 Structured	82.628	—	82.628	—	74.842	—	80.091	—
1.2 Other	3.582.339	—	3.767.223	—	3.424.142	—	3.626.418	—
2. Other securities	1.524.030	—	1.524.030	—	1.380.726	—	1.380.726	—
2.1 Structured	—	—	—	—	—	—	—	—
2.2 Other	1.524.030	—	1.524.030	—	1.380.726	—	1.380.726	—
Total	5.188.997	—	5.373.881	—	4.879.710	—	5.087.235	—

Under debt securities item, outstanding bonds include approx. €2.9 Bn, guaranteed by the parent company, of derivative arbitrage strategies or indices (skew) on bases mainly linked to credit derivatives and commodity derivatives and, to a lesser extent, also on rates, equity and inflation risk (underlying transaction).

All notes issued involve payment of interest in the form of a coupon, including a premium (extra yield), and the full repayment of capital at maturity. In case of the subscriber opting for early repayment, the issuer has the faculty, at its discretion, to choose a repayment price that takes into account the current fair value (including that of the underlying transactions). As required by par. 4.3.3 of IFRS 9, the embedded derivative, identified by the right to include the arbitrage value within the repayment price, has been separated by the obligation valued at amortized cost and booked at the fair value of underlying transactions.

Other securities item refers to the Commercial Paper program: short-term financing instruments, with duration generally of one year or less, which increased over the year moving from €1.4bn to €1.5bn (+7.1% yoy).

For further information about the criteria adopted for the determination of the fair value as well as the classification of the financial instruments within the three-levels of the fair value hierarchy, please refer to Part B - Accounting Policies.

Section 2

Heading 20 – Trading liabilities

2.1 Trading liabilities: composition (in € k)

Transaction type/Values	31/12/2025				30/06/2025			
	Nominal value	Fair Value			Nominal value	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Cash liabilities								
1. Due to banks	—	—	—	—	—	—	—	—
2. Due to customers	—	—	—	—	—	—	—	—
3. Debt securities	—	—	—	—	—	—	—	—
3.1 Bonds	—	—	—	—	—	—	—	—
3.1.1 Structured	—	—	—	—	—	—	—	—
3.1.2 Other bonds	—	—	—	—	—	—	—	—
3.2 Other securities	—	—	—	—	—	—	—	—
3.2.1 Structured	—	—	—	—	—	—	—	—
3.2.2 Other	—	—	—	—	—	—	—	—
Total (A)	—	—	—	—	—	—	—	—
B. Derivative instruments								
1. Financial derivatives	2.388.738	—	36.526	—	2.256.640	—	41.749	1.512
1.1 Trading	2.388.738	—	36.526	—	2.256.640	—	41.749	1.512
1.2 Related to the fair value option	—	—	—	—	—	—	—	—
1.3 Others	—	—	—	—	—	—	—	—
2. Credit derivatives	1.121.408	—	8.578	3.210	1.583.127	—	15.358	1.951
2.1 Trading	1.121.408	—	8.578	3.210	1.583.127	—	15.358	1.951
2.2 Related to the fair value option	—	—	—	—	—	—	—	—
2.3 Others	—	—	—	—	—	—	—	—
Total (B)	3.510.146	—	45.104	3.210	3.839.767	—	57.107	3.463
Total (A+B)	3.510.146	—	45.104	3.210	3.839.767	—	57.107	3.463

For further information about the criteria adopted for the determination of the fair value as well as the classification of the financial instruments within the three-levels of the fair value hierarchy, please refer to Part B - Accounting Policies.

Section 3

Heading 30 – Financial liabilities designated at fair value

3.1 Financial liabilities designated at fair value: composition

Operation Type/Values	31/12/2025					30/06/2025				
	Nominal value	Fair Value			Fair Value	Nominal value	Fair Value			Fair Value
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
1. Due to banks	—	—	—	—	—	—	—	—	—	—
1.1 Structured	—	—	—	—	—	—	—	—	—	—
1.2 Others	—	—	—	—	—	—	—	—	—	—
of which:										
- commitments to disburse funds	—	—	—	—	—	—	—	—	—	—
- financial guarantees given	—	—	—	—	—	—	—	—	—	—
2. Due to customers	—	—	—	—	—	—	—	—	—	—
2.1 Structured	—	—	—	—	—	—	—	—	—	—
2.2 Others	—	—	—	—	—	—	—	—	—	—
of which:										
- commitments to disburse funds	—	—	—	—	—	—	—	—	—	—
- financial guarantees given	—	—	—	—	—	—	—	—	—	—
3. Debt securities	72.977	—	31.352	40.544	71.896	52.621	—	24.613	28.697	53.310
3.1 Structured	72.977	—	31.352	40.544	71.896	52.621	—	24.613	28.697	53.310
3.2 Others	—	—	—	—	—	—	—	—	—	—
Total	72.977	—	31.352	40.544	71.896	52.621	—	24.613	28.697	53.310

Section 4

Heading 40 – Hedging derivatives

4.1 Hedging derivatives: breakdown by hedge type and level (in € k)

Items/Values	31/12/2025				30/06/2025			
	Notional value	Fair value			Notional value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Financial derivatives	117.322	—	1.912	—	271.232	—	3.165	—
1) Fair value hedges	117.322	—	1.912	—	271.232	—	3.165	—
2) Cash flow hedges	—	—	—	—	—	—	—	—
3) Foreign investments	—	—	—	—	—	—	—	—
B. Credit derivatives	—	—	—	—	—	—	—	—
1) Fair value hedges	—	—	—	—	—	—	—	—
2) Cash flow hedges	—	—	—	—	—	—	—	—
Total	117.322	—	1.912	—	271.232	—	3.165	—

Please refer to Heading 50 (Section 5 Assets). For further information about the criteria adopted for the determination of the fair value as well as the classification of the financial instruments within the three-levels of the fair value hierarchy, please refer to Part B - Accounting Policies.

4.2 Hedging derivatives: breakdown by portfolio hedged and hedge type (in € k)

31/12/2025 Operations/Type of hedging	Fair Value Hedge					Cash Flow Hedge			Net Investments in foreign
	Specific					Generic	Specific	Generic	
	Interest risk	Currency risk	Credit risk	Price risk	Multiple risk				
1. Financial assets valued at FVOCI	—	—	—	—	—	X	—	X	X
2. Financial assets valued at amortised cost	—	—	—	—	—	X	—	X	X
3. Portfolio	X	X	X	X	X	—	X	—	X
4. Other	—	—	—	—	—	X	—	X	—
TOTAL ASSEIS	—	—	—	—	—	—	—	—	—
1. Financial liabilities	1.912	—	—	—	—	X	—	—	X
2. Portfolio	X	X	X	X	X	—	X	—	X
TOTAL LIABILITIES	1.912	—	—	—	—	—	—	—	—
1. Highly probable transactions	X	X	X	X	X	X	—	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	—	X	—	—

30/06/2025 Operations/Type of hedging	Fair Value Hedge					Cash Flow Hedge			Net Investments in foreign
	Specific					Generic	Specific	Generic	
	Interest risk	Currency risk	Credit risk	Price risk	Multiple risk				
1. Financial assets valued at FVOCI	—	—	—	—	—	X	—	X	X
2. Financial assets valued at amortised cost	—	—	—	—	—	X	—	X	X
3. Portfolio	X	X	X	X	X	—	X	—	X
4. Other	—	—	—	—	—	X	—	X	—
TOTAL ASSEIS	—	—	—	—	—	—	—	—	—
1. Financial liabilities	3.165	—	—	—	—	X	—	—	X
2. Portfolio	X	X	X	X	X	—	X	—	X
TOTAL LIABILITIES	3.165	—	—	—	—	—	—	—	—
1. Highly probable transactions	X	X	X	X	X	X	—	X	X
2. Financial assets and liabilities portfolio	X	X	X	X	X	—	X	—	—

Section 6

Heading 60 – Tax liabilities

6.1 Current tax liabilities: composition * (in € k)

	CIT	MBT	Other	Total
Balance at the beginning of the year (01/07/2025)	11.539	4.342	248	16.129
Increase of the period (+)	405	160	—	565
- provisions of the year	405	160	—	565
- transfers	—	—	—	—
- others	—	—	—	—
Decrease of the period (-)	8.666	3.212	36	11.914
- releases of the year (fiscal assessments)	8.666	3.212	36	11.914
- transfers	—	—	—	—
- others	—	—	—	—
Balance at the end of the fiscal year (31/12/2025)	3.278	1.290	212	4.780

	CIT	MBT	Other	Total
Balance at the beginning of the year (01/07/2024)	8.666	3.211	217	12.094
Increase of the period (+)	2.873	1.131	31	4.035
- provisions of the year	2.873	1.131	31	4.035
- transfers	—	—	—	—
- others	—	—	—	—
Decrease of the period (-)	—	—	—	—
- releases of the year (fiscal assessments)	—	—	—	—
- transfers	—	—	—	—
- others	—	—	—	—
Balance at the end of the fiscal year (30/06/2025)	11.539	4.342	248	16.129

* ^A Corporate Income Tax, CIT: Impôt sur le Revenu des Collectivités is a proportional tax levied on gains made by corporations.

* ^B Municipal Business Tax, MBT: Impôt Commercial Communal is a municipal tax levied on gains made by corporations.

* ^C Other taxes include the outstanding balances in respect of Net Wealth Tax ('NWT', Impôt sur la Fortune) and Value Added Tax ('VAT').

The positive result of the current fiscal year lead to a CIT and MBT liability of €405k and €160k respectively.

In the course of the financial year a tax assessment has been received from tax authority and this allowed to release previous provisions for CIT and MTB for €8,666k and €3,212k respectively.

The cumulated liability amount now to €4.780k and include a small portion of VAT payable.

6.2 Deferred tax liabilities: movements of the period (in € k)

Deferred tax liabilities	31/12/2025	30/06/2025
1. Initial amount	—	—
1.1 Initial amount	—	—
2. Additions (+)	—	—
2.1 Deferred tax originated during the period	—	—
2.2 New taxes or increases in tax rates	—	—
2.3 Other additions	—	—
3. Reductions (-)	—	—
3.1 Deferred tax reversed during the period	—	—
3.2 Lowering of tax rates	—	—
3.3 Other reductions	—	—
Total	—	—

Section 8

Heading 80 – Other liabilities

8.1 Other liabilities: composition (in € k)

	31/12/2025	30/06/2025
1. Payment agreements (IFRS 2)	—	—
2. Impaired endorsements	—	—
3. Working capital payables and invoices pending receipt	4.546	7.117
4. Prepaid expenses other than capitalized expenses on related financial assets	—	—
5. Amounts due to revenue authorities	—	—
6. Amounts due to staff	677	668
7. Other items:	4.611	4.225
- bills for collection	—	—
- coupons and dividends pending collection	—	—
- available sums payable to third parties	4.611	4.225
- premiums, grants and other items in respect of lending transactions	—	—
- credit notes to be issued	—	—
- other	—	—
Total	9.834	12.010

Other liabilities are mostly composed of invoices accrued or payable for € 4.546k (€ 7.117k at the end of June 2025) and other items for € 4.611k (€ 4.225k at the end of June 2025). The last consists in particular of accrued commissions payable to related parties for the financial guarantees or retrocessions related to the lending portfolio.

Section 10

Heading 100 – Provisions for risks and charges

10.1 Provisions for risks and charges: composition (in € k)

Items / Values	31/12/2025	30/06/2025
1. Provisions for credit risk related to commitments and financial guarantees issued	653	654
2. Provisions on other obligations and warranties release	—	—
3. Provisions to retirement payment and similar	—	—
4. Other provisions for risks and obligations	—	—
4.1 Legal and fiscal controversies	—	—
4.2 Staff expenses	—	—
4.3 Others	—	—
Total	653	654

10.2 Provisions for risks and charges: provisions for credit risk (in € k)

Provisions for credit risk related to financial obligations and guarantees issued	31/12/2025				30/06/2025			
	Stage1	Stage2	Stage3	Total	Stage1	Stage2	Stage3	Total
Commitments to distribute funds	436	116	—	552	436	129	—	565
Financial guarantees issued	101	—	—	101	89	—	—	89
Total	537	116	—	653	525	129	—	654

Section 15

Heading 150 – Reserves

15.1 Reserves: composition (in € k)

	31/12/2025	30/06/2025
A. Reserves	308.751	314.522
A.1 Legal reserve ⁽¹⁾	1.000	1.000
A.2 Free reserve	273.183	287.512
A.3 NWT reserve ⁽²⁾	34.568	26.010
B. Valuation Reserves ⁽³⁾	-318	-346

(1): under Luxembourg law, an amount equal to at least 5% (five per cent) of the net profit must be allocated to a legal reserve until such reserve equals 10% (ten per cent) of the issued share capital. This reserve is not available for dividend distributions and has been already fully provisioned throughout the previous financial years.

(2): Luxembourg resident companies are subject to a Net Worth Tax ('NWT') of 0.5% of taxable wealth. This charge may be reduced provided the following conditions have been respected: (i) a special reserve account equivalent to five-times the net wealth tax charge for the year is recorded following the decision of the Shareholders meeting, and (ii) the reserve will be maintained for a period of at least five years.

(3): Valuation reserve due to changes in fair value which are attributable to the issuer's own credit standing must be recognized through other comprehensive income (net equity).

15.2 Distributions made and proposed

Following the approval of the shareholders on the annual general meeting dated 21/10/2025 the profit of the previous financial year of € 18,314,850.00 has been fully paid in cash to shareholders.

Section 16

Heading 160 – Share capital

16.1 Share capital

As at 31 December 2025, the issued capital of the Bank amounts to € 10.000.000 and is divided into one million shares fully paid with a par value of € 10 each. No shares were issued, redeemed or cancelled during the financial year.

Authorised capital and issue share capital coincide.

All shares rank equally with regard to the Bank's residual assets. Each share carries one vote at the shareholders' meeting and entitles the holder to participate proportionately in dividends and in any distribution of capital.

As at 31 December 2025, the Bank does not hold any of its own shares.

There are no shares reserved for issue under options or other contracts as at 31 December 2025.

Other information

1. Guarantees and commitments (in € k)

	Nominal value of commitments and financial guarantees				Nominal value of commitments and financial guarantees			
				31/12/2025				30/06/2025
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	Total
1. Commitments to disburse funds	1.437.977	45.000	—	1.482.977	1.514.613	65.777	—	1.580.390
a) Central Banks	—	—	—	—	—	—	—	—
b) Public Administrations	—	—	—	—	—	—	—	—
c) Banks	—	—	—	—	—	—	—	—
d) Other financial companies	237.652	40.000	—	277.652	340.904	60.777	—	401.681
e) Non-financial companies	1.200.325	5.000	—	1.205.325	1.173.709	5.000	—	1.178.709
f) Retail clients	—	—	—	—	—	—	—	—
2. Financial guarantees given	316.243	—	—	316.243	306.341	—	—	306.341
a) Central Banks	—	—	—	—	—	—	—	—
b) Public Administrations	—	—	—	—	—	—	—	—
c) Banks	—	—	—	—	—	—	—	—
d) Other financial companies	125.000	—	—	125.000	125.000	—	—	125.000
e) Non-financial companies	191.243	—	—	191.243	181.341	—	—	181.341
f) Retail clients	—	—	—	—	—	—	—	—

Total amount of “Commitments to disburse funds” item reflects the dynamic of corporate portfolio mentioned above, with a decreasing of Commitments equals to 6.1% in December 2025 from June 2025.

The total amount of financial guarantees issued by the bank remains stable at €316.243k, up from €306.341k in June 2025.

2. Assets encumbered to guarantee own liabilities and commitments (in € k)

Portfolios	Amount	
	31/12/2025	30/06/2025
Financial assets measured at fair value through profit or loss	—	—
Financial assets measured at fair value through other comprehensive income	—	—
Financial assets measured at amortised cost	497.487	582.790
Tangible assets	—	—
Total	497.487	582.790

As of 30 June 2025, the Bank has encumbered assets for approx. € 1.322m of which € 497m originated by the Bank itself (financial instruments valued at amortised cost), whereas € 825m represents the re-use of collateral borrowed from the Parent Bank.

The encumbered assets are mainly related to collaterals pledged under Repurchase Agreements with MB Funding Lux S.A. for EUR 1.201,6m. The remaining 120,7m are encumbered under a Swap agreement with the same SPV.

**PART D - NOTES TO THE STATEMENT OF PROFIT OR LOSS AND OF
OTHER COMPREHENSIVE INCOME**



Section 1

Headings 10 and 20 – Net interest income

1.1 Interest and similar income: breakdown (in € k)

Items/Technical forms	31/12/2025				30/06/2025			
	Debt securities	Loans	Other operations	Total*	Debt securities	Loans	Other operations	Total*
1. Financial assets valued at FVTPL:	7.079	—	—	7.079	7.082	—	—	7.082
1.1. Financial assets held for trading	7.079	—	—	7.079	7.082	—	—	7.082
1.2. Financial assets designated at fair value	—	—	—	—	—	—	—	—
1.3. Other financial assets mandatorily at fair value	—	—	—	—	—	—	—	—
2. Financial assets valued at FVOCI	—	—	X	—	—	—	X	—
3. Financial assets at amortized cost	—	136.294	X	136.294	—	305.906	X	305.906
3.1 Due from banks	—	69.673	X	69.673	—	154.024	X	154.024
3.2 Due from customers	—	66.621	X	66.621	—	151.882	X	151.882
4. Hedging derivatives	X	X	—	—	X	X	—	—
5. Other assets	X	X	271	271	X	X	3.503	3.503
6. Financial liabilities bearing negative interests	X	X	X	—	X	X	X	—
Total	7.079	136.294	271	143.644	7.082	305.906	3.503	316.491

* please refer to the column Total as the valid amount

The decrease in the interest rates applied by the European Central Bank slightly impacted the income generated by the financing activity of the Bank.

Beside the different timeframe of the Financial Statements (6 months versus 12) the income is declining slightly with an amount of €143.644k (December 2025) compared to €316.491k (June 2025). This decline is reflected in both, interests in loans to customers decreased from €151.882k (June 2025, 12 months) to €66.621k (December 2025, 6 months), while interest from loans to banks decreased from €154.024k (June 2025, 12 months) to €69.673k (December 2025, 6 months).

1.2 Interest expense and similar charges: breakdown (in € k)

Items/Technical forms	31/12/2025				30/06/2025			
	Borrowings	Securities issued	Other operations	Total*	Borrowings	Securities issued	Other operations	Total*
1. Financial liabilities at amortized cost	-44.625	-87.646	X	-132.271	-93.840	-197.126	X	-290.966
1.1 Due to central banks	—	X	X	—	—	X	X	—
1.2 Due to banks	-44.102	X	X	-44.102	-92.133	X	X	-92.133
1.3 Due to customers	-523	X	X	-523	-1.707	X	X	-1.707
1.4 Debt securities in issue	X	-87.646	X	-87.646	X	-197.126	X	-197.126
2. Trading financial liabilities	—	—	—	—	—	—	—	—
3. Financial liabilities designated at fair value	—	-283	—	-283	—	-1.824	—	-1.824
4. Other liabilities and funds	X	X	—	—	X	X	—	—
5. Hedging derivatives	X	X	—	—	X	X	-18	-18
6. Financial assets bearing negative interests	X	X	—	—	X	X	—	—
Total	-44.625	-87.929	—	-132.554	-93.840	-198.950	-18	-292.808

* please refer to the column Total as the valid amount

In line with the interest income also the interest expense shows a slight decline in the total figures compared to the previous financial year. In this case the expense in loans borrowed from banks decrease from the previous FY from €92.133k (June 2025, 12 months) to €44.102k (December 2025, 6 months), and in relation to issued notes from € 197.126k (June 2025, 12 months) to €87.646k (December 2025, 6 months).

Section 2

Headings 40 and 50 – Net fee and commission income

2.1 Fee and commission income: breakdown (in € k)

Type of service/Values	31/12/2025	30/06/2025
a) guarantees given	709	1.002
b) credit derivatives	—	—
c) management and brokerage services	4.492	5.333
1. trading in financial instruments	—	—
2. currency trading	—	—
3. portfolio management	—	—
4. securities custody and administration	—	—
5. custodian bank	—	—
6. placement of financial instruments	4.492	5.333
7. reception and transmission of orders	—	—
8. advisory services	—	—
8.1. related to investments	—	—
8.2. related to financial structure	—	—
9. distribution of third parties services	—	—
9.1. portfolio management	—	—
9.1.1. individual	—	—
9.1.2. collective	—	—
9.2. insurance products	—	—
9.3. other products	—	—
d) collection and payment services	—	—
e) securitization servicing	—	—
f) factoring services	—	—
g) tax collection services	—	—
h) management of multilateral trading facilities	—	—
i) management of current account	—	—
j) other services	5.172	12.154
Total	10.373	18.489

Fee and commission income are connected to the lending activity of the Bank. These are related to the contracts and assume various forms as the followings: underwriting fees, waiver, amendment, extension, ongoing and bookrunning fees.

2.1.1 Fee and commission income: other services breakdown (in € k)

Other services (breakdown)	31/12/2025	30/06/2025
Loans - ongoing fees	2.702	6.410
Stock lending fees	1.675	3.315
NSFR fees	795	2.429
Treasury fees	—	—
Total	5.172	12.154

The two periods are broadly comparable, taking into account the six-month period under review versus the twelve months of the previous financial year, although there are significant differences in the composition of income.

In particular, revenues from the placement of financial instruments reflected a very active semester, supported by a strong pipeline of new loans and related commissions. This was also driven by the general decrease in interest rates compared to the previous year. Conversely, NSFR fees, also impacted by the decline in interest rates, generated revenues of €795k as of December 2025, compared to €2,429k as of June 2025. The funding cost borne by the Bank to generate additional ASF (Available Stable Funding, the denominator of the NSFR ratio), as a consequence of its role as the Group reference center for the short-term funding program, showed a slight decline from the previous period. Average cash collected through commercial papers and reinvested decreased from €791m in FY 2024–25 to €646m in the second half of 2025, representing an 18,35% year-on-year reduction.

2.2 Fee and commission expense: breakdown (in € k)

Services/Amounts	31/12/2025	30/06/2025
a) guarantees received	—	—
b) credit derivatives	—	—
c) management and brokerage services	-4.471	-6.854
1. trading in financial instruments	—	—
2. currency trading	—	—
3. portfolios management:	—	—
3.1 own portfolio	—	—
3.2 third parties portfolio	—	—
4. securities custody and administration	—	—
5. placement of financial instruments	-4.471	-6.854
6. off-site distribution of financial instruments, products and services	—	—
d) collection and payment services	-62	-842
e) other services	-2.395	-6.160
Total	-6.928	-13.856

2.2.1 Fee and commission expense: other services breakdown (in € k)

Other services (breakdown)	31/12/2025	30/06/2025
Loans - ongoing fees	-1.111	-2.824
Stock lending fees	-822	-1.371
CD-CP fees	—	—
Treasury fees	-462	-1.965
Total	-2.395	-6.160

Section 3

Heading 70 – Dividends and similar income

3.1 Dividends and similar income: breakdown (in € k)

Item / Income	31/12/2025		30/06/2025	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily measured at fair value	826	-	-	-
C. Financial assets measured at fair value through other comprehensive income	-	-	-	-
D. Equity investments	-	-	-	-
Total	826	-	-	-

Heading 80 – Net trading income/expense

3.2 Net trading income (expense): breakdown (in € k)

Transactions / Income	Unrealized profit (A)	Realized profit (B)	Unrealized losses (C)	Realized losses (D)	Net Profit 31/12/2025*	Net Profit 30/06/2025*
1. Financial trading assets	986	1.058	-655	-199	1.190	1.450
1.1 Debt securities	986	—	-655	-199	132	809
1.2. Equity	—	1.058	—	—	1.058	641
1.3. O.I.C.R. shares	—	—	—	—	—	—
1.4. Loans	—	—	—	—	—	—
1.5. Others	—	—	—	—	—	—
2. Financial trading liabilities	—	—	—	—	—	—
2.1. Debt securities	—	—	—	—	—	—
2.2. Borrowings and deposits	—	—	—	—	—	—
2.3. Others	—	—	—	—	—	—
3. Financial assets and liabilities in foreign currencies: exchange differences	X	X	X	X	-968	8.689
4. Derivatives	29.068	6.843	-30.781	-7.261	-1.286	-5.466
4.1 Financial derivatives:	19.110	6.647	-20.416	-4.275	1.911	-2.787
4.1.1 debt securities and interest rates	5.812	2.151	-5.727	-1.886	350	1.092
4.1.2 equity securities and shares indexes	2.260	4.474	-3.725	-2.389	620	-315
4.1.3 currencies and gold	X	X	X	X	845	-3.564
4.1.4 other	11.038	22	-10.964	—	96	—
4.2. Credit derivatives	9.958	196	-10.365	-2.986	-3.197	-2.679
Total	30.054	7.901	-31.436	-7.460	-1.064	4.673

* please refer to the column Net Profit as the valid amount

Transactions / Income	Unrealized profit (A)	Realized profit (B)	Unrealized losses (C)	Realized losses (D)	Net Profit 30/06/2025*	Net Profit 30/06/2024*
1. Financial trading assets	865	641	-56	—	1.450	9.430
1.1 Debt securities	865	—	-56	—	809	6.135
1.2. Equity	—	641	—	—	641	3.295
1.3. O.I.C.R. shares	—	—	—	—	—	—
1.4. Loans	—	—	—	—	—	—
1.5. Others	—	—	—	—	—	—
2. Financial trading liabilities	—	—	—	—	—	—
2.1. Debt securities	—	—	—	—	—	—
2.2. Borrowings and deposits	—	—	—	—	—	—
2.3. Others	—	—	—	—	—	—
3. Financial assets and liabilities in foreign currencies: exchange differences	X	X	X	X	8.689	4.986
4. Derivatives	72.338	12.650	-75.109	-11.781	-5.466	-17.441
4.1 Financial derivatives:	54.630	11.629	-57.124	-8.358	-2.787	-10.071
4.1.1 debt securities and interest rates	29.365	7.315	-27.851	-7.737	1.092	-2.802
4.1.2 equity securities and shares indexes	970	4.314	-4.978	-621	-315	-3.727
4.1.3 currencies and gold	X	X	X	X	-3.564	-3.542
4.1.4 other	24.295	—	-24.295	—	—	—
4.2. Credit derivatives	17.708	1.021	-17.985	-3.423	-2.679	-7.370
Total	73.203	13.291	-75.165	-11.781	4.673	-3.025

* please refer to the column Net Profit as the valid amount

Net trading result decreased compared to June 2025 moving from €4.67m to €-1,06m, mainly attributable to:

- a stable contribution from realized and unrealized items, amounting to €-941k in December 2025 (€-452k in June 2025);
- the dynamic of the net foreign exchange loss, which can be explained as the sum of (i) the exchange differences on financial assets and liabilities in foreign currencies (cf. caption 3. of the table above), and (ii) the net gain/loss on financial derivatives on currencies and gold (cf. caption 4.1.3 of the table above). Net foreign exchange item, throughout the financial year, passed from € 8.689k of June 2025 to € -968k of December 2025.

Section 4

Heading 90 – Net hedging income/expense

4.1 Net hedging income (expense): breakdown (in € k)

	31/12/2025	30/06/2025
A. Income from:		
A.1 Fair value hedge derivatives	613	4.653
A.2 Financial assets hedged (fair value)	—	—
A.3 Financial liabilities hedged (fair value)	665	364
A.4 Cash flow hedge financial derivatives	—	—
A.5 Assets and liabilities in foreign currency	—	—
Total hedging income (A)	1.278	5.017
B. Expenses relating to:		
B.1 Fair value hedge derivatives	-1.100	-3.871
B.2 Financial assets hedged (fair value)	—	—
B.3 Financial liabilities hedged (fair value)	-276	-1.110
B.4 Cash flow hedge financial liabilities	—	—
B.5 Assets and liabilities in foreign currency	—	—
Total hedging expenses (B)	-1.376	-4.981
C. Net hedging income (A-B)	-98	36

The fair value change due to the exchange rate for the hedged instrument is recorded under profit and loss - Heading 90 “Net hedging income (expense)” - while the remaining fair value (any difference, i.e. partial ineffectiveness of the hedging derivatives) is recorded under Heading 80, “Net trading gains (losses)”.

Section 5

Heading 100 – Gain or loss on disposals or repurchases

5.1 Gain (loss) on disposals/repurchases breakdown (in € k)

Items/Income	31/12/2025			30/06/2025		
	Gains	Losses	Net profit (loss)	Gains	Losses	Net profit (loss)
A Financial assets						
1. Financial assets valued at amortized cost	—	—	—	236	-58	178
1.1 Loans and receivables from banks	—	—	—	—	—	—
1.2 Loans and receivables from customers	—	—	—	236	-58	178
2. Financial assets valued at FVOCI	—	—	—	—	—	—
2.1 Debt securities	—	—	—	—	—	—
2.2 Loans	—	—	—	—	—	—
Total assets (A)	—	—	—	236	-58	178
B Financial liabilities valued at amortized cost						
1. Deposits with banks	—	—	—	—	—	—
2. Deposits with customers	—	—	—	—	—	—
3. Debt securities in issue	1	—	1	—	—	—
Total liabilities (B)	1	—	1	—	—	—

Thanks to the optimization of the financing portfolio occurred in the last periods the Bank did not continue this financial year with disposals or purchases of financial assets.

Heading 110 – Gain or loss on other financial assets and liabilities measured at FVTPL net

5.2 Net variation in the value of other financial assets and liabilities measured at FVTPL: breakdown of financial assets and liabilities designated at fair value (in €k)

	31/12/2025	Capital gains (A)	Proceeds from disposal (B)	Capital Losses (C)	Minus from disposal (D)	Net result* [(A+B)-(C+D)]
1. Financial assets		160	143	1.571	—	-1.268
1.1 Debt securities		—	—	—	—	—
1.2 Loans		160	143	1.571	—	-1.268
2. Financial liabilities		1.525	346	1.593	1.301	-1.023
2.1 Debt securities in issue		1.525	346	1.593	1.301	-1.023
2.2 Due to banks		—	—	—	—	—
2.3 Due to customers		—	—	—	—	—
3. Foreign-currency denominated financial assets and liabilities: exchange rate differences		X	X	X	X	49
Total		1.685	489	3.164	1.301	-2.242

* please refer to the column Net Result as the valid amount

	30/06/2025	Capital gains (A)	Proceeds from disposal (B)	Capital Losses (C)	Minus from disposal (D)	Net result* [(A+B)-(C+D)]
1. Financial assets		1.129	33	67	—	1.095
1.1 Debt securities		—	—	—	—	—
1.2 Loans		1.129	33	67	—	1.095
2. Financial liabilities		1.132	1.254	1.755	3.789	-3.158
2.1 Debt securities in issue		1.132	1.254	1.755	3.789	-3.158
2.2 Due to banks		—	—	—	—	—
2.3 Due to customers		—	—	—	—	—
3. Foreign-currency denominated financial assets and liabilities: exchange rate differences		X	X	X	X	774
Total		2.261	1.287	1.822	3.789	-1.289

* please refer to the column Net Result as the valid amount

5.3 Net variation in the value of other financial assets and liabilities measured at FVTPL: breakdown of other financial assets mandatorily measured at fair value (in € k)

	31/12/2025	Capital gains (A)	Proceeds from disposal (B)	Capital Losses (C)	Minus from disposal (D)	Net result* [(A+B)-(C+D)]
1. Financial assets		1.851	—	—	—	1.851
1.1 Debt securities		—	—	—	—	—
1.2 Equity securities		—	—	—	—	—
1.3 UCITs		1.851	—	—	—	1.851
1.4 Loans		—	—	—	—	—
2. Foreign-currency denominated financial assets and liabilities: exchange rate differences		X	X	X	X	-126
Total		1.851	—	—	—	1.725

* please refer to the column Net Result as the valid amount

30/06/2025	Capital gains (A)	Proceeds from disposal (B)	Capital Losses (C)	Minus from disposal (D)	Net result * [(A+B)-(C+D)]
1. Financial assets	6.533	—	—	—	6.533
1.1 Debt securities	—	—	—	—	—
1.2 Equity securities	—	—	—	—	—
1.3 UCITs	6.533	—	—	—	6.533
1.4 Loans	—	—	—	—	—
2. Foreign-currency denominated financial assets and liabilities: exchange rate differences	X	X	X	X	-5.862
Total	6.533	—	—	—	671

* please refer to the column Net Result as the valid amount

Section 6

Heading 130 – Net write-off for credit risk

6.1 Net write-off for credit risk: breakdown (in € k)

Items/Income	Writedowns (1)			Writebacks (2)		31/12/2025 (1)+(2)	30/06/2025
	Stage1 and Stage2	Stage3		Stage1 and Stega2	Stage3		
		Write-off	Others				
A Loans and receivables with banks	-359	—	—	—	—	-359	-511
- Loans and receivables	-359	—	—	—	—	-359	-511
- Notes	—	—	—	—	—	—	—
of which: financial assets purchased or originated credit impaired	—	—	—	—	—	—	—
B Loans and receivables with customers	-356	—	—	109	—	-247	414
- Loans and receivables	-356	—	—	109	—	-247	414
- Notes	—	—	—	—	—	—	—
of which: financial assets purchased or originated credit impaired	—	—	—	—	—	—	—
Total	-715	—	—	109	—	-606	-97

Impairment provisions for credit exposures worth a negative contribution of € -0,6m in December 2025; the effect is mainly driven by higher drawn customer loans during the period and increased intercompany transaction volumes.

The overlay amounts to €0.25 m in December 2025 and remains substantially stable compared to June 2025 (€0.2m). Accordingly, the impact recognised in profit or loss during the period in relation to overlay-related expected credit loss adjustments is not material and remains residual for the period under review. For further details, please refer to Section 1.1, Credit Risk, in Part F.

Section 7

Heading 190 – Administrative expenses

7.1 Personnel costs: breakdown (in € k)

Type of expense/Amounts	31/12/2025	30/06/2025
1. Employees	-1.638	-3.364
a) wages and salaries	-1.274	-2.650
b) social security contributions	-43	-80
c) severance indemnities	—	—
d) pension contributions	-86	-152
e) transfers to severance indemnity provision	—	—
f) transfers to post-employment and similar benefits:	—	—
– defined contribution	—	—
– defined benefit	—	—
g) payments to outside complementary pension schemes:	-140	-286
– defined contribution	-140	-286
– defined benefit	—	—
h) expenses incurred in connection with share payment schemes	-29	-20
i) other staff benefits	-66	-176
2. Other staff	—	—
3. Board members	-131	-175
Total	-1.769	-3.539

Expenditure on salaries is perfectly in line compared to June 2025 (considering the half-year period).

The employee number is also stable (please see number of employees, cf. caption 7.2). The different seniority level shown at the end of the two financial years did not impact the overall expense since the average seniority during the two periods has been stable.

7.2 Number of employees by category

	31/12/2025	30/06/2025
Employees	19	17
a) senior executives	4	3
b) executives	1	—
c) other employees	14	14
Other staff	—	2
Total	19	19

7.3 Other administrative expenses: breakdown (in € k)

Type of expense/Amounts	31/12/2025	30/06/2025
OTHER ADMINISTRATIVE EXPENSES		
– legal, tax and professional services	-650	-716
– loan recovery activity	—	—
– marketing and communication	-5	-12
– property expenses	-37	-89
– IT and data processing	-1.240	-2.367
– Info-provider	-16	-31
– bank charges, collection and payment fees	-84	-116
– operating expenses	-911	-1.907
– other staff expenses	-58	-44
– other costs	-107	-906
– indirect and other taxes	-306	-308
Total	-3.414	-6.496

Other administrative expenses amount to €3,414k as of December 2025 (6 months), whereas in June 2025 administrative costs amounted to €6,496k. During the fiscal year, a general increase in expenses was recorded, mainly driven by IT and advisory costs. This negative trend was partially offset by a decrease in regulatory expenses.

Section 8

Heading 200 – Net adjustments to provisions for risks and charges

8.1 Net adjustments to provisions for risks and charges: composition of the net provisions for credit risk related to commitments to disburse funds and/or financial guarantees issued (in € k)

	31/12/2025			30/06/2025		
	Net provisions	Net releases of surplus	Total	Net provisions	Net releases of surplus	Total
Loan commitments	13	—	13	233	—	233
Financial guarantees issued	-12	—	-12	-86	—	-86
Total	1	—	1	147	—	147

Section 9

Heading 210 – Net adjustments to tangible assets

9.1 Value adjustments in respect of tangible assets: breakdown (in € k)

Asset/Income	Depreciation (a)	Impairment (b)	Write-back (c)	Net result (a+b-c)
A. Property, equipment and investment properties				
1 For operational use	-108	—	—	-108
- Owned	—	—	—	—
- Licences acquired through leases	-108	—	—	-108
2 Held for investment purpose	—	—	—	—
- Owned	—	—	—	—
- Licences acquired through leases	—	—	—	—
Total 31/12/2025	-108	—	—	-108
Total 30/06/2025	-223	—	—	-223

Asset/Income	Depreciation (a)	Impairment (b)	Write-back (c)	Net result (a+b-c)
A. Property, equipment and investment properties				
1 For operational use	-223	—	—	-223
- Owned	—	—	—	—
- Licences acquired through leases	-223	—	—	-223
2 Held for investment purpose	—	—	—	—
- Owned	—	—	—	—
- Licences acquired through leases	—	—	—	—
Total 30/06/2025	-223	—	—	-223
Total 30/06/2024	-215	—	—	-215

Section 10

Heading 230 – Other operating income (expense)

10.1 Other operating income (expenses): breakdown (in € k)

	31/12/2025	30/06/2025
a) Leasing activity	—	—
b) Other expenses	-2	-58
Total expense	-2	-58
a) Amounts recovered from customers	—	—
b) Leasing activity	—	—
c) Other income	201	34
Total income	201	34
Net income (expense)	199	-24

The caption “Other expenses” and “Other income” did not record any significant event in the Financial year ended in June 2025. This Financial year the other income shows a gain related to the early termination of a financial liability. This income was primarily driven by changes in the yield curve since the inception of the financing.

Section 11

Heading 300 – Income tax on the ordinary activity

11.1 Income tax on the ordinary activity: composition (in € k)

	31/12/2025	30/06/2025
1. Current tax expenses	-596	-4.039
2. Changes in current tax expenses of the previous years	—	—
3. Changes of deferred tax assets	—	—
4. Changes of deferred tax liabilities	—	—
Total	-596	-4.039

Income tax on the ordinary activity amount to € -596k and consists of:

- a) the Net Wealth Tax ('NWT') charge amounting to € nil (€ nil in June 2025) thanks to the creation of the NWT reserve (see Heading 150 – Reserves);
- b) Payment on WHT on dividend to shareholder for €32k;
- c) the income taxes for an amount of €564k, are the result of:
 - €405k of Corporate income tax ('CIT');
 - €159k of Municipality business tax ('MBT');

11.2 Reconciliation of the effective tax expense to the theoretical tax expense at a standard tax rate in Luxembourg (in € k)

	31/12/2025				30/06/2025			
	IRC		ICC		IRC		ICC	
	Applicable rate	Absolute value	Applicable rate	Absolute value	Applicable rate	Absolute value	Applicable rate	Absolute value
Total profit or loss before tax from the current operations	17,12%	7.985	6,75%	7.985	17,12%	22.353	6,75%	22.353
Theoretical tax expense at a standard rate	17,12%	1.367	6,75%	539	17,12%	3.827	6,75%	1.509
Non deductible expenses (+)	17,12%	17	6,75%	6	17,12%	23	6,75%	8
<i>Director fees</i>	17,12%	15	6,75%	5	17,12%	20	6,75%	6
<i>Withholding tax on director fees</i>	17,12%	2	6,75%	1	17,12%	3	6,75%	2
Withholding tax on dividends	17,12%	5	6,75%	2	17,12%	6	6,75%	2
Tax adjustment (-)	17,12%	0	6,75%	0	17,12%	0	6,75%	0
Tax allowance (-)	17,12%	-984	6,75%	-388	17,12%	-984	6,75%	-388
Effective tax expense at standard rates	17,12%	405	6,75%	159	17,12%	2.872	6,75%	1.131

PART E – OPERATING SEGMENT REPORTING



A. PRIMARY SEGMENT REPORTING

Under IFRS 8, an entity must disclose information to enable users of its financial statements to evaluate the nature and financial efforts of the different business activities in which it engages and the different economic environments in which it operates (referred to as “operating segments”). The Bank does not run separate accounts or reporting for individual divisions or other business segments, primary because the business is essentially focused on wholesale banking.

The local management (Chief Operating Decision Maker “CODM”) is responsible for setting the objectives of the strategic plan in terms of markets, products, segments. The segment reporting is aligned with the internal reporting reviewed by the CODM and reflects the way in which the Bank operates and manages its business, ensuring consistency with other internal reporting (ie. ALM reporting). The criteria applied in the current year are consistent with those adopted in the previous year and continue to be based on the following operating segments: Corporate and Investment Banking, Equity, Treasury and Corporate center.

For the purposes of preparation of the Segment Reporting, balance sheet results attributed to the various business sectors were calculated according to the accounting principles used in the preparation and presentation of the financial statements. Use of the same accounting standards allows segment data and financial position data to be effectively reconciled.

The business segments are formed by aggregating lines of business that share similar characteristics in terms of the types of products and services offered.

The tables for the Profit or Loss accounts reflect what is explained above for the Balance Sheet.

No operating segments have been aggregated to form the above reportable operating segments, and the following are managed on a Group basis and are not allocated to operating segments: administrative expenses, capital expenditures, current taxes, deferred taxes, and certain assets and liabilities.

A.1 Financial statement by business segment (in € k)

CAPTION	Corporate and Investment Banking	Equity	Treasury/HF	Corporate Center	31/12/2025
Banking book - core activities	3.265.013	68.390	-	-	3.333.403
<i>o/w: Loan to Customer</i>	<i>3.265.013</i>	-	-	-	<i>3.265.013</i>
Treasury and cash	-	-	4.789.383	-	4.789.383
Financial trading activities	264.094	-	65.819	-	329.913
Other assets - segment	2.001	4.150	4.631	5.477	16.258
TOTAL ASSETS	3.531.108	72.540	4.859.833	5.477	8.468.957
Funding	-3.691.472	-	-	-853	-3.692.325
Treasury Funding	-	-	-4.285.316	-	-4.285.316
Trading liabilities	-1.543	-	-46.772	-	-48.314
Other liabilities - segment	-2.869	-	-1.912	-12.398	-17.179
TOTAL LIABILITIES (Funding + Trading)	-3.695.884	-	-4.334.000	-13.251	-8.043.135

CAPTION	Corporate and Investment Banking	Equity	Treasury/HF	Corporate Center	30/06/2025
Banking book - core activities	2.882.268	60.543	-	-	2.942.811
<i>o/w: Loan to Customer</i>	2.882.268	-	-	-	2.882.268
Treasury and cash	-	-	4.353.107	-	4.353.107
Financial trading activities	178.436	-	77.960	-	256.395
Other assets - segment	3.335	4.150	60.921	5.265	73.671
TOTAL ASSETS	3.064.038	64.693	4.491.988	5.265	7.625.984
Funding	-3.157.752	-	-	-959	-3.158.711
Treasury Funding	-	-	-3.932.255	-	-3.932.255
Trading liabilities	-6.002	-	-54.568	-	-60.570
Other liabilities - segment	-2.410	-	-3.165	-26.383	-31.959
TOTAL LIABILITIES (Funding + Trading)	-3.166.164	-	-3.989.988	-27.342	-7.183.494

A.2 Statement of Profit or Loss data by business segment (in € k)

CAPTION	Corporate and Investment Banking	Equity	Treasury/HF	Corporate Center	31/12/2025
010. Interest and similar income	68.061	-	75.312	-	143.373
020. Interest and similar charges	-62.735	-	-69.542	-5	-132.283
030. Net interest income	5.326	-	5.770	-5	11.091
040. Fee and commission income	7.903	-	2.470	-	10.373
050. Fee and commission expenses	-5.644	-	-1.285	-	-6.929
060. Net fee and commission income	2.259	-	1.185	-	3.444
070. Dividend and similar income	-	826	-	-	826
080. Net trading income (expenses)	-623	-6	-436	-	-1.065
090. Net hedging income (expenses)	-98	-	-	-	-98
100. Gains (losses) on disposal or repurchase of:	1	-	-	-	1
<i>a) financial assets measured at amortised cost</i>	-	-	-	-	-
<i>b) financial assets measured at fair value through other comprehensive income</i>	-	-	-	-	-
<i>c) financial liabilities</i>	1	-	-	-	1
110. Gains (losses) on other financial assets and liabilities measured at fair value through profit or loss:	-2.242	1.725	-	-	-517
<i>a) financial assets and liabilities designated at fair value</i>	-2.242	-	-	-	-2.242
<i>b) Other financial assets mandatorily measured at fair value</i>	-	1.725	-	-	1.725
120. Total income	4.623	2.545	6.520	-5	13.682
130. Net write-offs (write-backs) for credit risk:	-247	-	-359	-	-606
150. Net income from financial operations	4.376	2.545	6.161	-5	13.076
190. Administrative expenses:	-	-	-	-5.183	-5.183
200. Net adjustments to provisions for risks and charges	1	-	-	-	1
210. Net adjustments to tangible assets	-	-	-	-107	-107
230. Other operating income (expenses)	199	-	-	-	199
290. Profit (loss) of the ordinary activity before tax	4.575	2.545	6.161	-5.296	7.985
300. Income tax on the ordinary activity	-	-	-	-596	-596
330. Profit (loss) for the year	4.575	2.545	6.161	-5.892	7.389

CAPTION		Corporate and Investment Banking	Equity	Treasury/HF	Corporate Center	30/06/2025
010.	Interest and similar income	150.159	3.503	162.829	-	316.491
020.	Interest and similar charges	-140.553	-	-152.218	-36	-292.807
030.	Net interest income	9.606	3.503	10.611	-36	23.684
040.	Fee and commission income	12.745	-	5.744	-	18.489
050.	Fee and commission expenses	-10.520	-	-3.336	-	-13.856
060.	Net fee and commission income	2.225	-	2.407	-	4.633
080.	Net trading income (expenses)	11.401	-	-6.729	-	4.672
090.	Net hedging income (expenses)	36	-	-	-	36
100.	Gains (losses) on disposal or repurchase of:	178	-	-	-	178
	<i>a) financial assets measured at amortised cost</i>	178	-	-	-	178
	<i>b) financial assets measured at fair value through other comprehensive income</i>	-	-	-	-	-
	<i>c) financial liabilities</i>	-	-	-	-	-
110.	Gains (losses) on other financial assets and liabilities measured at fair value through profit or loss, net	-1.289	671	-	-	-617
	<i>a) financial assets and liabilities designated at fair value</i>	-1.289	-	-	-	-1.289
	<i>b) Other financial assets mandatorily measured at fair value</i>	-	671	-	-	671
120.	Total income	22.157	4.174	6.289	-36	32.585
130.	Net write-offs (write-backs) for credit risk:	414	-	-511	-	-97
150.	Net income from financial operations	22.571	4.174	5.778	-36	32.488
190.	Administrative expenses:	-	-	-	-10.034	-10.034
200.	Net adjustments to provisions for risks and charges	147	-	-	-	147
210.	Net adjustments to tangible assets	-	-	-	-223	-223
230.	Other operating income (expenses)	30	-	-	-54	-24
290.	Profit (loss) of the ordinary activity before tax	22.747	4.174	5.778	-10.347	22.353
300.	Income tax on the ordinary activity	-	-	-	-4.039	-4.039
330.	Profit (loss) for the year	22.747	4.174	5.778	-14.385	18.315

B. SECONDARY SEGMENT REPORTING

The Bank operates in four main geographical Country markets: Luxembourg, Italy, U.S.A and the U.K. The other countries are classified under the caption “Rest of the World”. The following tables show the distribution of the Bank’s financial and statement of profit or loss based on the location of the customers for the years ended 31 December 2025 and 30 June 2024.

Determination of reportable secondary segments include the Bank’s domicile secondary segment and major geographical locations based on external interest and similar income, and fees and commission income, all of which are considered individually material for the Bank. The aggregation of smaller operating segments into the “Rest of the World” is undertaken for locations that did not meet the criteria for individual reporting.

B.1 Financial statement by geographical region (in € k)

CAPTION	LUXEMBOURG	ITALY	U.S.A	U.K.	REST OF THE WORLD	31/12/2025
Banking book - core activities	308.243	-	739.438	634.402	1.651.321	3.333.403
<i>o/w: Loan to Customer</i>	<i>308.243</i>	<i>-</i>	<i>739.438</i>	<i>566.012</i>	<i>1.651.321</i>	<i>3.265.013</i>
Treasury and cash	15.069	4.774.314	-	-	-	4.789.383
Financial trading activities	66.283	58.250	-	34.370	171.009	329.913
Other assets - segment	9.806	5.922	62	241	227	16.258
TOTAL ASSETS	399.402	4.838.486	739.499	669.013	1.822.557	8.468.957
Funding	-1.077.114	-2.615.212	-	-	-	-3.692.325
Treasury Funding	-4.260.861	-24.455	-	-	-	-4.285.316
Trading liabilities	-1.659	-43.445	-	-	-3.210	-48.314
Other liabilities - segment	-5.882	-8.689	-104	-1.387	-1.119	-17.179
TOTAL LIABILITIES (Funding + Trading)	-5.345.516	-2.691.801	-104	-1.387	-4.329	-8.043.135

CAPTION	LUXEMBOURG	ITALY	U.S.A	U.K.	REST OF THE WORLD	30/06/2025
Banking book - core activities	318.273	-	551.692	496.165	1.576.681	2.942.811
<i>o/w: Loan to Customer</i>	<i>318.273</i>	<i>-</i>	<i>551.692</i>	<i>435.622</i>	<i>1.576.681</i>	<i>2.882.268</i>
Treasury and cash	12.480	4.340.627	-	-	-	4.353.107
Financial trading activities	114.566	45.036	-	23.340	73.452	256.395
Other assets - segment	66.634	6.494	69	214	260	73.671
TOTAL ASSETS	511.953	4.392.157	551.761	519.719	1.650.394	7.625.984
Funding	-1.136.663	-2.022.048	-	-	-	-3.158.711
Treasury Funding	-3.896.960	-35.296	-	-	-	-3.932.255
Trading liabilities	-6.117	-52.502	-	-	-1.951	-60.570
Other liabilities - segment	-17.255	-12.662	-339	-344	-1.358	-31.959
TOTAL LIABILITIES (Funding + Trading)	-5.056.994	-2.122.508	-339	-344	-3.309	-7.183.494

B.2 Statement of Profit or Loss by geographical region (in € k)

CAPTION		LUXEMBOURG	ITALY	U.S.A	UK	REST OF THE WORLD	31/12/2025
010.	Interest and similar income	14.016	69.735	19.138	12.556	27.929	143.373
020.	Interest and similar charges	-88.381	-43.902	-	-	-	-132.283
030.	Net interest income	-74.365	25.833	19.138	12.556	27.929	11.091
040.	Fee and commission income	245	3.498	2.082	1.855	2.693	10.373
050.	Fee and commission expenses	0	-6.850	-	-	-79	-6.929
060.	Net fee and commission income	245	-3.352	2.082	1.855	2.614	3.444
070.	Dividend and similar income	-	-	-	826	0	826
080.	Net trading income (expenses)	-7.608	20.435	-6.087	-3.308	-4.497	-1.065
090.	Net hedging income (expenses)	313	-411	-	-	-	-98
100.	Gains (losses) on disposal or repurchase of:	1	-	-	-	-	1
	<i>a) financial assets measured at amortised cost</i>	-	-	-	-	-	-
	<i>b) financial assets measured at fair value through other comprehensive income</i>	-	-	-	-	-	-
	<i>c) financial liabilities</i>	1	-	-	-	-	1
110.	Gains (losses) on other financial assets and liabilities measured at fair value through profit or loss, net	-1.048	-1.194	-	1.725	-	-517
	<i>a) financial assets and liabilities designated at fair value</i>	-1.048	-1.194	-	-	-	-2.242
	<i>b) Other financial assets mandatorily measured at fair value</i>	0	-	-	1.725	-	1.725
120.	Total income	-82.462	41.311	15.133	13.655	26.046	13.682
130.	Net write-offs (write-backs) for credit risk:	-20	-359	-176	17	-68	-606
150.	Net income from financial operations	-82.482	40.952	14.957	13.672	25.977	13.076
190.	Administrative expenses:	-2.504	-2.250	-13	0	-417	-5.183
200.	Net adjustments to provisions for risks and charges	8	8	-30	-11	26	1
210.	Net adjustments to tangible assets	-107	-	-	-	-	-107
230.	Other operating income (expenses)	5	161	33	-	-	199
290.	Profit (loss) of the ordinary activity before tax	-85.081	38.871	14.947	13.661	25.586	7.985
300.	Income tax on the ordinary activity	-596	-	-	-	-	-596
330.	Profit (loss) for the year	-85.677	38.871	14.947	13.661	25.586	7.389

CAPTION		LUXEMBOURG	ITALY	U.S.A	UK	REST OF THE WORLD	30/06/2025
010.	Interest and similar income	30.624	152.558	41.179	29.904	62.226	316.491
020.	Interest and similar charges	-201.446	-91.362	-	-	-	-292.807
030.	Net interest income	-170.822	61.197	41.179	29.904	62.226	23.684
040.	Fee and commission income	285	7.449	1.469	4.485	4.800	18.489
050.	Fee and commission expenses	-	-13.772	-	-4	-80	-13.856
060.	Net fee and commission income	285	-6.323	1.469	4.480	4.721	4.633
080.	Net trading income (expenses)	55.202	24.341	-50.764	-14.797	-9.310	4.672
090.	Net hedging income (expenses)	-746	782	-	-	-	36
100.	Gains (losses) on disposal or repurchase of:	15	-	163	-	-	178
	<i>a) financial assets measured at amortised cost</i>	15	-	163	-	-	178
	<i>b) financial assets measured at fair value through other comprehensive income</i>	-	-	-	-	-	-
	<i>c) financial liabilities</i>	-	-	-	-	-	-
110.	Gains (losses) on other financial assets and liabilities measured at fair value through profit or loss, net	-1.873	1.907	-	-652	-	-617
	<i>a) financial assets and liabilities designated at fair value</i>	-3.196	1.907	-	-	-	-1.289
	<i>b) Other financial assets mandatorily measured at fair value</i>	1.323	-	-	-652	-	671
120.	Total income	-117.938	81.904	-7.952	18.935	57.636	32.585
130.	Net write-offs (write-backs) for credit risk:	6	-475	273	19	79	-97
150.	Net income from financial operations	-117.932	81.429	-7.679	18.954	57.716	32.488
190.	Administrative expenses:	-5.156	-4.439	-28	-	-411	-10.034
200.	Net adjustments to provisions for risks and charges	-21	-34	44	-34	190	147
210.	Net adjustments to tangible assets	-223	-	-	-	-	-223
230.	Other operating income (expenses)	-38	-	5	-	9	-24
290.	Profit (loss) of the ordinary activity before tax	-123.370	76.957	-7.658	18.920	57.504	22.353
300.	Income tax on the ordinary activity	-4.039	-	-	-	-	-4.039
330.	Profit (loss) for the year	-127.409	76.957	-7.658	18.920	57.504	18.315

PART F – INFORMATION ON RISKS AND RELATED HEDGING POLICIES



Introduction

Risk is inherent in the Bank's activities, but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities. The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Bank's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Bank also runs worst-case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

As part of its overall risk management, the Bank uses derivatives and other contracts to manage exposures resulting from changes in interest rates, foreign currencies, equity risks, credit risks, and exposures arising from forecast transactions. The Bank also actively uses collateral to mitigate its exposure to single counterparty risk.

The Bank monitors the main risks to which it is exposed with a frequency consistent with the nature of each single risk category. In addition to the foregoing, a quarterly reporting of integrated risks and risk appetite evolution is performed and reported to the Credit Committee and to the Board of Directors, in order to set and implement an efficient and effective risk management strategy.

The Risk Appetite Framework ("RAF"):

- identifies the risks that the Bank is willing to assume;
- defines limits and triggers;
- describes the essential interventions identified to bring back the risk to an acceptable level for the Management.

The RAF is based on the valuation of the principal risk drivers of Mediobanca International (Luxembourg) S.A., both macroeconomic and specific. In order to correctly assess all the potential impacts related to the identified risk drivers the Bank must carry out specific analysis ("what happens if something goes wrong").

The following assessment should be read in conjunction with the Bank's business strategy and with the Group's RAF (as approved by the Board of Directors of Mediobanca S.p.A.). In order to articulate its risk appetite, the Bank shall first define objectives in terms of markets, products, segments, etc. From there the institution assesses the risk implied in the strategy and determines the level of risk it is willing to assume in executing that strategy.

The RAF process adopted by the institution has been structured as follows:

- identification of the risks which the Bank is willing to take;
- for each risk, definition of the objective and limits in normal and stressed conditions;

- identification of the actions which are deemed to be appropriate to bring the risk back within the set objectives.

The RAF is formulated in such a way as to incorporate the stakeholders' expectations (including Supervisory Authorities) and to take into consideration all the significant types of risk encountered in the course of the business, by identifying specific metrics which are simple, easy to communicate, and frequently used as benchmarks at the various stages of the decision-making process.

The target risk profile identified by the Bank incorporates the principles and guiding lines of the Mediobanca Group, and namely consists in:

- maintaining a strong capital and liquidity position in order to protect the bank' solidity even in period of stress;
- preserving a long-term profitability in line with the business model and the risk profile of the bank:
 - limiting the portfolio concentration
 - keeping high asset quality
 - reducing exposure to interest rate risk
 - containing the risk profile in terms of exposure to climate-related factors
- safeguarding the reputational capital of the bank/Group.

The assessment of the overall risk profile of the institution is conducted annually within the ICLAAP, which represents the capital and liquidity adequacy self-assessment process according to the Parent's internal rules. The ICLAAP is a process to ensure that the management body:

- adequately identifies, measures, aggregates and monitors the institution's risks;
- ensures that the institution holds adequate internal capital and liquidity in relation to the institution's risk profile; and
- uses sound risk management systems and develops them further.

The RAF is developed in line with the ICLAAP and represents the risk framework in which the budget and the business plan are established. Consistency between the risk-acceptance strategy and policy, and the budget process is thus guaranteed.

Section 1

1.1 CREDIT RISK

QUALITATIVE INFORMATION

Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations. This risk is always inherent in traditional lending operations regardless of the form of the credit facility (whether cash or credit commitments, secured or unsecured, etc.). The main reasons for default lie in the borrower's lacking the autonomous ability to service and repay the debt (due to a lack of liquidity, insolvency, etc.), as well as the occurrence of events that are unrelated to the debtor's operating and financial condition, such as Country risk or the impact of operational risk. Other banking operations, in addition to traditional lending and deposit activities, can expose the Bank to other credit risks. For example, 'non-traditional' credit risk may arise from:

- entering into derivative contracts;
- purchasing and selling securities, futures, currencies or commodities.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the statement of financial position. In the case of credit derivatives, the Bank is also exposed to (or protected from) the risk of default of the underlying entity referenced by the derivative.

Credit valuation adjustments (CVAs) are normally incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk. At the reference date, the Bank has calculated a CVA adjustment (*Reduced BA-CVA approach*); furthermore, with reference to the Parent, the Bank has signed a Credit Support Annex (CSA) that allowed the two counterparties to post cash collateral according to margin call made by the calculation agent, de facto resetting the counterparty risk.

The Bank makes available to its customers guarantees which may require that the Bank makes payments on their behalf and enters into commitments to extend credit lines to secure their liquidity needs. Letters of credit and guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Such commitments expose the Bank to similar risks to loans and are mitigated by the same control processes and policies.

The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical, industry, rating concentrations, and by monitoring exposures in relation to such limits.

The Bank has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a risk rating. Risk ratings are subject to regular revision (at least annually). The credit quality review process aims to allow the Bank to assess the potential loss as a result of the risks to which it is exposed and take corrective action. Credit risk management unit in Milan is responsible for executing the credit risk analysis entailed by lending and market transactions, and for assigning credit ratings to the counterparties in these transactions.

The requirements for eligibility of collateral and guarantees used as credit risk mitigation techniques are set out in the CRR Regulation. The role of the Risk Management in setting eligibility criteria for regulatory

and management purposes remains central, supervising the overall consistency of the mitigation instruments within the general risk control and management framework.

The Risk management is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The unit works closely with the Credit Committee to ensure that procedures are compliant with the overall framework. Risk management is divided into the following areas: enterprise risk management, credit risk management, market and non-financial risk management.

During the year there were no significant changes in the Bank's objectives, policies and process for managing credit risk.

Since the beginning of the mandate of new US President various trade tariffs have been announced and applied resulting in heightened geopolitical tensions, uncertainty and foreign trade wars. Even though remains a certain degree of uncertainty around the policy implementation the potential credit impact of tariffs on Bank portfolio remained limited, with a very limited number of counterparties in the Bank portfolio could be under pressure in the current scenario. In addition, the sound quality of the portfolio and the high proportion of investment-grade counterparties act as significant mitigating factors.

In order to mitigate potential negative impact, a high level of protection from Parent Bank was maintained.

Impact of Russia-Ukraine and Israel-Palestine conflicts.

The Bank's portfolio shows no credit exposures linked to Russia, Ukraine, Israel or Palestine.

Corporate banking

The Group's internal system for managing, evaluating and controlling credit risk reflects its traditional policy based on a prudent and highly selective approach. Lending decisions are based on individual analysis, which builds on adequate and often extensive knowledge of the borrower's business, assets and management, as well as the macro-economic framework in which it operates. Applications for finance are processed through the different operating levels, and, if successful, are submitted for approval to the relevant bodies, i.e. the Credit Committee. Once the finance has been disbursed the account is monitored on an ongoing basis, via analysis of published financial statements and a series of other controls i.e. covenants. Any deterioration in the risk profile of a loan is brought swiftly to the attention of head of the operating unit and management.

Leverage finance

As a part of its corporate lending activity, the Bank takes an active part in buyout transactions promoted or sponsored almost entirely by private equity funds in order to take over companies with promising growth prospects, low debt levels and stable cash flows over time. Such transactions have a sub-investment grade rating, a non-recourse contractual structure and borrowing is commensurate with future cash flow levels.

The purpose of such transactions is never for the Bank to acquire target companies, as the majority stakes are held directly by the private equity funds.

Loan impairment provisions

Following initial recognition, all financial assets measured at amortized cost are subject to the impairment model based on the expected loss¹⁶.

The determination of provisions on performing loans is carried out by identifying the highest possible synergies with the supervisory approach contained in the regulations known as “Basel 3”. In particular, the parameters of the calculation model set out in the supervisory provisions, namely Probability of Default (PD) and Loss Given Default (LGD), are used – where already available – also for the purposes of financial statement valuation, adjusted for the aspects which are not suitable to be used directly in an accounting environment (e.g., in some cases reconvert the data to reflect a “point-in-time” approach). The relationship between the two aforementioned parameters represents the starting point for loan segmentation, since they summarize the relevant factors considered by IFRS for the determination of the homogeneous categories and for the calculation of provisions. Under IFRS 9, expected losses are calculated as the product of the PD, LGD and EAD metrics.

The impairment pertains to the losses expected to arise in the twelve months following the reporting date (referred as “Stage 1”) or, if there is a significant increase in the credit risk (as “Stage 2”) or signs of deterioration (“Stage 3”), the losses expected to arise along the residual maturity of the instrument (“lifetime”). Both losses expected at twelve months and those over the residual maturity of the instrument can be calculated on an individual or collective basis according to the nature of the underlying portfolio. For off-balance sheet exposures, credit conversion factors associated with the standard EAD calculation are used in the calculation of expected losses. The expected loss is the result of the combined valuation of three scenarios, the baseline one and other two alternative scenarios. At December 2025, the scenarios and weights, determined at MPS Group level, are weighted according to 52.63%, 21.05%, 26.32% respectively for baseline and the alternatives ones, and they are revised at least once every six months. The Group’s policy to establish the significant increase in credit risk takes into consideration qualitative and quantitative elements of each credit transaction or financial instrument and consideration is given in particular to elements determining the recognition of “forbearance measures”, the “30 days past due” criterion (so-called backstop indicators) and to the classification in watch list status according to credit risk monitoring rules. The Group uses the simplified approach of the “low credit risk exemption” to a very limited extent, upon the occurrence of an investment grade rating (at least BBB- on the Standard & Poor's scale).

Consistent with the options granted by IFRS 9, a change in forward-looking PD is used as the benchmark quantitative metric for measuring the Significant Increase in Credit Risk (SICR) for the purpose of identifying positions to be classified as Stage 2. The Bank, in line with the Parent, adopts the lifetime PD comparison between reference and origination date for the transfer to Stage 2.

The Bank, in line with the Parent, uses additional overlays to hedge against the risks not captured by the current credit loss calculation framework. The Mediobanca Group reviewed of the relevant internal regulations strengthening the governance of overlays in terms of the decision-making process.

¹⁶ For further details, refers to “Financial assets measured at amortised cost” under Part B, Accounting Policies.

Non-Performing Exposure

On Non-Performing Loans (NPL), various measures have been issued by the regulators in recent years to guide the financial sector in the direction of reducing stocks and accelerating the process of recovering the credit. On 26 April 2019 the European Parliament published the updated version of Regulation (EU) No. 575/2013 (the “CRR”) in the Official Journal, which includes the new rules (known as “Calendar Provisioning”) to be applied for coverage of loans granted as from the date on which the new version of the Regulation was issued. The Bank, in line with the Group, uses a single, like-for-like definition for the concepts of “default” as defined by the regulations on regulatory capital requirements, “non-performing”, used for supervisory reporting statistics, and Stage 3 assets, or “credit-impaired” assets, as defined by the accounting standards in force. In line with the principles defined by the regulation, instances of assets which qualify as “non-performing” include: exposures identified using the 90 days past due principle, cases in which the credit obligation has been sold leading to material losses in relation to the credit risk, debt restructuring which entails a cost which may imply a significantly reduced financial obligation, cases of insolvency or other systems of protection covering all creditors or all unsecured creditors, the terms and conditions of which have been approved by a judge in a court of law or another competent institution, instances identified through other indicators of a borrower being unlikely to pay.

For supervisory reporting purposes, Calendar Provisioning requires the full hedging of non-performing loans once they have been held in the portfolio for a defined period.

MACROECONOMIC SCENARIO AND IMPACTS

In December 2025, the Group Parent Company Banca Monte dei Paschi di Siena approved a set of internally developed forward-looking macroeconomic scenarios for the period December 2025–December 2028, also taking into consideration the forecasts issued by external providers in October 2025. The Bank in line with the Group used the same set of macroeconomic scenarios adopted by all the Group entity to calculate the loan loss provisioning on performing and non-performing loans as at 31 December 2025.

The baseline scenario shows a higher degree of conservatism especially on the Italian market compared to the forecasts published by the Bank of Italy in December 2025. In particular, for the years 2027 and 2028, GDP growth is expected to stand at 0.45% (0.8% according to the Bank of Italy) and 0.52% (0.9% according to the Bank of Italy), respectively. Furthermore, it is expected a slowdown in U.S. GDP (1.8% in 2025 and 1.1% in 2026): the increase in tariffs and the weakening of the dollar will exert upward pressure on domestic inflation, eroding households’ real income and consumption, and increasing the cost of imported goods for firms, leading to a subsequent decline in investment. Starting from 2026, growth is expected to strengthen in the Eurozone, driven by private consumption and by the gradual improvement in households’ purchasing power, supported by the decline in inflation thanks to lower global energy prices and the appreciation of the euro. An increase in investment is expected, supported by Germany’s infrastructure plan and by higher European defence spending, which will offset the negative effects on exports caused by higher tariffs.

In addition to the baseline scenario, in light of the significant uncertainty surrounding the evolution of the economic environment and the requirements of the Regulators, further alternative scenarios were defined: a more negative one (the so-called “severe but plausible” scenario) and a positive one (the so-called “best” scenario).

The more severe alternative scenario (“severe but plausible”) assumes a resurgence of geopolitical tensions, marked by the continuation of the conflict in Ukraine, as well as uncertainties related to U.S. tariff policies. In this scenario, higher energy commodity prices would arise due to supply-chain tensions, alongside a weakening of global trade. Italy would be among the European countries most exposed to the negative effects of tariff policies, experiencing only marginal GDP growth in 2026–27, with investment and exports more adversely affected than consumption.

The positive scenario (“best”), instead, assumes an easing of geopolitical tensions in both the Middle East and Ukraine, with a stable truce in the two areas and a more moderate stance by the U.S. administration, resulting in a more relaxed international environment. In this scenario, the euro-area economies would experience a containment in the average increase of prices, including energy components, with inflation remaining within the monetary policy target.

The weights used in determining the ECL as at December 2025 were set by the Group Parent Company Banca Monte dei Paschi di Siena at 52.63% for the Baseline scenario and 47.37% for the alternative scenarios, specifically 21.05% for the ‘Best’ scenario and 26.32% for the ‘Severe but plausible’ scenario.

Tab. 1 –Macroeconomic scenario

Scenario Baseline				
Gross Domestic Product	2025	2026	2027	2028
Italy	0.5%	0.7%	0.4%	0.5%
UE	1.2%	1.0%	1.1%	1.1%
USA	1.8%	1.1%	1.4%	1.8%
Unemployment Rate	2025	2026	2027	2028
Italy	6.2%	6.2%	6.1%	5.9%
CPI Core (annual change) ⁽¹⁾	2025	2026	2027	2028
Italy	2.0%	2.1%	2.0%	2.0%
Scenario Best				
Previsioni PIL	2025	2026	2027	2028
Italy	0.6%	1.5%	0.8%	1.0%
UE	1.3%	2.0%	1.6%	1.5%
USA	2.0%	2.1%	1.9%	2.2%
Unemployment Rate	2025	2026	2027	2028
Italy	6.2%	6.0%	5.6%	5.1%
CPI Core (annual change) ⁽¹⁾	2025	2026	2027	2028
Italy	2.0%	2.1%	2.0%	1.9%

Scenario severe but plausible

Previsioni PIL	2025	2026	2027	2028
Italy	0.4%	0.1%	0.1%	0.2%
UE	1.1%	0.0%	0.8%	0.9%
USA	1.7%	0.2%	1.2%	1.6%
Unemployment Rate	2025	2026	2027	2028
Italy	6.3%	6.4%	6.6%	6.8%
CPI Core (annual change) ⁽¹⁾	2025	2026	2027	2028
Italy	2.1%	2.4%	2.1%	2.0%

(1) The Core CPI variable is the consumer price index net of the food and energy components

In line with the previous year, the overlays have been maintained on corporate sectors along with the framework to cover risks not captured by standard ECL models, including such as the climate risk (54%) and the persistent uncertainties of the evolution of the geopolitical and macroeconomic context and residual component (46% of total overlay).

In particular, overlays have been provided for business sectors/counterparties most exposed to the risks associated with international trade tariffs (corporate customers) by simulating the deterioration in the creditworthiness of particularly vulnerable sub-portfolios.

With regard to climate risk, overlays were estimated considering the main types of C&E risk (transition and physical) on corporate customers estimated taking into account the impacts quantified in the Materiality Assessment for the short-term horizon at Group level.

Corporate Lending	31/12/2025		30/06/2025	
	overaly 2025	% overlay on total ECL	overaly 2025	% overlay on total ECL 2025
Stage 1	236	7,5%	194	6,7%
Stage 2	13	0,4%	11	0,4%
Stage 3	-	-	-	-
Total	249	7,9%	205	7,0%

The overlay moved from approximately € 205k at June 2025 (representing 7.0% of total ECL affected by the overlay, for 94% related to Stage1) to approximately € 249k at December 2025 (representing 7.9% of total ECL affected by the overlay, for 95% related to Stage1).

QUANTITATIVE INFORMATION

A.1.1 Financial assets by portfolio and credit quality (in € k)

Portfolio/Quality	Non performing loans	Unlikely to pay	Impaired past due exposures	Not impaired past due exposures	Other not impaired exposures	Total
1. Financial asset at amortized cost	—	—	—	—	7.638.809	7.638.809
2. Financial assets valued to fair value with impact on overall profitability	—	—	—	—	—	—
3. Financial assets designated to FV ¹	—	—	—	—	34.601	34.601
4. Other financial assets mandatorily at FV	—	—	—	—	—	—
5. Financial instruments as held for sale	—	—	—	—	—	—
Total 31/12/2025	—	—	—	—	7.673.410	7.673.410
Total 30/06/2025	—	—	—	—	6.882.225	6.882.225

¹No Collateral, credit derivatives or other credit enhancements are held in relation to this financial assets

Portfolio/Quality	Non performing loans	Unlikely to pay	Impaired past due exposures	Not impaired past due exposures	Other not impaired exposures	Total
1. Financial asset at amortized cost	—	—	—	—	6.865.517	6.865.517
2. Financial assets valued to fair value with impact on overall profitability	—	—	—	—	—	—
3. Financial assets designated to FV ¹	—	—	—	—	16.708	16.708
4. Other financial assets mandatorily at FV	—	—	—	—	—	—
5. Financial instruments as held for sale	—	—	—	—	—	—
Total 30/06/2025	—	—	—	—	6.882.225	6.882.225
Total 30/06/2024	—	12.761	—	—	6.046.742	6.059.503

¹No Collateral, credit derivatives or other credit enhancements are held in relation to this financial assets

A.1.2 Distribution of financial assets by portfolio and credit quality (gross and net values in € k)

Asset portfolio/quality	Non-performing loans			Performing loans			Total (net exposure)
	Gross exposure	Accumulated impairment	Net exposure	Gross exposure	Accumulated impairment	Net exposure	
1. Financial assets at amortized cost	—	—	—	7.644.092	-5.283	7.638.809	7.638.809
2. Financial assets at FVOCI	—	—	—	—	—	—	—
3. Financial assets at FVTPL	—	—	—	—	—	34.601	34.601
4. Other financial assets mandatorily at fair value	—	—	—	—	—	—	—
5. Financial assets being sold	—	—	—	—	—	—	—
Total 31/12/2025	—	—	—	7.644.092	-5.283	7.673.410	7.673.410
Total 30/06/2025	—	—	—	6.870.230	-4.713	6.882.225	6.882.225

Asset portfolio/quality	Non-performing loans			Performing loans			Total (net exposure)
	Gross exposure	Accumulated impairment	Net exposure	Gross exposure	Accumulated impairment	Net exposure	
1. Financial assets at amortized cost	—	—	—	6.870.230	-4.713	6.865.517	6.865.517
2. Financial assets at FVOCI	—	—	—	—	—	—	—
3. Financial assets at FVTPL	—	—	—	—	—	16.708	16.708
4. Other financial assets mandatorily at fair value	—	—	—	—	—	—	—
5. Financial assets being sold	—	—	—	—	—	—	—
Total 30/06/2025	—	—	—	6.870.230	-4.713	6.882.225	6.882.225
Total 30/06/2024	12.982	-221	12.761	6.041.808	-4.598	6.046.742	6.059.503

A.1.3 Cash and off-balance sheet exposures to credit institutions (gross and net values in € k)

Type of exposure/Amounts	Gross exposure	Specific value adjustments	Portfolio value adjustments	31/12/2025	30/06/2025
A. CASH EXPOSURES					
A.1 Sight deposit	415.918	—	-332	415.586	369.858
a) Non performing	—	—	—	—	—
b) Other assets	415.918	—	-332	415.586	369.858
A.2 Others	4.411.178	—	-2.780	4.408.398	3.999.957
a) Non-performing loans	—	—	—	—	—
- of which: forborne exposures	—	—	—	—	—
b) Unlikely to pay	—	—	—	—	—
- of which: forborne exposures	—	—	—	—	—
c) Impaired past due exposures	—	—	—	—	—
- of which: forborne exposures	—	—	—	—	—
d) Not impaired past due exposures	—	—	—	—	—
- of which: forborne exposures	—	—	—	—	—
e) Other not impaired exposures	4.411.178	—	-2.780	4.408.398	3.999.957
- of which: forborne exposures	—	—	—	—	—
Total A	4.827.096	—	-3.112	4.823.984	4.369.815
B. OFF-BALANCE-SHEET EXPOSURES					
a) Non-performing	—	—	—	—	—
b) Other assets	—	—	—	—	—
Total B	—	—	—	—	—
Total A+Total B	4.827.096	—	-3.112	4.823.984	4.369.815

Type of exposure/Amounts	Gross exposure	Specific value adjustments	Portfolio value adjustments	30/06/2025	30/06/2024
A. CASH EXPOSURES					
A.1 Sight deposit	370.154	—	-296	369.858	596.507
a) Non performing	—	—	—	—	—
b) Other assets	370.154	—	-296	369.858	596.507
A.2 Others	4.002.414	—	-2.457	3.999.957	3.040.309
a) Non-performing loans	—	—	—	—	—
- of which: forborne exposures	—	—	—	—	—
b) Unlikely to pay	—	—	—	—	—
- of which: forborne exposures	—	—	—	—	—
c) Impaired past due exposures	—	—	—	—	—
- of which: forborne exposures	—	—	—	—	—
d) Not impaired past due exposures	—	—	—	—	—
- of which: forborne exposures	—	—	—	—	—
e) Other not impaired exposures	4.002.414	—	-2.457	3.999.957	3.040.309
- of which: forborne exposures	—	—	—	—	—
Total A	4.372.568	—	-2.753	4.369.815	3.636.816
B. OFF-BALANCE-SHEET EXPOSURES					
a) Non-performing	—	—	—	—	—
b) Other assets	—	—	—	—	176.353
Total B	—	—	—	—	176.353
Total A+Total B	4.372.568	—	-2.753	4.369.815	3.813.169

A.1.4 Cash and off-balance sheet exposures to customers (gross and net values) (in € k)

Type of exposure/Amounts	Gross exposure					Overall value adjustments and overall provisions					Net Exposure 31/12/2025	Overall partial write-offs	Net Exposure 30/06/2025
	Total*	First stage	Second stage	Third stage	Purchased or originated impaired assets	Total	First stage	Second stage	Third stage	Purchased or originated impaired assets			
A. CASH EXPOSURES													
a) Non-performing loans	—	X	X	—	—	—	X	X	—	—	—	—	—
- of which: forbome exposures	—	X	X	—	—	—	X	X	—	—	—	—	—
b) Unlikely to pay	—	X	X	—	—	—	X	X	—	—	—	—	—
- of which: forbome exposures	—	X	X	—	—	—	X	X	—	—	—	—	—
c) Impaired past due exposures	—	X	X	—	—	—	X	X	—	—	—	—	—
- of which: forbome exposures	—	X	X	—	—	—	X	X	—	—	—	—	—
d) Not impaired past due exposures	—	—	—	X	—	—	—	—	X	—	—	—	—
- of which: forbome exposures	—	—	—	X	—	—	—	—	X	—	—	—	—
e) Other not impaired exposures	3.497.008	3.267.516	—	X	—	-2.503	-2.503	—	X	—	3.494.505	—	3.043.996
- of which: forbome exposures	—	—	—	X	—	—	—	—	X	—	—	—	—
Total A	3.497.008	3.267.516	—	—	—	-2.503	-2.503	—	—	—	3.494.505	—	3.043.996
B. OFF-BALANCE-SHEET EXPOSURES													
a) Non-performing	—	X	X	—	—	—	X	X	—	—	—	—	—
b) Other assets	1.799.220	1.722.280	45.000	X	—	-653	-537	-116	X	—	1.798.567	—	1.886.077
Total B	1.799.220	1.722.280	45.000	—	—	-653	-537	-116	—	—	1.798.567	—	1.886.077
Total A + Total B	5.296.228	4.989.796	45.000	—	—	-3.156	-3.040	-116	—	—	5.293.072	—	4.930.073

*The column takes into account both the gross exposures in Staging and those not, in accordance with IFRS 9.

Type of exposure/Amounts	Gross exposure					Overall value adjustments and overall provisions					Net Exposure 30/06/2025	Overall partial write-offs	Net Exposure 30/06/2024
	Total*	First stage	Second stage	Third stage	Purchased or originated impaired assets	Total	First stage	Second stage	Third stage	Purchased or originated impaired assets			
A. CASH EXPOSURES													
a) Non-performing loans	—	X	X	—	—	—	X	X	—	—	—	—	—
- of which: forbome exposures	—	X	X	—	—	—	X	X	—	—	—	—	—
b) Unlikely to pay	—	X	X	—	—	—	X	X	—	—	—	—	12.761
- of which: forbome exposures	—	X	X	—	—	—	X	X	—	—	—	—	—
c) Impaired past due exposures	—	X	X	—	—	—	X	X	—	—	—	—	—
- of which: forbome exposures	—	X	X	—	—	—	X	X	—	—	—	—	—
d) Not impaired past due exposures	—	—	—	X	—	—	—	—	X	—	—	—	—
- of which: forbome exposures	—	—	—	X	—	—	—	—	X	—	—	—	—
e) Other not impaired exposures	3.046.251	2.865.846	18.677	X	—	-2.255	-2.206	-49	X	—	3.043.996	—	3.079.132
- of which: forbome exposures	—	—	—	X	—	—	—	—	X	—	—	—	—
Total A	3.046.251	2.865.846	18.677	—	—	-2.255	-2.206	-49	—	—	3.043.996	—	3.091.893
B. OFF-BALANCE-SHEET EXPOSURES													
a) Non-performing	—	X	X	—	—	—	X	X	—	—	—	—	—
b) Other assets	1.886.731	1.776.481	65.777	X	—	-654	-525	-129	X	—	1.886.077	—	1.731.296
Total B	1.886.731	1.776.481	65.777	—	—	-654	-525	-129	—	—	1.886.077	—	1.731.296
Total A + Total B	4.932.982	4.642.327	84.454	—	—	-2.909	-2.731	-178	—	—	4.930.073	—	4.823.189

*The column takes into account both the gross exposures in Staging and those not, in accordance with IFRS 9.

A.1.5 Non-performing cash exposures to customers: trend in gross impaired positions/accounts (in € k)

Description/Category	31/12/2025	30/06/2025
A. Gross exposure at start of period	—	12.982
<i>of which: accounts sold but not derecognized</i>	—	—
B. Additions	—	207
B.1 transfers from performing loans	—	—
B.2 transfer from other categories of impaired assets	—	—
B.3 other additions	—	207
C. Reductions	—	-13.189
C.1 transfer to performing loans	—	—
C.2 amounts written off	—	—
C.3 amounts collected	—	—
C.4 gains realized on disposal	—	-13.048
C.5 transfers to other categories of impaired assets	—	—
C.6 other reductions	—	-141
D. Gross exposure at end of period	—	—
<i>of which: accounts sold but not derecognized</i>	—	—

A.1.6 Financial assets, commitments to end-funds and financial guarantees given transfers between different stages of credit risk (gross and nominal values - in € k)

Portfolios/Risk stages	Gross amounts / Nominal values					
	Transfers between stage 1 to stage 2		Transfers between stage 2 to stage 3		Transfers between stage 1 to stage 3	
	From stage 1 to stage 2	From stage 2 to stage 1	From stage 2 to stage 3	From stage 3 to stage 2	From stage 1 to stage 3	From stage 3 to stage 1
1. Financial assets valued at amortized cost	-	-	-	-	-	-
2. Financial assets valued at fair value with impact taken to other comprehensive income	-	-	-	-	-	-
3. Assets classified as held for sale	-	-	-	-	-	-
4. Commitments to disburse funds and financial guarantees given	-	-	-	-	-	-
Total 31/12/2025	-	-	-	-	-	-
Total 30/06/2025	40.000	19.503	-	-	-	-

During the financial year, there are no migrations among different stages.

Portfolios/Risk stages	Gross amounts / Nominal values					
	Transfers between stage 1 to stage 2		Transfers between stage 2 to stage 3		Transfers between stage 1 to stage 3	
	From stage 1 to stage 2	From stage 2 to stage 1	From stage 2 to stage 3	From stage 3 to stage 2	From stage 1 to stage 3	From stage 3 to stage 1
1. Financial assets valued at amortized cost	-	19.503	-	-	-	-
2. Financial assets valued at fair value with impact taken to other comprehensive income	-	-	-	-	-	-
3. Assets classified as held for sale	-	-	-	-	-	-
4. Commitments to disburse funds and financial guarantees given	40.000	-	-	-	-	-
Total 30/06/2025	40.000	19.503	-	-	-	-
Total 30/06/2024	73.434	-	12.982	-	-	-

Motivations/risk stages	Overall value adjustment																				Overall provisions for loan commitments and financial guarantees issued				TOTAL 30/06/25				
	Stage 1 assets					Stage 2 assets					Stage 3 assets					Purchased or originated credit-impaired financial assets					First stage	Second stage	Third stage	Purchased or originated credit-impaired					
	On-demand loans to banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through OCI	Financial assets being sold	of which individual writedown	of which collective writedown	On-demand loans to banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through OCI	Financial assets being sold	of which individual writedown	of which collective writedown	On-demand loans to banks and Central Banks	Financial assets measured at amortised cost	Financial assets measured at fair value through OCI	Financial assets being sold	of which individual writedown	of which collective writedown	Financial assets measured at amortised cost	Financial assets measured at fair value through OCI						Financial assets being sold	of which individual writedown	of which collective writedown	
Opening balance overall amount	299	4.634	—	—	—	4.833	—	63	—	—	—	63	—	221	—	—	221	—	—	—	—	—	—	—	728	73	—	—	5.918
Increase due to purchased or originated financial assets	—	1.985	—	—	—	1.985	—	50	—	—	—	50	—	—	—	—	—	X	X	X	X	X	—	177	—	—	—	2.212	
Derecognitions other than write-offs	—	-1.637	—	—	—	-1.637	—	-23	—	—	—	-23	—	-221	—	—	-221	—	—	—	—	—	—	-245	—	—	—	-2.126	
Net adjustments / writebacks for credit risk	-3	-219	—	—	—	-222	—	-40	—	—	—	-40	—	—	—	—	—	—	—	—	—	—	—	-136	57	—	—	-341	
Contractual changes without derecognition	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Changes in estimation methods	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Write-off not directly recognised through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other adjustment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Closing overall amount	296	4.663	—	—	—	4.959	—	50	—	—	—	50	—	—	—	—	—	—	—	—	—	—	—	524	130	—	—	5.663	
Recoveries for collections of written-off financial assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Write-offs directly recognised through profit or loss	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	

Overall value adjustments stand at €6.0m as of December 2025, increasing by approximately 10% compared to June 2025. This increase is mainly driven by the growth in the loan portfolio, with reference to Stage 1 exposures. As illustrated in the table above, impairment adjustments increased by €1.2 million within the item “Increase due to purchased or originated financial assets.”

Provisions for loan commitments and financial guarantees issued amount to €0.65 million as at December 2025 and remain substantially unchanged compared to the balance recorded as of June 2025.

A.1.8 Financial assets, commitments to disburse funds and financial guarantees given by class of external ratings (gross value - in € k)

Exposures 31/12/2025	External Rating Classes						Unrated	Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. Financial assets valued at amortised cost	—	433.450	4.777.729	323.325	65.903	—	2.043.684	7.644.091
- First stage	—	433.450	4.777.729	323.325	65.903	—	2.043.684	7.644.091
- Second stage	—	—	—	—	—	—	—	—
- Third stage	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—
B. Financial assets designated at fair value	—	—	—	—	—	—	—	—
- First stage	—	—	—	—	—	—	—	—
- Second stage	—	—	—	—	—	—	—	—
- Third stage	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—
C. Other financial assets mandatorily at fair value	—	—	—	—	—	—	—	—
- First stage	—	—	—	—	—	—	—	—
- Second stage	—	—	—	—	—	—	—	—
- Third stage	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—
Total (A + B + C)	—	433.450	4.777.729	323.325	65.903	—	2.043.684	7.644.091
D. Commitments and financial guarantees given	100.000	319.654	449.157	186.075	5.000	—	739.334	1.799.220
- First stage	100.000	319.654	449.157	146.075	—	—	739.334	1.754.220
- Second stage	—	—	—	40.000	5.000	—	—	45.000
- Third stage	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—
Total (D)	100.000	319.654	449.157	186.075	5.000	—	739.334	1.799.220
Total (A + B + C + D)	100.000	753.104	5.226.886	509.400	70.903	—	2.783.018	9.443.311

Exposures 30/06/2025	External Rating Classes						Unrated	Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. Financial assets valued at amortised cost	—	399.562	4.495.404	308.367	44.308	—	1.622.589	6.870.230
- First stage	—	399.562	4.495.404	308.367	25.631	—	1.622.589	6.851.553
- Second stage	—	—	—	—	18.677	—	—	18.677
- Third stage	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—
B. Financial assets designated at fair value	—	—	—	—	—	—	—	—
- First stage	—	—	—	—	—	—	—	—
- Second stage	—	—	—	—	—	—	—	—
- Third stage	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—
C. Other financial assets mandatorily at fair value	—	—	—	—	—	—	—	—
- First stage	—	—	—	—	—	—	—	—
- Second stage	—	—	—	—	—	—	—	—
- Third stage	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—
Total (A + B + C)	—	399.562	4.495.404	308.367	44.308	—	1.622.589	6.870.230
D. Commitments and financial guarantees given	100.000	239.226	440.000	165.166	60.777	—	881.562	1.886.731
- First stage	100.000	239.226	440.000	165.166	40.000	—	836.562	1.820.954
- Second stage	—	—	—	—	20.777	—	45.000	65.777
- Third stage	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—
Total (D)	100.000	239.226	440.000	165.166	60.777	—	881.562	1.886.731
Total (A + B + C + D)	100.000	638.788	4.935.404	473.533	105.085	—	2.504.151	8.756.961

The Mediobanca Group adopts the Standard & Poor's ratings for all portfolios subject to assessment. The table is compliant with the classification provided by Bank of Italy circular 262/05 (7° update) which requires external ratings to be divided into six different classes of credit standing. The first three risk classes (classes 1, 2 and 3) consist of investment grade exposures, with a Standard & Poor's rating of between AAA and BBB-, and it is above 90% of the entire portfolio, excluding unrated counterparties and non-performing loans.

A.1.9 Financial assets, commitments to disburse funds and financial guarantees given by class of internal ratings (gross values - in € k)

Exposures 31/12/2025	Internal Rating Classes					Non performing exposures	Unrated	Total
	Class 1	Class 2	Class 3	Class 4	Class 5			
A. Financial assets valued at amortised cost	2.606.950	472.353	4.499.537	—	—	—	65.251	7.644.091
- First stage	2.606.950	472.353	4.499.537	—	—	—	65.251	7.644.091
- Second stage	—	—	—	—	—	—	—	—
- Third stage	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—
B. Financial assets designated at fair value	—	—	—	—	—	—	—	—
- First stage	—	—	—	—	—	—	—	—
- Second stage	—	—	—	—	—	—	—	—
- Third stage	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—
C. Other financial assets mandatorily at fair value	—	—	—	—	—	—	—	—
- First stage	—	—	—	—	—	—	—	—
- Second stage	—	—	—	—	—	—	—	—
- Third stage	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—
Total (A + B + C)	2.606.950	472.353	4.499.537	—	—	—	65.251	7.644.091
D. Commitments and financial guarantees given	1.359.694	247.220	160.367	—	—	—	31.939	1.799.220
- First stage	1.359.694	207.220	155.367	—	—	—	31.939	1.754.220
- Second stage	—	40.000	5.000	—	—	—	—	45.000
- Third stage	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—
Total (D)	1.359.694	247.220	160.367	—	—	—	31.939	1.799.220
Total (A + B + C + D)	3.966.644	719.573	4.659.904	—	—	—	97.190	9.443.311

Exposures 30/06/2025	Internal Rating Classes						Non performing exposures	Unrated	Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6			
A. Financial assets valued at amortised cost	11.971	542.332	5.619.594	677.656	18.677	—	—	—	6.870.230
- First stage	11.971	542.332	5.619.594	677.656	—	—	—	—	6.851.553
- Second stage	—	—	—	—	18.677	—	—	—	18.677
- Third stage	—	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—	—
B. Financial assets designated at fair value	—	—	—	—	—	—	—	—	—
- First stage	—	—	—	—	—	—	—	—	—
- Second stage	—	—	—	—	—	—	—	—	—
- Third stage	—	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—	—
C. Other financial assets mandatorily at fair value	—	—	—	—	—	—	—	—	—
- First stage	—	—	—	—	—	—	—	—	—
- Second stage	—	—	—	—	—	—	—	—	—
- Third stage	—	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—	—
Total (A + B + C)	11.971	542.332	5.619.594	677.656	18.677	—	—	—	6.870.230
D. Commitments and financial guarantees given	100.000	226.893	1.050.991	318.597	65.777	—	—	124.473	1.886.731
- First stage	100.000	226.893	1.050.991	278.597	40.000	—	—	124.473	1.820.954
- Second stage	—	—	—	40.000	25.777	—	—	—	65.777
- Third stage	—	—	—	—	—	—	—	—	—
- Impaired acquired or originated	—	—	—	—	—	—	—	—	—
Total (D)	100.000	226.893	1.050.991	318.597	65.777	—	—	124.473	1.886.731
Total (A + B + C + D)	111.971	769.225	6.670.585	996.253	84.454	—	—	124.473	8.756.961

Under the Montepaschi Group framework, exposures are now classified using a PD-driven methodology, whereby each position is allocated to rating classes based on its probability of default, ensuring full alignment, consistency and comparability across the consolidated Group. (for more details, please see the paragraph 7.1 in the Accounting Policies).

1.1a CREDIT RISK – CONCENTRATION RISK

QUALITATIVE INFORMATION

Concentrations arise when a number of customers/counterparties operate on business activities in the same geographical region or in the same market or have similar economic features that would question their capability to meet contractual obligations to be similarly undermined by changes in economic, political or other conditions. Country risk is defined as the risk of losses caused by events in a specific country which may be under the control of the government but not under the control of a private enterprise or individuals.

This may imply that the repayment of assets within a specific country will be ultimately prevented by actions of the country's government (e.g. transfer risk, expropriation risk, legal risk, tax risk) or by a deterioration of the economic and / or political environment (e.g. a sharp recession, currency and / or banking crisis, civil war) of a country. The bank's performance may be affected by developments concerning a particular industry or geographical area.

In order to avoid excessive concentrations of risk, the Bank monitors on a monthly basis the concentration of its loan portfolio based on the following items: geographical, economic sector, class of rating, currencies. Identified concentrations of credit risks are controlled and managed accordingly and are always considered as strategic guidelines in the Credit Committee resolutions in order to achieve an improved diversification.

Risk concentrations: maximum exposure to credit risk without taking account of any collateral and other credit enhancements.

The Bank's concentrations of risk are managed by client/counterparty, by geographical region and by industry sector. The maximum credit exposure to a single client (or group of connected clients) other than the Parent as of 31 December 2025 was € 430 million (June 2025: € 434 million) before taking account of collateral or other credit enhancements and € 64 million (June 2025: € 64 million) net of such protection.

The following tables show the maximum exposure to credit risk for the components of the statement of financial position, including derivatives, guarantees and commitments by geography of counterparty and by industry before the effect of any mitigation.

Where financial instruments are recorded at fair value, the carrying amounts represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

In accordance with EU Regulation n. 575/2013 of the European Parliament and of the Council of 26 June 2013 (as amended from time to time), the Bank's exposures to a client or group of connected clients shall be considered a large exposure where the amount is greater than or equal to 10% of Tier 1. The CSSF has granted a full exemption for the exposures towards the Parent Bank in the calculation of large exposure limits, in accordance with article 20 point 2 of CSSF Regulation 18-03.

QUANTITATIVE INFORMATION

B.1 Cash and off-balance sheet exposures to customers: breakdown by sector (in € k)

	Governments and Central Banks	Other Public agencies	Financial companies	Financial companies (of which Insurances)	Non-financial undertakings	Other entities	Totale
A. Cash exposures							
A.1 Non-performing							
Gross exposure	—	—	—	—	—	—	—
Value adjustments to gross exposure	—	—	—	—	—	—	—
Value adjustments to portfolio	—	—	—	—	—	—	—
Net exposure	—	—	—	—	—	—	—
A.2 Other exposures							
Gross exposure	—	—	1.553.943	17.388	1.943.065	—	3.497.008
Value adjustments to gross exposure	—	—	—	—	—	—	—
Value adjustments to portfolio	—	—	-914	-15	-1.589	—	-2.503
Net exposure	—	—	1.553.029	17.373	1.941.476	—	3.494.505
Total A							
Gross exposure	—	—	1.553.943	17.388	1.943.065	—	3.497.008
Value adjustments to gross exposure	—	—	—	—	—	—	—
Value adjustments to portfolio	—	—	-914	-15	-1.589	—	-2.503
Net exposure	—	—	1.553.029	17.373	1.941.476	—	3.494.505
B. Off-balance sheet exposures							
B.1 Non-performing							
Gross exposure	—	—	—	—	—	—	—
Value adjustments to gross exposure	—	—	—	—	—	—	—
Value adjustments to portfolio	—	—	—	—	—	—	—
Net exposure	—	—	—	—	—	—	—
B.2 Other exposures							
Gross exposure	—	—	402.653	100.000	1.396.567	—	1.799.220
Value adjustments to gross exposure	—	—	—	—	—	—	—
Value adjustments to portfolio	—	—	-226	-13	-427	—	-653
Net exposure	—	—	402.427	99.987	1.396.140	—	1.798.567
Total B							
Gross exposure	—	—	402.653	100.000	1.396.567	—	1.799.220
Value adjustments to gross exposure	—	—	—	—	—	—	—
Value adjustments to portfolio	—	—	-226	-13	-427	—	-653
Net exposure	—	—	402.427	99.987	1.396.140	—	1.798.567
Total 31/12/2025							
Gross exposure	—	—	1.956.596	117.388	3.339.632	—	5.296.228
Value adjustments to gross exposure	—	—	—	—	—	—	—
Value adjustments to portfolio	—	—	-1.140	-28	-2.016	—	-3.156
Net exposure	—	—	1.955.456	117.360	3.337.616	—	5.293.072
Net exposure 31/12/2025	—	—	2.125.823	199.348	2.804.250	—	4.930.073

	Governments and Central Banks	Other Public agencies	Financial companies	Financial companies (of which Insurances)	Non-financial undertakings	Other entities	Totale
A. Cash exposures							
A.1 Non-performing							
Gross exposure	—	—	—	—	—	—	—
Value adjustments to gross exposure	—	—	—	—	—	—	—
Value adjustments to portfolio	—	—	—	—	—	—	—
Net exposure	—	—	—	—	—	—	—
A.2 Other exposures							
Gross exposure	—	—	1.600.484	94.789	1.445.767	—	3.046.251
Value adjustments to gross exposure	—	—	—	—	—	—	—
Value adjustments to portfolio	—	—	-1.091	-96	-1.164	—	-2.255
Net exposure	—	—	1.599.393	94.693	1.444.603	—	3.043.996
Total A							
Gross exposure	—	—	1.600.484	94.789	1.445.767	—	3.046.251
Value adjustments to gross exposure	—	—	—	—	—	—	—
Value adjustments to portfolio	—	—	-1.091	-96	-1.164	—	-2.255
Net exposure	—	—	1.599.393	94.693	1.444.603	—	3.043.996
B. Off-balance sheet exposures							
B.1 Non-performing							
Gross exposure	—	—	—	—	—	—	—
Value adjustments to gross exposure	—	—	—	—	—	—	—
Value adjustments to portfolio	—	—	—	—	—	—	—
Net exposure	—	—	—	—	—	—	—
B.2 Other exposures							
Gross exposure	—	—	526.682	104.666	1.360.049	—	1.886.731
Value adjustments to gross exposure	—	—	—	—	—	—	—
Value adjustments to portfolio	—	—	-252	-11	-402	—	-654
Net exposure	—	—	526.430	104.655	1.359.647	—	1.886.077
Total B							
Gross exposure	—	—	526.682	104.666	1.360.049	—	1.886.731
Value adjustments to gross exposure	—	—	—	—	—	—	—
Value adjustments to portfolio	—	—	-252	-11	-402	—	-654
Net exposure	—	—	526.430	104.655	1.359.647	—	1.886.077
Total 30/06/2025							
Gross exposure	—	—	2.127.166	199.455	2.805.816	—	4.932.982
Value adjustments to gross exposure	—	—	—	—	—	—	—
Value adjustments to portfolio	—	—	-1.343	-107	-1.566	—	-2.909
Net exposure	—	—	2.125.823	199.348	2.804.250	—	4.930.073
Net exposure 30/06/2025	—	—	1.220.528	118.232	3.602.661	—	4.823.189

B.2 Cash and off-balance sheet exposures to customers: breakdown by geography (in € k)

Exposure/geographical areas	Luxembourg		Other European countries		America		Asia		Rest of the World	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A) Cash exposures										
A.1 Non-performing	—	—	—	—	—	—	—	—	—	—
A.2 Unlikely to pay	—	—	—	—	—	—	—	—	—	—
A.3 Impaired past due	—	—	—	—	—	—	—	—	—	—
A.4 Not impaired past due	—	—	—	—	—	—	—	—	—	—
A.5 Performing	333.675	333.380	2.393.280	2.391.699	770.053	769.426	—	—	—	—
Total A	333.675	333.380	2.393.280	2.391.699	770.053	769.426	—	—	—	—
B) Off-balance-sheet exposures										
B.1 Non-performing	—	—	—	—	—	—	—	—	—	—
B.2 Performing	50.300	50.258	1.405.702	1.405.185	343.218	343.124	—	—	—	—
Total B	50.300	50.258	1.405.702	1.405.185	343.218	343.124	—	—	—	—
Total 31/12/2025	383.975	383.638	3.798.982	3.796.884	1.113.271	1.112.550	—	—	—	—
Total 30/06/2025	428.793	428.469	3.644.432	3.642.351	859.757	859.253	—	—	—	—

Exposure/geographical areas	Luxembourg		Other European countries		America		Asia		Rest of the World	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A) Cash exposures										
A.1 Non-performing	—	—	—	—	—	—	—	—	—	—
A.2 Unlikely to pay	—	—	—	—	—	—	—	—	—	—
A.3 Impaired past due	—	—	—	—	—	—	—	—	—	—
A.4 Not impaired past due	—	—	—	—	—	—	—	—	—	—
A.5 Performing	384.127	383.852	2.110.006	2.108.453	552.119	551.692	—	—	—	—
Total A	384.127	383.852	2.110.006	2.108.453	552.119	551.692	—	—	—	—
B) Off-balance-sheet exposures										
B.1 Non-performing	—	—	—	—	—	—	—	—	—	—
B.2 Performing	44.667	44.617	1.534.427	1.533.899	307.638	307.561	—	—	—	—
Total B	44.667	44.617	1.534.427	1.533.899	307.638	307.561	—	—	—	—
Total 30/06/2025	428.793	428.469	3.644.432	3.642.351	859.757	859.253	—	—	—	—
Total 30/06/2024	403.666	403.367	3.218.660	3.216.179	1.147.928	1.147.090	56.586	56.552	—	—

B.3 Cash and off-balance sheet exposures to credit institutions: breakdown by geography (in € k)

Exposure/geographical areas	Luxembourg		Other European countries		America		Asia		Oceania	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A) Cash exposures										
A.1 Non-performing	—	—	—	—	—	—	—	—	—	—
A.2 Unlikely to pay	—	—	—	—	—	—	—	—	—	—
A.3 Impaired past due	—	—	—	—	—	—	—	—	—	—
A.4 Not impaired past due	—	—	—	—	—	—	—	—	—	—
A.5 Performing	15.069	15.069	4.812.027	4.808.915	—	—	—	—	—	—
Total A	15.069	15.069	4.812.027	4.808.915	—	—	—	—	—	—
B) Off-balance-sheet exposures										
B.1 Non-performing	—	—	—	—	—	—	—	—	—	—
B.2 Performing	—	—	—	—	—	—	—	—	—	—
Total B	—	—	—	—	—	—	—	—	—	—
Total 31/12/2025	15.069	15.069	4.812.027	4.808.915	—	—	—	—	—	—
Total 30/06/2025	12.480	12.480	4.360.088	4.357.335	—	—	—	—	—	—

Exposure/geographical areas	Luxembourg		Other European countries		America		Asia		Oceania	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A) Cash exposures										
A.1 Non-performing	—	—	—	—	—	—	—	—	—	—
A.2 Unlikely to pay	—	—	—	—	—	—	—	—	—	—
A.3 Impaired past due	—	—	—	—	—	—	—	—	—	—
A.4 Not impaired past due	—	—	—	—	—	—	—	—	—	—
A.5 Performing	12.480	12.480	4.360.088	4.357.335	—	—	—	—	—	—
Total A	12.480	12.480	4.360.088	4.357.335	—	—	—	—	—	—
B) Off-balance-sheet exposures										
B.1 Non-performing	—	—	—	—	—	—	—	—	—	—
B.2 Performing	—	—	—	—	—	—	—	—	—	—
Total B	—	—	—	—	—	—	—	—	—	—
Total 30/06/2025	12.480	12.480	4.360.088	4.357.335	—	—	—	—	—	—
Total 30/06/2024	232.005	232.005	3.407.053	3.404.811	—	—	—	—	—	—

Section 2

1.2 MARKET RISK

1.2.1 Interest rate risk of Banking book (IRRBB)

QUALITATIVE INFORMATION

Interest rate risk arises from the possibility that changes in interest rates of non-trading activities will affect future cash flows or the fair values of financial instruments. The Bank's policy is to monitor positions on a regular basis and to offset the overall risk exposure using appropriate hedging and ALM strategies.

The Bank monitors and controls interest rate risk through interest margin sensitivity and value sensitivity economic (EVE). Net interest margin sensitivity quantifies the impact on current earnings in the worst-case scenario among those envisaged by the Basel Committee on Banking Standards (BCBS), incorporated in the 2022 EBA document (EBA/GL/2022/14). In this analysis, the balance sheet stocks are kept constant assuming maturing items are rolled over with others having identical financial characteristics considering a time horizon of 12 months. The sensitivity of the economic value, on the other hand, measures the impact on the discounted expected cash flows in the worst scenario among those envisaged by the guidelines of the Basel Committee (BCBS) and incorporated in EBA/GL/2022/14.

All scenarios have a parametric downside limit (floor), set in accordance with the EBA guidelines, which sets a limit of -1.5% on the sight maturity and a linear progression to 0% for maturities of 50 years and more. In the current market context, this floor has a very limited impact on sensitivity metrics. For both sensitivities, the balance sheet items are considered from a contractual perspective while for the economic value calculation, the Bank does not include credit risk spreads. In line with the relevant regulation, starting from September 2024, the Bank submits a regular reporting on IRRBB to Local Regulator.

In line with the new guidelines, the sensitivity of the Net Interest Income (NII) to parallel shifts in the interest rate curves is carried out periodically. At 31st December 2025 the worst impact achieved is related to the Parallel Down and is equal to € -2.7m (-0.7% of Tier 1 Capital) which remains within the limit defined within the Risk Appetite. The value is also below the regulatory limit which defines that the change in the NII in the parallel shock should be limited at 5% of the Tier 1 Capital. For managerial purposes, the Bank keeps monitoring the impact also in other scenarios EBA.

With reference to the analysis of the present value of the future cash flows of the Bank's banking portfolio, at 31st December 2025 the worst impact is achieved in the Steeper scenario at €-3.2m (corresponding to -0.8% on Tier 1 Capital), resulting within both regulatory (15% of Tier 1 Capital) and managerial thresholds. The sensitivity of economic value to one basis point change over different horizons is also regularly monitored and limits have been set.

The above metrics are summarized in the monthly ALM report which points out the mismatching of the statement of financial position in terms of maturity and rate re-fixing. Based on reporting evidences, the management of the Bank – in coordination with the treasury department of the Parent Bank – decides on possible remedial measures (if needed) concerning the “mix” of funding (notes, overdraft on current account, time deposits, loans, etc.) in order to obtain a better matching with the lending.

1.2.2 Market risks relating to the Trading Book

The market risk of the Bank's trading portfolio is essentially limited, as all new trading book positions/products that originate market risks (i.e. structured bonds, financial instruments designated at FVO) are simultaneously offset via derivatives put in place with Parent company.

In coordination with the Parent's central units and leveraging on the Group reporting tool, the Bank implemented a dedicated reporting of sensitivity on managerial trading portfolios. The sensitivity to the principal risk factors (interest rates, share prices, exchange rates, credit spreads, inflation) shows the increase or decrease in the value of financial assets and derivatives to local changes in the above-mentioned risk factors, providing a static representation of the market risk of the trading portfolio.

Risk Factor (in €k)	31/12/2025	From 30/06/2025 to 31/12/2025		
		Min (Over 4Qs)	Max (Over 4Qs)	Average (Over 4Qs)
Equity Delta (+1%)	0	0	-0	0
Equity Vega (+1%)	5	13	8	9
Interest Rate Delta (+1bp)	-2	-2	-5	-3
Inflation Delta (+1bp)	—	—	—	—
Exchange Rate Delta (+1%)	-6	-5	-6	-5
Credit Delta (+1bp)	-2	-2	-4	-2

Fair value hedge

Hedges are intended to neutralize possible losses that may be incurred on a given asset or liability, due to the volatility of a certain financial risk factor (interest rate, exchange rate, credit or some other risk parameter), through the gains that may be realized on a hedge instrument which allow the changes in fair value to be offset. The Bank uses fair value hedges to neutralize the financial risk on interest rates by bringing the entire interest-bearing exposure in line with Euribor/Libor and new RFRs.

It is principally the fixed rate, zero coupon and structured financial instruments that are fair value hedged. During the year there were no significant changes in the bank's objectives, policies and processes for managing interest rate risks.

QUANTITATIVE INFORMATION

C.1a Regulatory trading book: breakdown by outstanding maturity (repricing date) of cash assets and liabilities and financial derivative products as at 31 December 2025 (in € k).

Type/Residual duration	On demand	Up to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 year to 5 years	From 5 years to 10 years	Over 10 years	Not specified
1. Cash assets								
1.1 Debt securities	—	—	—	—	—	—	—	—
– with early redemption option	—	—	—	—	—	—	—	—
– other	—	—	—	—	—	—	—	—
1.2 Loans to Banks	—	—	—	—	—	—	—	—
1.3 Loans to customers	—	—	—	—	—	—	—	—
Total cash assets at 31/12/2025	—	—	—	—	—	—	—	—
2. Cash liabilities								
2.1 Amounts due to Banks	—	—	—	—	—	—	—	—
2.2 Amounts due to customers	—	—	—	—	—	—	—	—
2.3 Debt securities in issue	—	—	—	—	—	—	—	—
Total cash liabilities at 31/12/2025	—	—	—	—	—	—	—	—
3. Financial derivatives								
3.1 With underlying securities								
– Options								
+ Long positions	—	—	—	—	—	—	—	—
+ Short positions	—	—	—	—	—	—	—	—
– Others								
+ Long positions	—	—	—	—	—	—	—	—
+ Short positions	—	—	—	—	—	—	—	—
3.2 Without underlying securities								
– Options								
+ Long positions	—	—	—	—	—	—	—	—
+ Short positions	—	—	—	—	—	—	—	—
– Others								
+ Long positions	—	355.416	1.231.454	57.931	889.525	—	—	—
+ Short positions	—	421.065	1.223.736	—	889.525	—	—	—

C.1b Regulatory trading book: breakdown by outstanding maturity (repricing date) of cash assets and liabilities and financial derivative products as at 30 June 2025 (in € k)

Type/Residual duration	On demand	Up to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 year to 5 years	From 5 years to 10 years	Over 10 years	Not specified
1. Cash assets								
1.1 Debt securities	—	—	—	—	—	—	—	—
– with early redemption option	—	—	—	—	—	—	—	—
– other	—	—	—	—	—	—	—	—
1.2 Loans to Banks	—	—	—	—	—	—	—	—
1.3 Loans to customers	—	—	—	—	—	—	—	—
Total cash assets at 30/06/2025	—	—	—	—	—	—	—	—
2. Cash liabilities								
2.1 Amounts due to Banks	—	—	—	—	—	—	—	—
2.2 Amounts due to customers	—	—	—	—	—	—	—	—
2.3 Debt securities in issue	—	—	—	—	—	—	—	—
Total cash liabilities at 30/06/2025	—	—	—	—	—	—	—	—
3. Financial derivatives								
3.1 With underlying securities								
– Options								
+ Long positions	—	—	—	—	—	—	—	—
+ Short positions	—	—	—	—	—	—	—	—
– Others								
+ Long positions	—	—	—	—	—	—	—	—
+ Short positions	—	—	—	—	—	—	—	—
3.2 Without underlying securities								
– Options								
+ Long positions	—	—	—	—	—	—	—	—
+ Short positions	—	—	—	—	—	—	—	—
– Others								
+ Long positions	—	466.364	1.189.580	89.869	178.842	—	—	—
+ Short positions	—	532.013	1.149.580	64.220	178.842	—	—	—

C.2a Regulatory banking book: breakdown by outstanding maturity (repricing date) of cash assets and liabilities and financial derivative products as at 31 December 2025 (in € k).

Type/Residual duration	On demand	Up to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 year to 5 years	From 5 years to 10 years	Over 10 years	Not specified
1. Cash assets								
1.1 Debt securities	—	—	—	—	—	—	—	—
– with early redemption option	—	—	—	—	—	—	—	—
– other	—	—	—	—	—	—	—	—
1.2 Loans to Banks	418.543	3.210.496	402.370	787.588	218.608	—	—	—
1.3 Loans to customers	—	2.721.705	555.047	—	8.972	25.941	—	—
Total cash assets at 31/12/2025	418.543	5.932.201	957.417	787.588	227.580	25.941	—	—
2. Cash liabilities								
2.1 Amounts due to customers	—	—	—	853	—	—	640	—
2.2 Amounts due to Banks	24.314	2.414.985	200.762	—	—	—	—	—
2.3 Debt securities in issue	—	3.676.960	415.242	791.791	294.721	39.842	42.757	—
Total cash liabilities at 31/12/2025	24.314	6.091.945	616.004	792.644	294.721	39.842	43.397	—
3. Financial derivatives								
3.1 With underlying securities								
– Options								
+ Long positions	—	—	—	—	—	—	—	—
+ Short positions	—	—	—	—	—	—	—	—
– Others								
+ Long positions	—	—	—	—	—	—	—	—
+ Short positions	—	—	—	—	—	—	—	—
3.2 Without underlying securities								
– Options								
+ Long positions	—	—	—	—	340.505	28.361	—	—
+ Short positions	—	—	—	—	340.505	28.361	—	—
– Others								
+ Long positions	—	80.482	90.339	11.684	24.982	—	—	—
+ Short positions	—	167.401	4.426	10.678	24.982	—	—	—
4. Other off-balance sheet								
+ Long positions	—	502.517	8.511	—	928.550	11.460	—	—
+ Short positions	—	502.517	8.511	—	928.550	11.460	—	—

C.2b Regulatory banking book: breakdown by outstanding maturity (repricing date) of cash assets and liabilities and financial derivative products as at 30 June 2025 (in € k)

Type/Residual duration	On demand	Up to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 year to 5 years	From 5 years to 10 years	Over 10 years	Not specified
1. Cash assets								
1.1 Debt securities	—	—	—	—	—	—	—	—
– with early redemption option	—	—	—	—	—	—	—	—
– other	—	—	—	—	—	—	—	—
1.2 Loans to Banks	372.568	2.689.564	449.958	474.385	192.421	—	174.292	—
1.3 Loans to customers	45.199	2.160.833	682.067	—	1.007	15.098	—	—
Total cash assets at 30/06/2025	417.767	4.850.397	1.132.025	474.385	193.428	15.098	174.292	—
2. Cash liabilities								
2.1 Amounts due to customers	—	45.138	—	959	—	—	703	—
2.2 Amounts due to Banks	146.260	1.764.133	200.753	—	—	—	—	—
2.3 Debt securities in issue	—	3.592.221	488.460	530.038	266.488	20.437	35.414	—
Total cash liabilities at 30/06/2025	146.260	5.401.492	689.213	530.997	266.488	20.437	36.117	—
3. Financial derivatives								
3.1 With underlying securities								
– Options								
+ Long positions	—	—	—	—	—	—	—	—
+ Short positions	—	—	—	—	—	—	—	—
– Others								
+ Long positions	—	—	—	—	—	—	—	—
+ Short positions	—	—	—	—	—	—	—	—
3.2 Without underlying securities								
– Options								
+ Long positions	—	298.635	—	—	340.346	20.306	—	—
+ Short positions	—	298.635	—	—	340.346	20.306	—	—
– Others								
+ Long positions	—	146.929	123.296	6.944	32.720	—	—	—
+ Short positions	—	269.722	7.447	—	32.720	—	—	—
4. Other off-balance sheet								
+ Long positions	—	494.761	—	67.662	973.494	—	—	—
+ Short positions	—	494.761	—	67.662	973.494	—	—	—

1.2.2 Exchange rate risk

QUALITATIVE INFORMATION

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Forex risk exposure is minimal. A continuous monitoring and a dynamic management of the liquidity allow the offsetting of the financial structure in terms of currency risk exposure.

Forex exposures are funded with financial liabilities in the same currencies and, whenever this kind of strategy results unrealizable in terms of costs/opportunity, specific hedging transactions (e.g. cross currency swap, forex swap) are negotiated with the treasury department of the Parent bank in order to put in place corrective actions if necessary.

As at 31 December 2025, the Bank has not registered any forex capital allowance.

During the year, there were no significant changes in the Bank's objectives, policies and process for managing its exchange rate risk.

QUANTITATIVE INFORMATION

D.1 Assets, liabilities and forex derivatives: breakdown by currency (in € k)

Line items	Currency			
	US dollars	Pounds sterling	Swiss francs	Other
A. Assets				
A.1 Debt securities	—	—	—	—
A.2 Equities	—	—	—	—
A.3 Loans and advances to Banks	610.697	13.743	219.490	26.931
A.4 Loans and advances to customers	1.091.285	250.638	120.877	—
A.5 Other financial assets	257	183	34	—
B. Financial liabilities				
B.1 Due to Banks	-1.180.023	-229.960	-74.676	—
B.2 Due to customers	—	—	—	—
B.3 Debt securities	-561.974	-8.953	-195.415	-25.776
B.4 Other financial liabilities	-2.040	-1.021	-114	—
C. Financial Derivatives				
- Options				
+ long positions	3.589	293	—	—
+ short positions	-615	-3	—	—
- Other				
+ long positions	8.345	95	—	—
+ short positions	-6.467	-22.905	-68.642	—
Total assets 31/12/2025	1.714.173	264.952	340.401	26.931
Total liabilities 31/12/2025	-1.751.119	-262.842	-338.847	-25.776
Difference (+/-) 31/12/2025	-36.946	2.110	1.554	1.155
Total assets 30/06/2025	1.330.842	262.061	392.056	1.140
Total liabilities 30/06/2025	-1.379.439	-261.349	-391.350	—
Difference (+/-) 30/06/2025	-48.597	712	706	1.140

Line items	Currency			
	US dollars	Pounds sterling	Swiss francs	Other
A. Assets				
A.1 Debt securities	—	—	—	—
A.2 Equities	—	—	—	—
A.3 Loans and advances to Banks	548.325	30.636	206.752	1.140
A.4 Loans and advances to customers	757.654	226.084	185.273	—
A.5 Other financial assets	2.816	228	31	—
B. Financial liabilities				
B.1 Due to Banks	-787.960	-199.500	-114.106	—
B.2 Due to customers	—	—	—	—
B.3 Debt securities	-575.600	-14.307	-192.329	—
B.4 Other financial liabilities	-846	-840	-219	—
C. Financial Derivatives				
- Options				
+ long positions	7.011	297	—	—
+ short positions	-1.725	-5	—	—
- Other				
+ long positions	15.036	4.816	—	—
+ short positions	-13.308	-46.697	-84.696	—
Total assets 30/06/2025	1.330.842	262.061	392.056	1.140
Total liabilities 30/06/2025	-1.379.439	-261.349	-391.350	—
Difference (+/-) 30/06/2025	-48.597	712	706	1.140
Total assets 30/06/2024	1.548.324	298.792	254.255	3.495
Total liabilities 30/06/2024	-1.546.901	-296.079	-253.867	-772
Difference (+/-) 30/06/2024	1.423	2.713	388	2.723

1.2.3 Derivative contracts

QUALITATIVE INFORMATION

Derivatives often involve at their inception only a mutual exchange of promises with little or no transfer of consideration. However, these instruments may involve a degree of leverage and are volatile. A relatively small movement in the value of the asset, rate or index underlying a derivative contract may have a significant impact on the profit or loss of the Bank.

Over-the-counter derivatives may expose the Bank to the risks associated with the absence of an exchange market on which to close out an open position.

The Bank's exposure under derivative contracts is closely monitored as part of the overall management of the Bank's market risk. During the year there were no significant changes in the Bank's objectives, policies and process for managing those risks.

The Bank enters into credit support annexes ("CSA") to master agreements in order to further reduce derivatives-related credit risk. These annexes generally provide risk mitigation through periodic, margining of the covered exposure. The CSAs also provide for the right to terminate the related derivative transactions upon the counterparty's failure to honor a margin call.

QUANTITATIVE INFORMATION

FINANCIAL DERIVATIVES

E.1 Regulatory trading book: breakdown of notional values by type of transaction (in € k)

Type of transactions	31/12/2025		30/06/2025	
	Over-the-counter	Listed	Over-the-counter	Listed
1. Debt securities and interest rates	3.490.188	—	2.763.109	—
a) Options	849.418	—	849.500	—
b) Swap	2.640.770	—	1.913.609	—
c) Forward	—	—	—	—
d) Futures	—	—	—	—
e) Others	—	—	—	—
2. Equities and share indexes	25.639	—	34.287	—
a) Options	22.595	—	26.787	—
b) Swap	—	—	—	—
c) Forward	1.544	—	—	—
d) Futures	—	—	—	—
e) Others	1.500	—	7.500	—
3. Exchange rates and Gold	91.204	—	135.523	—
a) Options	—	—	—	—
b) Swap	46.811	—	51.322	—
c) Forward	44.393	—	84.201	—
d) Futures	—	—	—	—
e) Others	—	—	—	—
4. Commodities	725.806	—	1.187.133	—
5. Other assets	—	—	—	—
Total	4.332.837	—	4.120.052	—

E.2 Regulatory banking book: breakdown of notional values by type of transaction (in € k)

Type of transactions	31/12/2025		30/06/2025	
	Over-the-counter	Listed	Over-the-counter	Listed
1. Debt securities and interest rates	195.082	—	586.267	—
a) Options	68.865	—	359.287	—
b) Swap	126.217	—	226.980	—
c) Forward	—	—	—	—
d) Futures	—	—	—	—
e) Others	—	—	—	—
2. Equities and share indexes	—	—	—	—
a) Options	—	—	—	—
b) Swap	—	—	—	—
c) Forward	—	—	—	—
d) Futures	—	—	—	—
e) Others	—	—	—	—
3. Exchange rates and Gold	—	—	—	—
a) Options	—	—	—	—
b) Swap	—	—	—	—
c) Forward	—	—	—	—
d) Futures	—	—	—	—
e) Others	—	—	—	—
4. Commodities	—	—	—	—
5. Other assets	—	—	—	—
Total	195.082	—	586.267	—

E.3 OTC financial derivatives: positive fair value (in € k)

Type of transactions	Positive fair value			
	31/12/2025		30/06/2025	
	Over-the-counter	Listed	Over-the-counter	Listed
A. Regulatory trading book	54.383	—	59.788	—
a) Options	25.430	—	29.561	—
b) Interest Rate Swap	8.657	—	7.819	—
c) Cross Currency Swap	—	—	—	—
d) Equity Swap	—	—	—	—
e) Forward	20.296	—	22.408	—
f) Futures	—	—	—	—
g) Others	—	—	—	—
B. Banking book: Hedge derivatives	1.495	—	3.799	—
a) Options	—	—	1.077	—
b) Interest Rate Swap	1.495	—	2.722	—
c) Cross Currency Swap	—	—	—	—
d) Equity Swap	—	—	—	—
e) Forward	—	—	—	—
f) Futures	—	—	—	—
g) Others	—	—	—	—
C. Banking book: Others derivatives	—	—	—	—
a) Options	—	—	—	—
b) Interest Rate Swap	—	—	—	—
c) Cross Currency Swap	—	—	—	—
d) Equity Swap	—	—	—	—
e) Forward	—	—	—	—
f) Futures	—	—	—	—
g) Others	—	—	—	—
Total	55.878	—	63.587	—

E.4 OTC financial derivatives: negative fair value (in € k)

Type of transactions	Negative fair value			
	31/12/2025		30/06/2025	
	Over-the-counter	Listed	Over-the-counter	Listed
A. Regulatory trading book	-36.527	—	-43.262	—
a) Options	-4.822	—	-4.298	—
b) Interest Rate Swap	-8.763	—	-9.814	—
c) Cross Currency Swap	-969	—	-908	—
d) Equity Swap	—	—	—	—
e) Forward	-20.430	—	-22.240	—
f) Futures	—	—	—	—
g) Others	-1.543	—	-6.002	—
B. Banking book: Hedge derivatives	-1.912	—	-3.166	—
a) Options	-1.312	—	-2.621	—
b) Interest Rate Swap	-600	—	-545	—
c) Cross Currency Swap	—	—	—	—
d) Equity Swap	—	—	—	—
e) Forward	—	—	—	—
f) Futures	—	—	—	—
g) Others	—	—	—	—
C. Banking book: Others derivatives	—	—	—	—
a) Options	—	—	—	—
b) Interest Rate Swap	—	—	—	—
c) Cross Currency Swap	—	—	—	—
d) Equity Swap	—	—	—	—
e) Forward	—	—	—	—
f) Futures	—	—	—	—
g) Others	—	—	—	—
Total	-38.439	—	-46.428	—

E.5 Regulatory trading book: counterparty and financial risk – OTC financial derivatives not included in netting or agreements (in € k)

Contracts not forming part of netting arrangements	31/12/2025							30/06/2025
	Governments and central Bank	Other public agencies	Banks	Financial companies	Insurances	Non-Financial companies	Other counterparties	
1. Debt securities and interest rates								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—
2. Equities and share indexes								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—
3. Exchange rates and Gold								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—
4. Other assets								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—

Contracts not forming part of netting arrangements	30/06/2025							30/06/2024
	Governments and central Bank	Other public agencies	Banks	Financial companies	Insurances	Non-Financial companies	Other counterparties	
1. Debt securities and interest rates								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—
2. Equities and share indexes								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—
3. Exchange rates and Gold								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—
4. Other assets								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—

E.6 Regulatory trading book: counterparty and financial risk – OTC financial derivatives included in netting or agreements (in € k)

Contracts forming part of netting arrangements	31/12/2025							30/06/2025
	Governments and central Bank	Other public agencies	Banks	Financial companies	Insurances	Non-Financial companies	Other counterparties	
1. Debt securities and interest rates								
- notional value	—	—	3.390.188	100.000	—	—	—	2.763.109
- positive fair value	—	—	12.944	—	—	—	—	13.507
- negative fair value	—	—	13.515	70	—	—	—	14.112
2. Equities and share indexes								
- notional value	—	—	25.639	—	—	—	—	34.287
- positive fair value	—	—	21.183	—	—	—	—	23.873
- negative fair value	—	—	1.583	—	—	—	—	6.002
3. Exchange rates and Gold								
- notional value	—	—	91.204	—	—	—	—	135.523
- positive fair value	—	—	47	—	—	—	—	174
- negative fair value	—	—	1.224	—	—	—	—	913
4. Other assets								
- notional value	—	—	725.806	—	—	—	—	1.187.133
- positive fair value	—	—	20.209	—	—	—	—	22.234
- negative fair value	—	—	20.135	—	—	—	—	22.235

Contracts forming part of netting arrangements	30/06/2025							30/06/2024
	Governments and central Bank	Other public agencies	Banks	Financial companies	Insurances	Non-Financial companies	Other counterparties	
1. Debt securities and interest rates								
- notional value	—	—	2.663.109	100.000	—	—	—	2.275.839
- positive fair value	—	—	13.507	—	—	—	—	31.837
- negative fair value	—	—	14.058	54	—	—	—	32.975
2. Equities and share indexes								
- notional value	—	—	34.287	—	—	—	—	33.588
- positive fair value	—	—	23.873	—	—	—	—	21.839
- negative fair value	—	—	6.002	—	—	—	—	9.903
3. Exchange rates and Gold								
- notional value	—	—	135.523	—	—	—	—	130.595
- positive fair value	—	—	174	—	—	—	—	1.588
- negative fair value	—	—	913	—	—	—	—	175
4. Other assets								
- notional value	—	—	1.187.133	—	—	—	—	291.330
- positive fair value	—	—	22.234	—	—	—	—	2.820
- negative fair value	—	—	22.235	—	—	—	—	2.820

E.7 Regulatory banking book: counterparty and financial risk – OTC financial derivatives not included in netting or collateral agreements (in € k)

Contracts not forming part of netting arrangements	31/12/2025							30/06/2025
	Governments and central Bank	Other public agencies	Banks	Financial companies	Insurances	Non-Financial companies	Other counterparties	
1. Debt securities and interest rates								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—
2. Equities and share indexes								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—
3. Exchange rates and Gold								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—
4. Other assets								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—

Contracts not forming part of netting arrangements	30/06/2025							30/06/2024
	Governments and central Bank	Other public agencies	Banks	Financial companies	Insurances	Non-Financial companies	Other counterparties	
1. Debt securities and interest rates								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—
2. Equities and share indexes								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—
3. Exchange rates and Gold								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—
4. Other assets								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
- future exposure	—	—	—	—	—	—	—	—

E.8 Regulatory banking book: counterparty and financial risk – OTC financial derivatives included in netting or collateral agreements (in € k)

Contracts forming part of netting arrangements	31/12/2025							30/06/2025
	Governments and central Bank	Other public agencies	Banks	Financial companies	Insurances	Non-Financial companies	Other counterparties	
1. Debt securities and interest rates								
- notional value	—	—	195.082	—	—	—	—	586.267
- positive fair value	—	—	1.495	—	—	—	—	3.799
- negative fair value	—	—	1.912	—	—	—	—	3.166
2. Equities and share indexes								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
3. Exchange rates and Gold								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
4. Other assets								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—

Contracts forming part of netting arrangements	30/06/2025							30/06/2024
	Governments and central Bank	Other public agencies	Banks	Financial companies	Insurances	Non-Financial companies	Other counterparties	
1. Debt securities and interest rates								
- notional value	—	—	586.267	—	—	—	—	1.472.014
- positive fair value	—	—	3.799	—	—	—	—	3.389
- negative fair value	—	—	3.166	—	—	—	—	2.955
2. Equities and share indexes								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
3. Exchange rates and Gold								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—
4. Other assets								
- notional value	—	—	—	—	—	—	—	—
- positive fair value	—	—	—	—	—	—	—	—
- negative fair value	—	—	—	—	—	—	—	—

E.9 Regulatory trading book: residual life – notional values (in € k)

Underlying/Residual maturity	Up to 1 year	From 1 to 5 years	Over 5 years	Total
1. Financial derivatives on debt securities and interest rates	397.521	3.092.178	489	3.490.188
2. Financial derivatives on equities and share indexes	7.830	17.809	—	25.639
3. Financial derivatives on foreign currencies and gold	91.204	—	—	91.204
4. Financial derivatives on commodities	684.612	41.194	—	725.806
5. Other financial derivatives	—	—	—	—
Total at 31/12/2025	1.181.167	3.151.181	489	4.332.837
Total at 30/06/2025	573.444	3.046.117	500.491	4.120.052

Underlying/Residual maturity	Up to 1 year	From 1 to 5 years	Over 5 years	Total
1. Financial derivatives on debt securities and interest rates	303.146	1.959.472	500.491	2.763.109
2. Financial derivatives on equities and share indexes	22.531	11.756	—	34.287
3. Financial derivatives on foreign currencies and gold	88.877	46.646	—	135.523
4. Financial derivatives on commodities	158.890	1.028.243	—	1.187.133
5. Other financial derivatives	—	—	—	—
Total at 30/06/2025	573.444	3.046.117	500.491	4.120.052
Total at 30/06/2024	1.062.685	1.012.504	656.163	2.731.352

E.10 Regulatory banking book: residual life – notional values (in € k)

Underlying/Residual maturity	Up to 1 year	From 1 to 5 years	Over 5 years	Total
1. Financial derivatives on debt securities and interest rates	9.882	118.266	66.934	195.082
2. Financial derivatives on equities and share indexes	—	—	—	—
3. Financial derivatives on foreign currencies and gold	—	—	—	—
4. Financial derivatives on commodities	—	—	—	—
5. Other financial derivatives	—	—	—	—
Total at 31/12/2025	9.882	118.266	66.934	195.082
Total at 30/06/2025	418.339	117.316	50.612	586.267

Underlying/Residual maturity	Up to 1 year	From 1 to 5 years	Over 5 years	Total
1. Financial derivatives on debt securities and interest rates	418.339	117.316	50.612	586.267
2. Financial derivatives on equities and share indexes	—	—	—	—
3. Financial derivatives on foreign currencies and gold	—	—	—	—
4. Financial derivatives on commodities	—	—	—	—
5. Other financial derivatives	—	—	—	—
Total at 30/06/2025	418.339	117.316	50.612	586.267
Total at 30/06/2024	1.332.336	127.276	12.402	1.472.014

CREDIT DERIVATIVES

F.1 Regulatory trading book: breakdown of notional values by type of transaction (in € k)

Transaction categories	Regulatory trading book		Other transactions	
	Individual assets	Baskets	Individual assets	Baskets
1. Protection purchase				
a) Credit default	1.714.041	—	—	—
b) Credit spread products	—	—	—	—
c) Total rate of return swap	—	—	—	—
d) Others	—	—	—	—
Total at 31/12/2025	1.714.041	—	—	—
Total at 30/06/2025	1.605.555	—	—	—
2. Protection sale				
a) Credit default	1.480.508	—	—	—
b) Credit spread products	—	—	—	—
c) Total rate of return swap	—	—	—	—
d) Others	—	—	—	—
Total at 31/12/2025	1.480.508	—	—	—
Total at 30/06/2025	1.432.347	—	—	—

Transaction categories	Regulatory trading book		Other transactions	
	Individual assets	Baskets	Individual assets	Baskets
1. Protection purchase				
a) Credit default	1.605.555	—	—	—
b) Credit spread products	—	—	—	—
c) Total rate of return swap	—	—	—	—
d) Others	—	—	—	—
Total at 30/06/2025	1.605.555	—	—	—
Total at 30/06/2024	1.779.097	—	—	—
2. Protection sale				
a) Credit default	1.432.347	—	—	—
b) Credit spread products	—	—	—	—
c) Total rate of return swap	—	—	—	—
d) Others	—	—	—	—
Total at 30/06/2025	1.432.347	—	—	—
Total at 30/06/2024	1.722.346	—	—	—

F.2 Regulatory trading book: positive and negative fair values (in € k)

Transaction categories	Fair Value	
	31/12/2025	30/06/2025
1. Positive fair value		
a) Credit default	11.435	18.172
b) Credit spread products	—	—
c) Total rate of return swap	—	—
d) Others	—	—
Total	11.435	18.172
2. Negative fair value		
a) Credit default	-11.788	-17.309
b) Credit spread products	—	—
c) Total rate of return swap	—	—
d) Others	—	—
Total	-11.788	-17.309

F.3 Regulatory trading book: settlement risk – OTC credit derivatives covered by clearing agreements (in € k)

	31/12/2025				30/06/2025
	Central counterparts	Banks	Other financial companies	Other counterparties	
OTC contracts not covered by clearing agreements					
1. Protection purchase					
- notional value	—	1.477.965	236.076	—	1.605.555
- positive fair value	—	2.097	1.024	—	3.395
- negative fair value	—	5.230	3.210	—	12.789
2. Protection sale					—
- notional value	—	1.480.508	—	—	1.432.347
- positive fair value	—	8.314	—	—	14.777
- negative fair value	—	3.348	—	—	4.520
OTC contracts covered by clearing agreements					
1. Protection purchase					
- notional value	—	—	—	—	—
- positive fair value	—	—	—	—	—
- negative fair value	—	—	—	—	—
2. Protection sale					
- notional value	—	—	—	—	—
- positive fair value	—	—	—	—	—
- negative fair value	—	—	—	—	—

	30/06/2025				30/06/2024
	Central counterparts	Banks	Other financial companies	Other counterparties	
OTC contracts not covered by clearing agreements					
1. Protection purchase					
- notional value	—	1.424.793	180.762	—	1.779.097
- positive fair value	—	2.751	644	—	4.040
- negative fair value	—	10.838	1.951	—	4.321
2. Protection sale					
- notional value	—	1.432.347	—	—	1.722.346
- positive fair value	—	14.777	—	—	6.335
- negative fair value	—	4.520	—	—	3.709
OTC contracts covered by clearing agreements					
1. Protection purchase					
- notional value	—	—	—	—	—
- positive fair value	—	—	—	—	—
- negative fair value	—	—	—	—	—
2. Protection sale					
- notional value	—	—	—	—	—
- positive fair value	—	—	—	—	—
- negative fair value	—	—	—	—	—

F.4 Regulatory trading book: residual life – notional values (in € k)

Transaction categories	Up to 1 year	From 1 to 5 years	Over 5 years	Total
1. Regulatory trading book				
a) Protection purchase	102.644	1.611.397	—	1.714.041
b) Protection sale	—	1.480.508	—	1.480.508
Total at 31/12/2025	102.644	3.091.905	—	3.194.549
Total at 30/06/2025	856.460	2.168.334	13.108	3.037.902

Transaction categories	Up to 1 year	From 1 to 5 years	Over 5 years	Total
1. Regulatory trading book				
a) Protection purchase	428.230	1.170.771	6.554	1.605.555
b) Protection sale	428.230	997.563	6.554	1.432.347
Total at 30/06/2025	856.460	2.168.334	13.108	3.037.902
Total at 30/06/2024	1.417.138	1.986.768	97.537	3.501.443

ACCOUNTING HEDGE

F.5 Financial hedging derivatives: gross positive and negative fair values by product (in € k)

	Positive and negative fair value							Change in value used to relieve hedging ineffectiveness		
	31/12/2025				30/06/2025				31/12/2025	30/06/2025
	Over the counter				Over the counter					
	With Central Counterparts	Without Central Counterparties With Clearing arrangement	Without Clearing arrangement	Established markets	With Central Counterparts	Without Central Counterparties With Clearing arrangement	Without Clearing arrangement	Established markets		
1. Positive Fair Value										
a) Options	—	—	—	—	1.077	—	—	—	—	
b) Interest rate swap	—	1.495	—	—	2.722	—	—	—	—	
c) Cross currency swap	—	—	—	—	—	—	—	—	—	
d) Forward	—	—	—	—	—	—	—	—	—	
e) Futures	—	—	—	—	—	—	—	—	—	
h) Others	—	—	—	—	—	—	—	—	—	
Total	—	1.495	—	—	3.799	—	—	—	—	
2. Negative Fair Value										
a) Options	—	1.312	—	—	2.621	—	—	—	—	
b) Interest rate swap	—	600	—	—	545	—	—	—	-746	
c) Cross currency swap	—	—	—	—	—	—	—	—	—	
d) Forward	—	—	—	—	—	—	—	—	—	
e) Futures	—	—	—	—	—	—	—	—	—	
h) Others	—	—	—	—	—	—	—	—	—	
Total	—	1.912	—	—	3.166	—	—	—	-746	

F.6 Fair value hedges (in € k)

	Specific hedges: book value	Specific hedges - net positions: balance sheet value of assets or liabilities (before offsetting)	Specific Hedges		Generic hedges: Book value
			Accumulated changes in fair value of the hedged instrument	Ending of hedge: residual accumulated changes in fair value	
A. Assets					
1. Financial assets measured at fair value through other comprehensive income - hedges of:	-	-	-	-	-
1.1 Debt securities and interest rate	-	-	-	-	x
1.2 Equity securities and stock price indexes	-	-	-	-	x
1.3 Currencies and gold	-	-	-	-	x
1.4 Credits	-	-	-	-	x
1.5 Other	-	-	-	-	x
2. Financial assets measured at amortized cost - hedges of:	-	-	-	-	-
2.1 Debt securities and interest rate	-	-	-	-	x
2.2 Equity securities and stock price indexes	-	-	-	-	x
2.3 Currencies and gold	-	-	-	-	x
2.4 Credits	-	-	-	-	x
2.5 Other	-	-	-	-	x
Total 31/12/2025	-	-	-	-	-
Total 30/06/2025	-	-	-	-	-
B. Liabilities					
1. Financial Liabilities measured at amortized cost - hedges of:	125.846	-	-397	-	313
1.1 Debt securities and interest rate	125.846	-	-397	-	313
1.2 Currencies and gold	-	-	-	-	x
1.3 Other	-	-	-	-	x
Total 31/12/2025	125.846	-	-397	-	313
Total 30/06/2025	228.230	-	-7	-	-746

	Specific hedges: book value	Specific hedges - net positions: balance sheet value of assets or liabilities (before offsetting)	Specific Hedges		Generic hedges: Book value
			Accumulated changes in fair value of the hedged instrument	Ending of hedge: residual accumulated changes in fair value	
A. Assets					
1. Financial assets measured at fair value through other comprehensive income - hedges of:	-	-	-	-	-
1.1 Debt securities and interest rate	-	-	-	-	x
1.2 Equity securities and stock price indexes	-	-	-	-	x
1.3 Currencies and gold	-	-	-	-	x
1.4 Credits	-	-	-	-	x
1.5 Other	-	-	-	-	x
2. Financial assets measured at amortized cost - hedges of:	-	-	-	-	-
2.1 Debt securities and interest rate	-	-	-	-	x
2.2 Equity securities and stock price indexes	-	-	-	-	x
2.3 Currencies and gold	-	-	-	-	x
2.4 Credits	-	-	-	-	x
2.5 Other	-	-	-	-	x
Total 30/06/2025	-	-	-	-	-
Total 30/06/2024	-	-	-	-	-
B. Liabilities					
1. Financial Liabilities measured at amortized cost - hedges of:	228.230	-	-7	-	-746
1.1 Debt securities and interest rate	228.230	-	-7	-	-746
1.2 Currencies and gold	-	-	-	-	x
1.3 Other	-	-	-	-	x
Total 30/06/2025	228.230	-	-7	-	-746
Total 30/06/2024	235.352	-	657	-	5.935

1.3 LIQUIDITY RISK

QUALITATIVE INFORMATION

Liquidity risk is defined as the risk that the Bank would encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Bank might be unable to meet its payment obligations when they fall due under both normal and stress circumstances.

During the fiscal year, the Bank has performed ongoing monitoring and control of the regulatory liquidity metrics (cf. below) through the Asset Liability Management application (which is the same used by the Parent Bank). The liquidity risk management and monitoring model is divided in:

- Management of short-term liquidity with the purpose of managing events which might impact the bank's liquidity position (up to 30 days) and preserving in this way the Bank's ability to fulfill its ordinary and/or extraordinary payment obligations while minimizing the related funding costs. The Institution regularly monitors the Liquidity Coverage Ratio (hereinafter also referred to as "LCR") and the Additional Liquidity Monitoring Metrics (ALMM);
- Management of long-term liquidity focusing on events which might impair the bank's liquidity position beyond 1-year time horizon, with the primary goal of maintaining an adequate and efficient ratio between medium/long term liabilities and assets. The institution uses regulatory liquidity metrics, namely the Net Stable Funding Ratio (hereinafter also referred to as "NSFR") which became mandatory at 30.06.2021 with a minimum requirement of 100% (according to Regulation (UE) 2019/876 or "CRR2").

The goal of the institution is to keep maintaining a level of liquidity that enables the payment of commitments undertaken, being it ordinary or extraordinary. In this regard, the Group has adopted a specific approach for the short-term and long-term managerial metrics which foresees the settlement of the cash flows in two analysis scenarios, namely the "Standard" and the "Stressed" scenarios. Potential stress scenario includes: stress on market-wide factors, consisting of the combined occurrence of political, macroeconomic and other extraordinary events that have a negative impact on market conditions, reduction in cash inflow due to default flows scenario and drawdown in credit lines granted to customers; idiosyncratic factors referring to specific stress events and a combination of both. The liquidity risk tolerance thresholds are defined as the maximum exposure to risk deemed sustainable by the management in the normal course of business, as well as "stress situations". The bank has implemented tailored stressed scenarios (market, idiosyncratic and combined) at individual level in line with the Group framework.

In addition to the regulatory indicators, the risk management function has included a new liquidity metric within the liquidity monitoring framework, i.e. the Net Liquidity Position (NLP). This operational metrics aims to ensure the Bank's ability to meet expected and unexpected payments, so as not to jeopardize the normal conduct of the business over a short and medium-term period (typically up to 12 months). In line with the Group monitoring framework, the Bank started to monitor the Net Liquidity position metrics under business as usual and under stressed scenarios. Internal thresholds limits have set on business-as-usual scenario and no breaches have been detected along the year.

The objectives and metrics described above are addressed through the preparation of the Risk Appetite Framework (RAF), which involves defining the Institution's appetite for risk on regulatory indicators (LCR

and NSFR) and through the preparation of the Internal Capital/Liquidity Adequacy Assessment Process (ICLAAP), which includes the assessment of liquidity risk profile under baseline and stressed conditions. The ILAAP process for the exercise ended 31st December 2025 is currently being implemented.

Contingency Funding Plan

The Group treasury department acts as lender of last resort for the Group legal entities, including Mediobanca International (Luxembourg) S.A., guarantees their solvency both in the short and the medium/long term, and is responsible to activate the Group Contingency Funding Plan ('CFP') aimed at safeguarding the continuity of ordinary operations during a liquidity crisis. Even though the Bank is included in the Group CFP, in addition to the risk management and governance guidelines for the normal course of business, the Bank has adopted a Contingency Funding Plan at individual level that includes guidelines and processes to be followed in the event of liquidity emergency conditions. On this extent, the Bank is responsible for activating its local Contingency Funding Plan (CFP).

The Bank CFP governs the following processes: the definition of liquidity tension situations, the alarm system and identification of operating scenario, the procedure for monitoring risk indicators and reporting flows, roles and responsibilities of the company units, communication and testing procedures and prompt actions to be taken in order to resolve the emergency situations as well the regular revision of the framework.

During the year, the Contingency Funding Plan has been updated, providing clear description of the crisis governance framework, the decision-making process, corrective measures, testing procedures, and the interaction with recovery and resolution measures.

Regarding the Early warning system, the Bank analyzed the material risk factors for liquidity purpose highlighted in the context of the Iclaap2025 cycle and it has confirmed the set of related risk indicators, composed of 5 indicators (systemics and specifics), as part of Contingency Funding Plan (CFP). The CFP framework and the thresholds are annually updated. From the weekly monitoring none of the indicators has shown stress situation, and the Bank has always operated in the business-as-usual scenario.

QUANTITATIVE INFORMATION

G.1 Financial assets and liabilities by outstanding life as at 31 December 2025 (in € k)

Type	On demand	From 1 days to 7 days	From 7 days to 15 days	From 15 days to 1 month	From 1 month to 3 months	From 3 months to 6 months	From 6 months to 1 year	From 1 year to 5 years	Over 5 years	Unlimited
Cash assets	415.586	39.522	286.734	65.924	218.756	471.051	1.218.307	3.777.295	1.951.915	14.242
A.1 Government securities	—	—	—	—	—	—	—	—	—	—
A.2 Listed debt securities	—	—	—	—	—	—	—	—	—	—
A.3 Other debt securities	—	—	—	—	—	—	—	—	229.493	—
A.4 OICR units	—	—	—	—	—	—	—	68.390	—	—
A.5 Loans and advances	415.586	39.522	286.734	65.924	218.756	471.051	1.218.307	3.708.904	1.722.422	14.242
– to Banks	415.586	4.279	232.245	5	201.786	401.336	893.015	1.225.111	1.506.598	14.242
– to customers	—	35.243	54.489	65.919	16.970	69.714	325.291	2.483.793	215.824	—
Cash liabilities	-24.314	-8.949	-95.304	-8.494	-362.269	-442.058	-1.365.509	-3.684.361	-2.046.441	—
B.1 Deposits	-24.314	-29	-15.071	-2	-115.197	-30.052	-466.600	-2.063.494	-1.595	—
– to banks	-24.314	-29	-6	-2	-85.120	—	-466.600	-2.063.494	-101	—
– to customers	—	—	-15.065	—	-30.077	-30.052	—	—	-1.493	—
B.2 Debt securities	—	—	-79.977	-8.487	-244.740	-409.689	-891.243	-1.546.598	-2.008.264	—
B.3 Other liabilities	—	-8.920	-256	-5	-2.332	-2.318	-7.667	-74.270	-36.583	—
Off-balance-sheet transactions										
C.1 Financial derivatives										
with exchange of principal										
– long positions	—	—	—	—	—	—	—	—	—	—
– short positions	—	—	44.393	—	—	—	46.811	40.505	28.361	—
C.2 Financial derivatives										
without exch. of principal										
– long positions	—	34	209	151	1.472	2.975	4.591	—	—	—
– short positions	—	39	162	263	1.419	2.715	4.452	—	—	—
C.3 Irrevocable commitments										
to disburse funds										
– long positions	—	—	—	—	—	—	—	—	—	—
– short positions	—	—	—	—	—	—	—	—	—	—
C.4 Financial guarantees issued	—	—	—	—	—	—	—	—	—	—
C.5 Credit derivatives with										
exchange of principal										
– long positions	—	—	—	—	—	—	—	4.084	234.533	—
– short positions	—	—	—	—	—	—	102.644	135.973	—	—
C.6 Credit derivatives without										
exchange of principal										
– long positions	—	—	—	—	—	—	—	—	—	—
– short positions	—	—	—	—	—	—	—	—	—	—

G.2 Financial assets and liabilities by outstanding life as at 30 June 2025 (in € k)

Type	On demand	From 1 days to 7 days	From 7 days to 15 days	From 15 days to 1 month	From 1 month to 3 months	From 3 months to 6 months	From 6 months to 1 year	From 1 year to 5 years	Over 5 years	Unlimited
Cash assets	375.174	60.295	1.664	81.097	530.034	467.065	663.101	3.449.122	1.977.182	11.971
A.1 Government securities	—	—	—	—	—	—	—	—	—	—
A.2 Listed debt securities	—	—	—	—	—	—	—	—	—	—
A.3 Other debt securities	—	—	—	—	—	—	—	—	161.728	—
A.4 OICR units	—	—	—	—	—	—	—	60.543	—	—
A.5 Loans and advances	375.174	60.295	1.664	81.097	530.034	467.065	663.101	3.388.579	1.815.455	11.971
– to Banks	375.174	58.993	—	25.434	386.704	454.576	484.043	1.052.358	1.660.676	11.971
– to customers	—	1.302	1.664	55.663	143.330	12.490	179.058	2.336.221	154.778	—
Cash liabilities	-36.214	-64.075	-10	-66.714	-474.509	-490.954	-882.392	-3.129.498	-2.022.345	—
B.1 Deposits	-36.164	-14	-10	-15.064	-30.077	—	-343.146	-1.678.907	-762	—
– to banks	-35.206	-14	-10	-2	—	—	-343.146	-1.678.907	-58	—
– to customers	-959	—	—	-15.062	-30.077	—	—	—	-703	—
B.2 Debt securities	—	—	—	-51.612	-440.579	-486.190	-528.775	-1.367.933	-2.004.621	—
B.3 Other liabilities	-49	-64.061	—	-38	-3.853	-4.764	-10.471	-82.658	-16.963	—
Off-balance-sheet transactions										
C.1 Financial derivatives										
with exchange of principal										
– long positions	—	—	—	—	4.676	—	—	—	—	—
– short positions	—	37.445	—	46.756	—	—	—	86.992	20.306	—
C.2 Financial derivatives										
without exch. of principal										
– long positions	3.109.693	35	185	696	2.489	3.626	4.610	—	—	—
– short positions	3.105.093	41	162	546	2.348	3.124	4.219	—	—	—
C.3 Irrevocable commitments										
to disburse funds										
– long positions	—	—	—	—	—	—	—	—	—	—
– short positions	—	—	—	—	—	—	—	—	—	—
C.4 Financial guarantees issued	—	—	—	—	—	—	—	—	—	—
C.5 Credit derivatives with										
exchange of principal										
– long positions	—	—	—	—	—	—	—	1.000	187.316	—
– short positions	—	—	—	—	—	—	—	175.208	13.108	—
C.6 Credit derivatives without										
exchange of principal										
– long positions	536.057	—	—	—	—	—	—	—	—	—
– short positions	534.027	—	—	—	—	—	—	—	—	—

1.4 OPERATIONAL RISK

QUALITATIVE INFORMATION

Through the quarterly monitoring of the Risk Appetite Framework, the RM function reports to the Credit Committee and to the Board of Directors any operational loss recorded during the period. In this respect it is worth noting that the Board of Directors has also defined a specific risk tolerance threshold on operational risk, and in case of breach of the aforementioned trigger the CRO, supported by responsible Functions/Departments of the Bank and/or of the Parent Bank, and after discussion with the Credit Committee, shall inform the Board about the reasons for overshooting the pre-established ceiling. Such information shall take place at the first available meeting after that date.

With reference to the possibility of losses caused by interruptions in operations or due to systems being unavailable, the Bank has drawn up operating continuity and disaster recovery plans to ensure that activity is able to continue and to limit the operating losses in the event of prolonged interruptions. The Bank regularly reviews the operating continuity and disaster recovery plans with a view to ensuring that they are consistent with its activities and current operating strategies.

Access control mechanisms and security measures are implemented to manage both internal access by individual system users and external threats such as cyberattacks. These controls are supported by dedicated monitoring and security tools. Additionally, insurance coverage has been secured to protect key personnel and critical assets against potential risks and major incident.

As for the possibility of risk deriving from outsourcing activities, the Bank has implemented a continuous monitoring and regular review system to assess the care taken in performing these activities by the Parent Bank, Group's IT Consortium entity and external providers.

In addition, the Parent has constantly strengthened its security strategy in order to guarantee the confidentiality, integrity, availability and authenticity of information and data. It has adopted a cyber security and IT risk framework (including system and tools) that define principles and rules aimed at identifying and measuring the IT and Cyber risk to which company assets are exposed, assessing the criticality of the resource and the existing security measures and controls, identifying the proper risk response (risk treatment in line with the operational risks management process). Security activities and IT risk analyses are continuously performed in order to guarantee adequate organizational and technological security measures and controls, on the whole Mediobanca Group's perimeter considering as well further external elements such as the evolution of the cyber-geopolitical context and the adoption of new technological paradigms (e.g. cloud) that extend the attack surface by introducing new specific threats.

Throughout the financial year, the DORA compliance involved a review and enhancement of the internal ICT, cyber security and third-party risk management frameworks. This included the enhancement of operational resilience processes and the implementation of a set of Key Risk Indicators (KRIs) to support continuous monitoring and reporting to corporate governance bodies.

As at 31st December 2025, the Bank does not face any litigation risk.

1.5 OTHER RISKS

QUALITATIVE INFORMATION

The implementation of the Internal Capital Adequacy Assessment Process (ICAAP) consists of sound, effective and complete strategies and processes allowing the Bank to assess and maintain, on an on-going basis, the amounts, types and distribution of internal capital that the Bank considers adequate to cover the nature and level of the risk to which they are or might be exposed. The identification of relevant risks of Mediobanca International in the ICAAP is structured into 4 (four) distinct phases.

Phase 1 – Definition of the potential risks: The Bank identifies the risks starting from the regulatory requirements and related guidelines, i.e. the SSM Risk Map which has been locally integrated with additional risk categories valued as appropriate by the management.

Phase 2 – Risk Map definition: The Bank applies a filtering of the potential risk list based on its own peculiarities and business.

Phase 3 – Definition of criteria for relevant risks: where possible, Key Performance Indicator (“KPI”), based on risk indicators adapted to the type of risk, are selected. For each KPI a materiality threshold is defined based on historical observations related to the bank. The identification of relevant risk is executed comparing the value of KPIs at the reference date with the identified materiality threshold. Where KPIs adoption is not possible, due to non-measurability of the risk itself, assessment is made on a qualitative basis.

Phase 4 – The final materiality assessment is supported by qualitative considerations in order to identify and correct misleading outcomes (if any). Therefore, some risk may be judgmentally considered as “not relevant” even though the identified KPI at the reference date is higher than the materiality threshold.

Following the identification of relevant risk, capital requirement quantification is performed on risks not covered by the Pillar I framework. In case the management shall consider that some risks are underestimated and not entirely covered by the minimum capital requirements of Pillar I, an additional discretionary capital II add-on may be calculated and allocated. The adequacy of the risk measurement methodologies supporting the ICAAP, including stress testing and risk aggregation, is checked by internal validation. Measuring the risk profile is a fundamental element of the Internal Capital Adequacy Assessment Process under Basel II Pillar II.

Capital adequacy is assessed considering the balance between the assumed risk, both Pillar I and Pillar II, and the available capital. The internal economic capital measurements and the resulting Risk-Taking Capacity showed an adequate capitalization at 31st December 2025. In detail, the Bank reported an amount of € 421,7 million of available own funds, which was above the internal capital estimates in the ordinary scenario (€ 246,9 million) leaving a capital surplus of € 200,1 million.

The ICAAP process for the exercise ended 31st December 2025 is currently being implemented.

ESG and Climate Risk

The Mediobanca Group has always placed great importance on environmental issues and is strongly committed to playing an active role in the ecological transition process.

At December 2025, the commitments are consistent with the Mediobanca Group's Sustainability and ESG Policies, in place as well at Bank level, which transpose detailed sectoral guidelines by introducing restrictions on operators with a negative impact on the climate. The achievement of the strategic objectives is also guaranteed by the implementation of metrics in the Group's Risk Appetite Framework and at local level as well, aimed at promoting responsible business activities, while maintaining a low profile in terms of exposure to climate risk.

The effective management of ESG risks is a central aspect for maintaining medium- to long-term economic, social, and environmental balance. The integration of ESG risks, especially climate, into the risk management framework relies on: the materiality assessment to identify relevant climate and environmental risk factors across portfolios; monitoring of materiality through Key Risk Indicators defined in the Risk Appetite Statement and stress testing evaluating the impact of adverse or business-as-usual climate scenarios over multiple time horizons for ICLAAP purpose.

Particular attention was devoted to the materiality analysis, a structured process aimed at evaluating the impact of climate and environmental risks on the Mediobanca Group and at Bank level. In particular, during the risk-driver identification phase, the physical and transition climate and environmental risk drivers that could affect the Bank have been identified during the 2025, taking into account the current and future business context as well as the corporate strategy. The climate scenarios considered by the Group and the Bank are inspired to the main NGFS (Network for Greening the Financial System) scenarios.

The identification of the exposures subject to climate and environmental risks involved the mapping of the transmission channels through which the identified risk drivers may affect the Bank's financials and risk profile. Specific Key Risk Indicators (KRIs) were defined and materiality thresholds were then established to determine the significance of each risk factor. KRIs were developed using both exposure-based and stress-scenario methodologies. Exposure-based indicators provide a short-term view of how ESG risks impact counterparties' risk profile and profitability. Scenario-based indicators assess sensitivity to ESG risks across different time horizons. Together, these tools support a comprehensive and forward-looking assessment of ESG risk exposure.

It should be noted that the Bank has no significant exposures to counterparties with high climate and environmental risk. The exposure to high-risk counterparties for the credit lending portfolio is zero at % as at 30 September 2025, as shown by the analysis conducted in the recalibrated ESG heatmap.

The Group has also launched ad-hoc training for employees in order to strengthening the culture of sustainability and ESG, including dedicated training on decarbonization.

PART G – CAPITAL MANAGEMENT



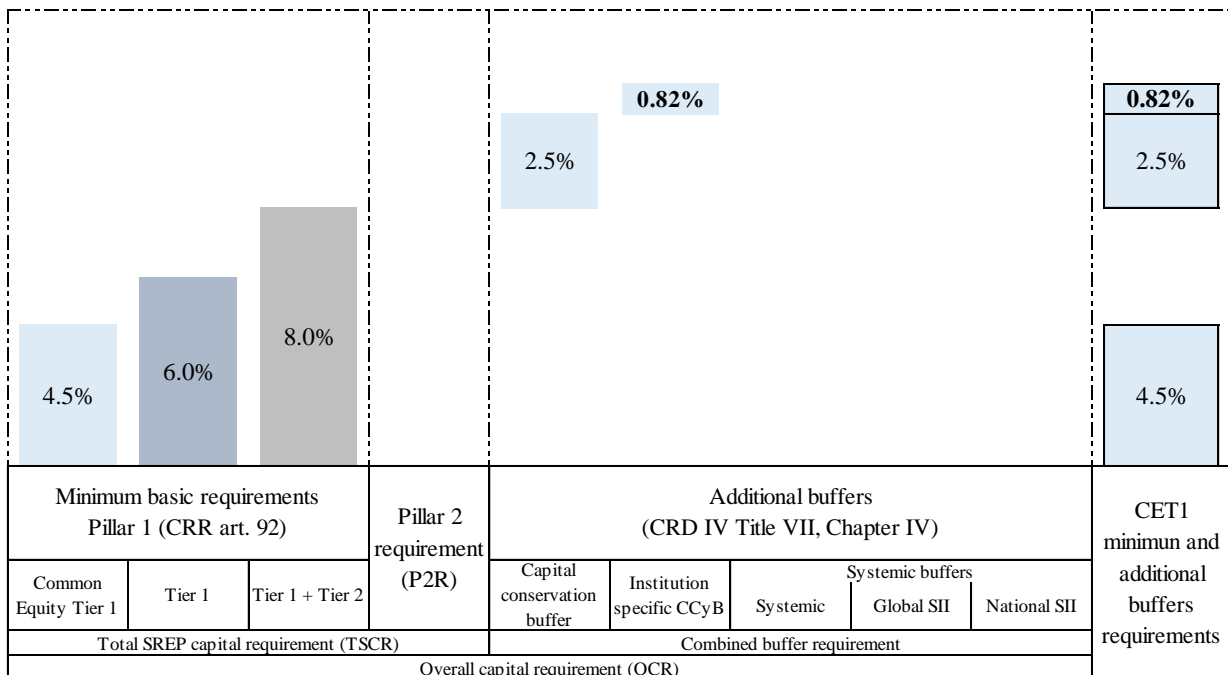
Section 1

Regulatory and supervisory capital requirements

Capital is the first and most important safeguard of a bank's stability. For this reason, the international and domestic supervisory bodies have established rigorous rules for calculating regulatory capital and the minimum capital requirements with which banks are bound to comply. Since its inception, one of the distinguishing features of the Italian Banking Group Mediobanca has been the solidity of its financial structure, with capital ratios that have been consistently and significantly higher than those required by the regulatory guidelines, as shown by the comfortable margin emerging from the Internal Capital Adequacy Assessment Process (ICAAP) and the process performed by the regulator as part of the supervisory review and evaluation process (SREP).

The Bank maintains locally an actively managed capital base to cover risks inherent to its business. The adequacy of the capital has been monitored based on the reference EU Regulation (i.e. EU Regulation n. 2021/558 - Amendment of Regulation (EU) No 575/2013 – CRR and EU Directive n. 36/2013 – CRD IV as amended from time to time) and in conjunction with CSSF Regulation n. 18-03 about the implementation of certain discretions contained in Regulation (EU) n. 575/2013.

The governing Council of the European Central Bank (ECB), having regard to EU Council Regulation n. 1024/2013 conferring specific tasks on the ECB concerning the prudential supervision of credit institution, has adopted on 25 November 2019 a formal decision on the prudential requirements that the Bank shall at all-time satisfy. This decision has been established based on the harmonised SREP developed by the ECB which implements Guidelines of the European Banking Authority (EBA), with a view to ensuring consistency across the institutions supervised by the ECB. Based on the above, the institution must always comply with the minimum basic requirement set forth in art. 92 of the CRR Regulation, and with the minimum combined buffer requirement specified in Chapter 4 of Title VII of the CRD IV Directive. Considering the absence of pillar 2 requirement (P2R) and of pillar 2 guidance (P2G), the minimum capital requirement imposed in December 2025 to the Bank can be summarized as follows:



Section 2

Capital adequacy – quantitative information

Common Equity Tier 1 (CET1) capital is the core measure of a bank's financial strength from a Regulator's point of view. It consists of paid-up capital, retained earnings and the profit of the year (net of the dividend, if any).

The structure of capital is made up of:

- a Tier 2 subordinated loan for €65m with a maturity of 10 years, issued during the financial year ended 30 June 2019 with the Parent Bank as the sole counterparty. The Tier 2 instrument reach a residual life of less than 5 years, that's why it is computed in a reduced manner in the Total Own Funds in proportion to the residual life (so-called regulatory amortization) and it is equal to €35,6m; In accordance with Article 63 of the CRR, the loan is an unsecured, subordinated liability, ranking below all other secured and unsecured obligations. Under the BRRD framework, it may be written down or converted into equity if the Resolution Authority deems the Bank non-viable.
- an additional Tier 1 (AT1 instrument), equals to €100m, has been issued by the Bank during the first semester of the FY20-21; the AT1, fully paid up by Mediobanca Spa, is qualified as instrument to enhance the Tier 1 ratio of the Bank.

It is worth mentioning that, during the Board meeting held in January 2026 board members were asked to consider the proposal to pay-out up to 100% of the current year profit in the form of the dividend to the Parent Company, after evaluation of the impacts on the capital ratios as part of the self-assessment process required by the recommendation of the ECB on dividend distribution policies.

In this scenario, **Total Own Funds (TOF)** item at reporting date is assumed net of any foreseeable charge or dividend, according to art. 26 of the CRR; without considering net profit for the current fiscal year, this means TOF equal to €451,2m.

2.1 Total own funds: breakdown (in € k)

	31/12/2025	30/06/2025
A. Common Equity Tier 1 (CET1) before application of the prudential filters	318.433	324.175
a.1 Share capital	10.000	10.000
a.2 Share premium reserve	—	—
a.3 Reserves	308.751	314.521
a.4 Equity instruments	—	—
a.5 Treasury shares	—	—
a.6 Valuation reserves	-318	-346
a.7 Net profit (loss) for the period	—	—
B. CET1 prudential filters (+/-)	-2.839	-2.425
C. Items to be deducted from CET1	—	—
D. Phase-in regime impact on CET1 (+/-)	—	—
E. Total Common Equity Tier 1 (CET1)	315.594	321.750
F. Additional Tier 1 (AT1) instruments	100.000	100.000
G. Items to be deducted from AT1	—	—
H. Phase-in regime impact on AT1 (+/-)	—	—
I. Total Additional Tier 1 (AT1)	100.000	100.000
J. Tier 2 (T2) instruments	35.652	42.205
K. Items to be deducted from T2	—	—
L. Phase-in regime impact on T2 (+/-)	—	—
M. Total Tier 2 (T2)	35.652	42.205
N. Total own funds (E+I+M)	451.246	463.955

Capital adequacy – qualitative information

The primary objectives of capital management are to ensure that the Bank complies with the regulatory capital requirements while maintaining healthy capital ratios to support its business and to maximize shareholders' value. Capital management is nonetheless under the constant scrutiny of the bank's Board of Directors and management.

The Bank manages its capital structure and adjusts it (when/if needed) considering the changes in the economic conditions and/or in the risk profile of its activities. No significant changes have been made to date in the objectives, policies and processes from the previous years.

At the end of December 2025, considering the current capital structure as well as the dividend pay-out scenario mentioned above, the Bank complies with all imposed capital ratios and additional buffers. In detail:

- Common Equity Tier 1 (CET1) capital ratio: 13,3% (13,8% in June 2025).
- Tier 1 capital ratio: 17,5% (18,1% in June 2025).
- Total capital ratio: 19,0% (19,9% in June 2025).

During the fiscal year, the Leverage Ratio decreased from 5,0% (June 2025) to 4,5% (December 2025), well above the regulatory limit of 3%.

<i>(in € K)</i>	31/12/2025	30/06/2025
A. Total own funds		
A.1 CET1 capital	315.594	321.750
A.2 T1 capital	415.594	421.750
A.3 Own funds	451.246	463.955
B. Total Risk Weighted Assets (RWA)	2.372.173	2.333.567
B.1 Credit and counterparty risk (standard methodology)	2.257.206	2.173.970
B.2 Credit valuation risk	13.843	10.467
B.3 Settlement risk	—	—
B.4 Market risk (standard methodology)	18.103	51.859
B.5 Operational risk (basic indicator approach)	83.021	97.271
B.6 Other	—	—
C. Regulatory ratios		
C.1 CET1 capital ratio (CET1 Capital/RWA)	13,3%	13,8%
C.2 T1 capital ratio (T1 Capital/RWA)	17,5%	18,1%
C.3 Total capital ratio (own funds/RWA)	19,0%	19,9%

PART H – RELATED PARTIES' DISCLOSURES



Related parties' disclosures

Accounts with related parties fall within the ordinary operations of the Bank, are maintained on an arm's length basis, and are entered into in the interests of the individual companies concerned. No atypical or unusual transaction with related parties is to be reported for the financial year ended on 31 December 2025. Related parties for the purpose hereof include local strategic management, Parent Bank, entities of the Group and its Directors and executive officers (and any company owned by them).

Further details on the definition of related parties adopted by the Group are contained in part B – section 5 of the notes to the financial statements (accounting policies). The following tables contain separate disclosure of the balances with the Parent and the other related parties, as required by IAS 24:

Assets and liabilities (in € K)	31/12/2025	
	Parent Bank	Other related parties
Cash and cash equivalents	414.759	—
Financial assets measured at fair value through profit or loss	58.250	—
Financial assets measured at amortised cost	4.361.125	—
Hedging derivatives	1.495	—
Other assets	1.134	176
Total assets	4.836.763	176
Financial liabilities measured at amortised cost	4.185.850	41.702
Financial liabilities measured at fair value through profit or loss	50.464	—
Hedging derivatives	1.912	—
Other liabilities	6.617	7
Provisions for risks and charges	-647	50
Total liabilities and shareholders' equity	4.244.196	41.759

Comprehensive income (in € K)	31/12/2025	
	Parent Bank	Other related parties
Interest and similar income	69.940	—
Interest and similar charges	-71.720	-1.907
Fee and commission income	3.038	127
Fee and commission expenses	-6.713	—
Net trading income (expenses)	10.436	—
Net hedging income (expenses)	-484	—
Administrative expenses	-881	-1.192
Other operating income (expenses)	—	6
Total comprehensive income	3.616	-2.966

The tables below show the amounts as at 30 June 2025.

Assets and liabilities (in € K)	30/06/2025	
	Parent Bank	Other related parties
Cash and cash equivalents	369.349	—
Financial assets measured at fair value through profit or loss	45.036	—
Financial assets measured at amortised cost	3.973.203	—
Hedging derivatives	3.800	—
Other assets	2.447	177
Total assets	4.393.835	177
Financial liabilities measured at amortised cost	3.356.718	157.176
Financial liabilities measured at fair value through profit or loss	62.324	—
Hedging derivatives	3.165	—
Other liabilities	9.027	265
Provisions for risks and charges	-858	52
Total liabilities and shareholders' equity	3.430.376	157.493

Comprehensive income (in € K)	30/06/2025	
	Parent Bank	Other related parties
Interest and similar income	150.356	—
Interest and similar charges	-139.706	-7.838
Fee and commission income	6.515	176
Fee and commission expenses	-13.719	-52
Net trading income (expenses)	-11.574	—
Net hedging income (expenses)	459	—
Administrative expenses	-1.861	-2.187
Other operating income (expenses)	—	12
Total comprehensive income	-9.530	-9.889

The expenses incurred by the Bank with respect to the remuneration of the members of the administrative, management and supervisory bodies are as follows:

in € k	31/12/2025	30/06/2025
Administrative bodies	131	175
Key management personnel	217	530
Total	348	705

As at 31 December 2025, and 30 June 2025, neither advances nor guarantees were granted to Directors or senior management. Remuneration to key management personnel includes salary, benefits and bonus.

PART I – OTHER INFORMATION



Audit fees

As at 31 December 2025 expenses incurred in connection with the statutory audit of the accounts and the other related services provided by the external independent auditors of the Bank can be summarized as follows (in €):

	31/2/2025	30/06/2025
Audit fees	203.000	260.161
Audit related fees	15.000	-
Other fees	-	-
Total	218.000	260.161

In the table above the first item shows the aggregate fees payable PWC in relation to professional services rendered as external auditors during the fiscal year 2025/2026 is equal to €203k. As of 31 December 2025, these fees remain unbilled in relation to statutory audit for the same period.

Staff number

As at 31 December 2025 and 30 June 2025, the bank's staff is as follows:

	31/12/2025	30/06/2025
Employees	19	17
a) senior executives	4	3
b) executives	1	—
c) other employees	14	14
Other staff	—	2
Total	19	19

Senior management as at December 31st consists of the Chief Executive Officer, Chief Financial Officer, the Chief Risk Officer and the Chief Compliance Officer.

PART J - SUBSEQUENT EVENTS

The Bank is not aware of any subsequent events (other than those already reflected in the financial statement), that occurred between 31 December 2025 and the date when the present financial statements were authorised for issue.



ANNEX I

RECONCILIATION BETWEEN OFFICIAL AND RESTATED FINANCIAL STATEMENTS

Executive summary

The management report includes a restated statement of financial position and a restated statement of comprehensive income to support management commentary and evaluation over the results achieved during the course of the financial year. A reconciliation between the official and the restated financial statements is set hereunder to facilitate lectors' review and understanding.

1.1 Statement of financial position as at 31 December 2025 (in € k)

31/12/2025		Total assets (restated)						
		Financial assets at FVTPL	Treasury Investments	Debt securities - banking book	Loans and advances	Equity Investments	Tangible assets	Other assets
10. Cash and cash equivalents	415.586	—	415.586	—	—	—	—	—
20. Financial assets valued at FVTPL	398.303	295.312	—	—	34.601	68.390	—	—
40. Financial assets valued at amortised cost	7.638.810	—	1.635.962	—	6.002.848	—	—	—
50. Hedging derivatives	1.495	—	—	—	—	—	—	1.495
70. Equity investments	4.150	—	—	—	—	4.150	—	—
90. Property, plant and equipment	837	—	—	—	—	—	837	—
110. Tax assets	4.639	—	—	—	—	—	—	4.639
130. Other assets	5.137	—	—	—	—	—	—	5.137
Total assets	8.468.957	295.312	2.051.548	—	6.037.449	72.540	837	11.271

31/12/2025		Total liabilities (restated)						
		Loans and borrowings	Debt securities issued	Treasury borrowings	Fin. liabilities at FVTPL	Other liabilities	Prov. for risks and charges	Net equity and profit
10. Financial liabilities valued at amortised cost	7.905.746	4.214.040	3.665.363	25.095	—	1.248	—	—
20. Financial liabilities valued at FVTPL	48.314	—	—	—	48.314	—	—	—
30. Financial liabilities designated at fair value	71.896	—	71.896	—	—	—	—	—
40. Hedging derivatives	1.912	—	—	—	—	1.912	—	—
60. Tax liabilities	4.780	—	—	—	—	4.780	—	—
80. Other liabilities	9.834	—	—	—	—	9.834	—	—
100. Provisions for risks and charges	653	—	—	—	—	—	653	—
120. Valuation Reserves	-318	—	—	—	—	—	—	-318
140. Equity instruments	100.000	—	—	—	—	—	—	100.000
150. Reserves	308.751	—	—	—	—	—	—	308.751
170. Share capital	10.000	—	—	—	—	—	—	10.000
200. Profit (Loss) of the year	7.389	—	—	—	—	—	—	7.389
Total liabilities and shareholders' equity	8.468.957	4.214.040	3.737.259	25.095	48.314	17.774	653	425.822

1.2 Statement of financial position as at 30 June 2025 (in € k)

30/06/2025		Total assets (restated)						
		Financial assets at FVTPL	Treasury Investments	Debt securities - banking book	Loans and advances	Equity Investments	Tangible assets	Other assets
10. Cash and cash equivalents	369.858	—	369.858	—	—	—	—	—
20. Financial assets valued at FVTPL	316.939	239.688	—	—	16.708	60.543	—	—
40. Financial assets valued at amortised cost	6.865.517	—	1.521.391	—	5.344.126	—	—	—
50. Hedging derivatives	3.800	—	—	—	—	—	—	3.800
70. Equity investments	4.150	—	—	—	—	4.150	—	—
90. Property, plant and equipment	945	—	—	—	—	—	945	—
110. Tax assets	4.184	—	—	—	—	—	—	4.184
130. Other assets	60.591	—	—	—	—	—	—	60.591
Total assets	7.625.984	239.688	1.891.249	—	5.360.834	64.693	945	68.575

30/06/2025		Total liabilities (restated)						
		Loans and borrowings	Debt securities issued	Treasury borrowings	Fin. liabilities at FVTPL	Other liabilities	Prov. for risks and charges	Net equity and profit
10. Financial liabilities valued at amortised cost	7.037.657	3.447.906	3.498.991	35.999	—	54.761	—	—
20. Financial liabilities valued at FVTPL	60.570	—	—	—	60.570	—	—	—
30. Financial liabilities designated at fair value	53.310	—	53.310	—	—	—	—	—
40. Hedging derivatives	3.165	—	—	—	—	3.165	—	—
60. Tax liabilities	16.129	—	—	—	—	16.129	—	—
80. Other liabilities	12.010	—	—	—	—	12.010	—	—
100. Provisions for risks and charges	654	—	—	—	—	—	654	—
120. Valuation Reserves	-346	—	—	—	—	—	—	-346
140. Equity instruments	100.000	—	—	—	—	—	—	100.000
150. Reserves	314.522	—	—	—	—	—	—	314.522
170. Share capital	10.000	—	—	—	—	—	—	10.000
200. Profit (Loss) of the year	18.313	—	—	—	—	—	—	18.313
Total liabilities and shareholders' equity	7.625.984	3.447.906	3.552.301	35.999	60.570	86.065	654	442.489

2.1 Statement of Profit or Loss as at 31 December 2025 (in € k)

31/12/2025		Statement of Profit or Loss (restated)							
		Net interest income	Net trading income	Net fee and commission income	Overheads	Net (Value adjustments to write-backs of	Provision for other financial assets	Other gains (losses)	Fiscal provision
010.	Interests and similar income	143.644	143.644	—	—	—	—	—	—
020.	Interest and similar charges	-132.554	-132.554	—	—	—	—	—	—
030.	Net interest income	11.090	11.090	—	—	—	—	—	—
040.	Fee and commission income	10.373	—	1.675	8.698	—	—	—	—
050.	Fee and commission expense	-6.929	—	-822	-6.107	—	—	—	—
060.	Net fee and commission income	3.444	—	853	2.591	—	—	—	—
070.	Dividends and similar income	826	—	—	—	—	—	826	—
080.	Net trading income (expense)	-1.063	-2.811	1.748	—	—	—	—	—
090.	Net hedging income (expense)	-98	—	—	—	—	—	—	—
100.	Gain or loss on disposal or repurchase of:	—	—	—	—	—	—	—	—
110.	Gains (losses) on other financial assets and liabilities measured at FVTPL	-517	—	-2.242	—	—	—	—	1.725
120.	Total income	13.682	8.181	359	2.591	0	0	0	2.551
130.	Net write-offs (write-backs) for credit risk:	-606	—	—	—	—	-468	-138	—
150.	Net income from financial operations	13.076	8.181	359	2.591	—	-468	-138	2.551
190.	Administrative expenses	-5.183	—	—	—	-5.183	—	—	—
	<i>a) personnel costs</i>	-1.769	—	—	—	-1.769	—	—	—
	<i>b) other administrative expenses</i>	-3.414	—	—	—	-3.414	—	—	—
200.	Net adjustments to provisions for risks and charges	1	—	—	—	—	1	—	—
210.	Net adjustments to tangible assets	-108	—	—	—	-108	—	—	—
230.	Other operating income (expenses)	199	—	—	201	-2	—	—	—
290.	Profit (loss) of the ordinary activity before tax	7.985	8.181	359	2.792	-5.293	-467	-138	2.551
300.	Income tax on the ordinary activity	-596	—	—	—	—	—	—	-596
330.	Profit (loss) for the year	7.389	8.181	359	2.792	-5.293	-467	-138	2.551

(*) € 108k tangible assets amortisation.

2.2 Statement of Profit or Loss as at 31 December 2024 (in € k)

30/06/2025		31/12/2024		Statement of Profit or Loss (restated)							
				Net interest income	Net trading income	Net fee and commission income	Overheads	Net (Value adjustments to write-backs of	Provision for other financial assets	Other gains (losses)	Fiscal provision
010.	Interests and similar income	316.491	172.801	172.801	—	—	—	—	—	—	
020.	Interest and similar charges	-292.808	-159.287	-159.287	—	—	—	—	—	—	
030.	Net interest income	23.683	13.514	13.514	—	—	—	—	—	—	
040.	Fee and commission income	18.489	7.896	—	1.673	6.223	—	—	—	—	
050.	Fee and commission expense	-13.856	-4.063	—	-670	-3.393	—	—	—	—	
060.	Net fee and commission income	4.633	3.833	—	1.003	2.830	—	—	—	—	
080.	Net trading income (expense)	4.672	3.049	-940	3.337	—	—	—	—	652	
090.	Net hedging income (expense)	36	1	1	—	—	—	—	—	—	
100.	Gain or loss on disposal or repurchase of:	178	15	—	15	—	—	—	—	—	
110.	Gains (losses) on other financial assets and liabilities measured at FVTPL	-618	-1.554	—	-2.114	—	—	—	—	560	
120.	Total income	32.584	18.858	12.575	2.241	2.830	0	0	0	1.212	
130.	Net write-offs (write-backs) for credit risk:	-97	219	—	—	—	—	351	-132	—	
150.	Net income from financial operations	32.487	19.077	12.575	2.241	2.830	—	351	-132	1.212	
190.	Administrative expenses	-10.035	-4.788	—	—	—	-4.788	—	—	—	
	<i>a) personnel costs</i>	-3.539	-1.733	—	—	—	-1.733	—	—	—	
	<i>b) other administrative expenses</i>	-6.496	-3.055	—	—	—	-3.055	—	—	—	
200.	Net adjustments to provisions for risks and charges	147	-161	—	—	—	—	-161	—	—	
210.	Net adjustments to tangible assets	-223	-114	—	—	—	-114	—	—	—	
230.	Other operating income (expenses)	-24	-216	—	—	-213	-3	—	—	—	
290.	Profit (loss) of the ordinary activity before tax	22.352	13.798	12.575	2.241	2.617	-4.905	190	-132	1.212	
300.	Income tax on the ordinary activity	-4.039	-3.497	—	—	—	—	—	—	-3.497	
330.	Profit (loss) for the year	18.313	10.301	12.575	2.241	2.617	-4.905	190	-132	1.212	

ANNEX II

GUIDELINES ON ALTERNATIVE PERFORMANCE MEASURES

Executive summary

The management report contains some Alternative Performance Measures ('APMs') which are deemed useful and appropriate to provide additional qualitative and quantitative metrics on the performance achieved by the institution over the financial year. Although some of the above-mentioned information are not directly traceable to the financial statements, a description of their content is provided hereunder so as a reconciliation with the method of calculation in line with the ESMA guidelines published on 5 October 2015 (ref. ESMA 2015/1415).

Alternative performance measures

APMs used in the management report as at December 31st are as follows:

- Texas Ratio (cf. p. 13 of the management report) which compares the net book value (i.e. after impairment and/or depreciation) of the exposures reported as non-performing with the tangible common equity (i.e. the subset of shareholders' equity which is not preferred equity and not intangible assets).

	31/12/2025	30/06/2025
Texas ratio = $\frac{\text{Non-Performing Exposures (net book value)}}{\text{Tangible Common Equity}}$	—	—
	325.822	342.490
ratio %	—	—

The goal of the Texas ratio is to assess whether the tangible common equity is large enough to stand any possible loan losses on non-performing assets. In the simplest terms, the Texas ratio measures a bank's likelihood of failure by comparing its bad assets to available capital. When this ratio exceeds 100 percent, a bank's capital cushion is no longer adequate to absorb potential losses from troubled assets (i.e. greater risk of default). By contrast, a level of the ratio close to zero percent is synonymous with high credit quality and capital strength. At the end of December 2025, the standard Texas ratio is nil, reflecting the full repayment of the non-performing exposure previously recorded (even if this exposure had already been full covered by the Italian Export Credit Agency SACE).

- Return On Equity (ROE) (cf. p. 20 of the management report) is the amount of net income returned as a percentage of the shareholders' equity.

		31/12/2025	30/06/2025
Return on equity =	$\frac{\text{Net income}}{\text{Shareholders' equity}}$	7.389.238	18.314.850
		318.432.921	324.175.149

ratio %	2,32	5,65
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The ROE is a pure profitability metric, which compares the profit available to shareholders with the capital provided by shareholders. It determines how efficiently the institution is turning the cash put into the business by the shareholders into growth for the company and the investors.

The ROE is also useful for comparing the profitability of companies in the same industry.

- Return On Assets (ROA, cf. p. 20 of the management report) is the amount of net income returned as a percentage of the average total assets.

		31/12/2025	30/06/2025
Return on assets =	$\frac{\text{Net income}}{\text{Average Total Assets}}$	7.389.238	18.314.850
		8.067.800.000	7.113.252.944

ratio %	0,09	0,26
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As with the ROE (cf. above), the ROA is a pure profitability metric which is useful for comparing revenues of companies within the same industry. It shows how profitable a company's assets are in generating income.

ANNEX III

GLOSSARY

Executive summary

A list (non-exhaustive) of certain technical terms is provided below in the meaning adopted in the financial statements as at June 30th.

* * *

ABS – Asset Backed Security

Financial security whose yield and redemption are guaranteed by a pool of underlying assets (collateral) such as loans, mortgages, leases, royalties or other receivables. This kind of securities are generally issued by a Special Purpose Vehicle and the pool of underlying assets is typically a group of small and illiquid assets which are unable to be sold individually.

ALM – Asset and Liability Management

Integrated management of assets and liabilities to optimize allocation of resources on a risk/return basis.

APM – Alternative Performance Measures

Cf. Annex II – Guidelines on Alternative Performance Measures.

ASF – Available Stable Funding

Available Stable Funding (ASF) is an input to the calculation of the net stable funding ratio (NSFR) for Bank prudential management purposes. ASF is the bank's liabilities, weighted according to their expected stability (which is, in turn, determined by the funding tenor, type and counterparty).

AT1 – Additional Tier 1

Additional Tier 1 capital is defined as instruments with undetermined/continuous duration that are not common equity but are eligible to be included in this tier.

Basel Accords

Guidelines on capital requirements for banks, compiled by the Basel Committee with a view to establishing standard, harmonized regulation of banking supervision at supranational level. The first accord published by the Basel Committee was in 1988 and introduced a set of minimum capital requirements for banks to reduce credit and market risk deriving from the possibility of assets losing their value excessively.

a) Basel II: The short name given to the document entitled International Convergence of Capital Measurement and Capital Standards signed in Basel in 2004 which came into force in 2008.

b) Basel III: This name refers to the new prudential requirements introduced at European level by the CRD IV/CRR package.

c) Basel IV: New regulatory framework which includes a revision of Basel III provisions and standards; it will enter into force by different stages.

Certificates

Certificates are financial instruments which in contractual terms are equivalent to derivatives with an option component, and which replicate the performance of an underlying asset. In acquiring a certificate, the investor obtains the right to receive a sum linked to the value of the underlying instrument at a given date.

CDO - Collateralized Debt Obligation

CDOs are fixed-income securities which have a portfolio of bonds, loans and other debt instruments as their collateral.

CLO - Collateralized Loan Obligation

A particular type of CDO (see definition), in which the collateral is made up by receivables.

CET1 – Common Equity Tier 1

Bank's core capital which primarily consists of ordinary shares, retained earnings and certain reserves.

CET1 Ratio – Common Equity Tier1 Ratio

The ratio of Common Equity Tier 1 capital (CET1) to total risk-weighted assets.

Commercial Paper

Short-term financing instrument with duration generally of one year or less.

Contingency Funding Plan

Set of operating procedures developed internally by a bank in order to manage liquidity crisis (short-term and/or medium-/long- term).

CoR - Cost of Risk

Ratio between loan loss provisions and average net volumes of loans to customers.

CRD – Capital Requirement Directive

EU Directives n. 2006/48 and 2006/49, implemented by the Bank of Italy with circular no. 263/2006 and subsequent updates, which introduce the decisions taken within the framework of the Community legal system "Basel 3" agreements (see entry). In particular, the CRD IV "Package" repeals the two Directives mentioned and is composed of the EU Directive 2013/36 on access to the activity of credit institutions and on prudential supervision and by the Regulation EU 575/2013 relating to prudential requirements, implemented by the Bank of Italy with the circular no. 285 of 17 December 2013 and subsequent updates.

CRR/CRR2 – Capital Requirement Regulation

EU Regulation 575/2013, and subsequent updates, relating to the prudential requirements for credit institutions and investment firms. It was adopted in response to the crisis of financial institution that erupted in year 2007, and aims to decrease the probability of bankruptcy of financial institutions by increasing their capital endowments, decreasing exposure to risk and decreasing the financial leverage used.

CSSF – Commission de Surveillance du Secteur Financier

The CSSF is a public institution which supervises the professionals and products of the Luxembourg financial sector. It supervises, regulates, authorizes, informs, and, where appropriate, carries out on-site inspections and issues sanctions. Moreover, it is in charge of promoting transparency, simplicity and fairness in the markets of financial products and services and is responsible for the enforcement of laws on financial consumer protection and on the fight against money laundering and terrorist financing (<http://www.cssf.lu/en/about-the-cssf/about-the-cssf/>).

EBA – European Banking Authority

The European Banking Authority is an independent EU Authority which works to ensure effective and consistent prudential regulation and supervision across the European banking sector. Its overall objectives are to maintain financial stability in the EU and to safeguard the integrity, efficiency and orderly functioning of the banking sector.

EBIT – Earnings Before Interest and Taxes

Earnings Before Interest and Taxes (EBIT) is an indicator of a company's profitability.

ECB – European Central Bank

The ECB is the central bank responsible for monetary policy of those European Union member countries which have adopted the euro currency (<https://www.ecb.europa.eu/home/html/index.en.html>). The European Central Bank is also the European body responsible for banking supervision. In conjunction with national supervisors, it operates what is called the Single Supervisory Mechanism (SSM).

ESEF - European Single Electronic Format

This acronym indicates the name of the new harmonized reporting format across the entire EU.

ESG - Environmental, Social, Governance

The definition indicates non-financial criteria used to assess and measure the environmental, social and governance impact of corporations. Considering these parameters, it is also possible to rank corporations according to their degree of adaptation to these criteria.

ESMA – European Security and Markets Authority

The ESMA is an independent European Authority that contributes to safeguarding the stability of the European Union's financial system by enhancing the protection of investors and promoting stable and orderly financial markets (<https://www.esma.europa.eu/about-esma/who-we-are>).

FED – Federal Reserve System

The FED is the central bank of the United States of America. It promotes the effective operation of the U.S. economy and, more generally, the public interest (<https://www.federalreserve.gov/aboutthefed.htm>).

FINREP - Financial Reporting Standards

A document issued by the CEBS (Committee of European Banking Supervisors), a body which provides advisory services to the European Commission on banking regulations. The CEBS also promotes co-operation and convergence of regulatory practices within the European Union. In 2011 the EBA (European Banking Authority – see entry) began to define harmonized supervisory reporting schemes with statistical content. FINREP itself came into force in 2014.

Forborne Exposures

Forborne exposures are defined as debt contracts in which concessions have been granted to a borrower which is in, or is shortly to find itself in, a situation where it is unable to meet its financial commitments (referred to as “financial difficulties”). This situation may apply to both performing and non-performing contracts.

FVO – Fair Value Option

Fair Value Option is an option for the classification of a financial instrument. Using this classification also an instrument which is not a derivative and not held for trading can be valued at fair value with an impact in the P&L.

GDP – Gross Domestic Product

The GDP is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.

HQLA – High Quality Liquid Assets

Unencumbered assets which can be included as part of the bank's LCR evaluation thanks to their high liquidity (which is considered to stay preserved also during time of stress). Ideally, HQLA are eligible for discounting with the central bank.

IMF – International Monetary Fund

The IMF is an organization of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world. Created in 1945, the IMF is governed by and accountable to the 189 countries that make up its near-global membership (<http://www.imf.org/en/About>).

IAS/IFRS – International Accounting Standards

The IAS (International Accounting Standards) are issued by the International Accounting Standards Board (IASB). The standards issued after July 2002 are called IFRS (International Financial Reporting Standards).

IASB – International Accounting Standard Board

The IASB is the entity responsible for issuing international accounting standards (IAS/IFRS). The Board is composed by a group of independent experts with an appropriate mix of recent practical experience in setting accounting standards, in preparing, auditing, or using financial reports, and in accounting education.

ICLAAP – Internal Capital and Liquidity Adequacy Assessment Process

Pillar II of the Basel Accords (see definition) requires all intermediaries to put in place a process for ongoing assessment of the adequacy of their internal capital and liquidity (ICAAP). The process must be formalized, documented and approved by the relevant bodies and submitted to internal review on a regular basis.

ICC – Impôt Commercial Communal

Communal business tax levied on the profits of Luxembourg commercial companies.

IF - Impôt sur la Fortune

Public limited companies in Luxembourg are subject to a net wealth tax established by assessing the taxable wealth (in other words, net assets as they appear on the balance sheet at the end of a tax period).

IFRIC – International Financial Reporting Interpretations Committee

A committee within the IASB that establishes official interpretations of international accounting standards (IAS/IFRS).

IRC - Impôt sur le Revenu des Collectivités

Corporate income tax levied on gains made by certain Luxembourg corporations (including capital companies) during the financial year.

Leverage Ratio

The ratio of Common Equity Tier 1 capital (CET1) to total assets and certain off-balance sheet exposures. Similarly, to CET1 Ratio, the Leverage Ratio is used as indicator of the institution's capital adequacy.

LCR – Liquidity Coverage Ratio

Ratio which refers to the amount of High-Quality Liquid Assets (HQLA) held by the institution to meet its short-term liquidity obligations (30 days). LCR is a generic stress test, which aims to ensure that banks have the necessary assets on hand to ride out any short-term liquidity disruptions.

NAV – Net Asset Value

NAV is the net value of an investment fund's assets less its liabilities, divided by the number of shares outstanding. This value is calculated at the end of each trading period based on the closing market prices of the portfolio's securities. The trading period is daily in the case of open-end funds, and monthly for close-end funds.

Non-performing

Non performing exposures are debt instruments and off-balance sheet exposures which satisfy either or both of the following criteria: (i) material exposures which are more than 90 days past-due; (ii) the debtor is assessed as unlikely to pay its credit obligations in full without realization of collateral (regardless of the existence of any past-due amount or of the number of days past due).

NSFR – Net Stable Funding Ratio

The NSFR is defined as the amount of available stable funding (ASF) relative to the amount of required stable funding (RSF). The ASF is defined as the portion of equity and liabilities considered to be reliable over the time horizon considered by the NSFR, i.e. one year. The amount of RSF required for a specific bank depends on its liquidity characteristics and the outstanding maturities of the various on- and off-balance-sheet assets held by it. The ratio must remain at a level of at least 100% on an ongoing basis.

OECD – Organization for the Economic Co-Operation and Development

The OECD is an intergovernmental economic organisation with 37 member countries, founded in 1961 to stimulate economic progress and world trade (further information <https://www.oecd.org/about/>).

Overlay (“overlay adjustment”)

The term overlay indicates a provision outside the IFRS9 model, for the purposes of determining value adjustments on credits. According to indications of the IFRS9 accounting standard, and the recommendations of the main competent authorities (ECB, EBA and IASB), the quantification of expected losses, in addition to having to consider historical, current and prospective information, allows for the possibility of resorting to post-financial managerial adjustments (the so-called “post-model overlay or adjustment”). The overlay is used to cover against the risks not captured by the current credit loss calculation framework.

P2G – Pillar 2 Guidance

Additional non-binding capital requirement which might be required by supervisors in order to have sufficient capital as a buffer to withstand stressed situations.

P2R – Pillar 2 Requirement

Additional binding capital requirement which might be imposed by the supervisors to cover those risks that are not fully targeted by the capital requirements and buffers dictated by CRR and CRD IV (e.g. unexpected losses, under-provisioned expected losses, deficiencies in risk measurement models, deficiencies in governance and internal controls).

Payout Ratio

The payout ratio is the percentage of net profit distributed to shareholders in the form of a dividend. This share depends chiefly on the company's need to retain earnings in order to finance its own activities and the returns expected by the shareholders on their investment.

Provisioning (loans)

This term refers to transfer to provisions made in order to cover the expected credit loss. In particular:

- if at the reporting date there is no significant increase in the financial asset credit risk since its initial recognition, the corresponding provision should be valued for 12-months expected losses;
- if at the reporting date there is a significant increase in the financial asset credit risk since its initial recognition, the corresponding provision should be valued for its lifetime expected losses.

ROA – Return On Assets

ROA is the amount of net income returned as a percentage of the average total assets.

ROE – Return On Equity

ROE is a measure of the profitability of a company's own equity, calculated as the amount of net income returned as a percentage of the shareholders' equity.

RWA – Risk Weighted Assets

On-balance sheet assets and off-balance sheet assets are classified and weighted by different coefficients referring to risks (following banking rules issued by local Supervisors to calculate solvency ratios) in order to express a more accurate measurement of their value. The riskier the asset is, the higher will be the risk weight assigned.

RSF – Required Stable Funding

Required Stable Funding (RSF) is an input to the calculation of the net stable funding ratio (NSFR) for Bank prudential management purposes. A bank's Required Stable Funding is calculated from its assets, weighted according to their maturity, credit quality and liquidity, together with an amount in relation to off balance sheet commitments.

SPPI – Solely Payments of Principal and Interest

Test prescribed by the accounting standard IFRS 9 which must be carried out on an instrument by instrument basis to assess whether the contractual terms of a given financial asset (as a whole) give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding (i.e. cash flows that are consistent with a basic lending arrangement).

SPV – Special Purpose Vehicle

A legal entity established to facilitate a single transaction or purpose.

SRB – Single Resolution Board

Authority operational since January 2015 for the resolution of banking crises, within the framework of the SRM (see description below) and the European Banking Union. The authority aims to orderly resolve financial difficulties of banks, with minimal impact on the real economy and public finances of participating EU countries.

SREP - Supervisory Review and Evaluation Process

Evaluation activity carried out by the supervisors once a year to assess and measure the risks for each bank. In SREP decisions, the supervisory authority can require each bank to hold additional capital and/or set qualitative requisites (known as Pillar II).

SRM – Single Resolution Mechanism

Represents the second pillar of the process of unifying the European Banking System. This is introduced by the Single Resolution Mechanism Regulation 806/2014/EU issued the 15 July 2014, and it is made up of two interconnected bodies: the Single Resolution Board (see description above), as a central authority, and the Single Resolution Fund (DIF - Deposit Insurance Fund), as a supranational fund.

Tier 1

Tier 1 equity includes Common Equity Tier 1 (CET1) and Additional Tier 1 (AT1).

Tier 2

Tier 2 capital includes eligible subordinated debt and certain hybrid instruments. Tier 2 is of lower loss-absorbing quality than Tier 1 capital, and its eligible amount for capital adequacy calculation purposes is restricted accordingly.

TLTROs – Targeted Longer-Term Refinancing Operation

The Targeted Longer-Term Refinancing Operations (TLTROs) are Euro system operations that provide financing to credit institutions for periods of up to four years. They offer long-term funding at attractive conditions to banks in order to further ease private sector credit conditions and stimulate bank lending to the real economy.

Total Capital Ratio

The ratio of the bank's total capital (Tier 1 plus Tier 2) to its RWA.

WL Ratio – Watch List Ratio

Ratio which compares the exposures reported within the credit watch list of the institution at the reporting date with the total credit exposure amount (drawn and undrawn commitments, always net of any financial guarantee received from the Parent Bank and/or third-party insurers).

X – Caption shown in the tables

The item “X” indicates that a cell is out of scope or not applicable.

ZLB – Zero Lower Bound

Macroeconomic problem that occurs when the short-term nominal interest rate is at (or near) zero, causing a liquidity trap and limiting the capacity that the central banks have to stimulate economic growth.