2024
Financial Statements

cherry
bank

CHERRY BANK S.P.A.
Registered office in Padua, Via San Marco 11
Share Capital Euro 49,597,778 fully paid-in
Company Register of Padua, Tax Code and VAT No. 04147080289
ABI 03365
Bank Register No. 5682
Member of the Interbank Deposit Protection Fund
Member of the National Guarantee Fund

Officers

Board of Directors

Giuseppe Benini Chair
Gabriele Piccolo Deputy Chair
Giovanni Bossi CEO
Stefano Aldrovandi Director
Giacomo Bugna Director
Samuele Butturini Director
Elisa Cavezzali Director
Francesca Maderna Director
Marina Vienna Director

Board of Statutory Auditors

Piero De Bei Chair
Giovanna Ciriotto Standing Auditor
Carlo Regoliosi Standing Auditor
Filippo Fornasiero Alternate Auditor
Valentina Martina Alternate Auditor

Independent Auditors

EY S.p.A.

Branches and offices

REGISTERED OFFICE

Padua, Via San Marco 11/c, 35129 Padua (PD)

BRANCHES

Cattolica, Via XXIV Maggio, 20, 47841 – Cattolica
Ferrara, Via Bologna, 101, 44122 – Ferrara
Ghetto Turco, Via Nicolò Tommaseo, 90, 47924 – Ghetto Turco
Lucrezia, Via Flaminia, 130, 61030 – Lucrezia (Cartoceto)
Misano Adriatico, Via Piemonte, 20, 47843 – Misano Adriatico
Mondaino, Via Borgo, 27, 47836 – Mondaino
Montecchio, Via Roma, 46, 61020 – Montecchio (Sant'Angelo in Lizzola)
Morciano, Via R. Bucci, 11, 47833 – Morciano di Romagna
Padua, Via San Marco 11/c, 35129 Padua (PD)
Pesaro, Via Giolitti, 219, 61122 – Pesaro
Riccione Paese, Via Ruffini, 11, 47838 – Riccione
Riccione San Lorenzo, Via San Lorenzo, 33, 47838 – Riccione
Rimini Centro, Piazza Malatesta, 18, 47923 – Rimini
Rimini Euterpe, Via Euterpe, 2, 47923 – Rimini
San Giovanni Marignano, Via Roma, 52/b, 47842 – San Giovanni Marignano
Santarcangelo, Via Montevecchi, 15, 47822 – Santarcangelo di Romagna
Taverna, Via Indipendenza, 692, 47854 – Monte Colombo
Treviso, Via Federici, 2, 31100 – Treviso
Venice-Mestre, Via Miranese, 91, 30174 – Mestre
Verona, Vicolo Ghiaia, 7/a, 37122 – Verona
Vicenza, Via Biron, 102, 36050 – Monteviale (Vicenza)
Villa Verucchio, Piazzetta Valle del Marecchia, 4, 47826 – Villa Verucchio
Viserba, Via Sacramora, 28, 47922 – Viserba (RN)

OFFICES

Brescia, Piazza della Loggia, 12/C, 25121 – Brescia
Cesena, Viale Europa, 655, 47521 – Cesena
Milan, Via Moscova, 3, Largo Donegani, 2, 20121 – Milan
Morciano, Via R. Bucci, 61, 47833 – Morciano di Romagna
Pordenone, Via Cavallotti, 7, 33170 – Pordenone
Rome, Via Manin, 53, 00185 – Rome

Letter from the Chair
Giuseppe Benini

Shareholders,

The approval of the Financial Statements serves as a moment to contemplate the journey undertaken and the goals that lie ahead. 2024 was a year of both consolidation and growth for Cherry Bank, affirming the soundness of the strategic decisions taken in recent years.

We find ourselves in an economic and financial setting marked by increasingly complex dynamics. Following a period of rapid increase, interest rates started to gradually decrease, transforming the operating conditions within the banking sector. In such circumstances, merely adapting to changes is not enough; it is crucial to manage them with foresight, maintaining the stability of our business model and ensuring our capability to generate long-term value.

A solid bank, a project with a long-term vision

Cherry Bank demonstrated, even in 2024, that it is neither a traditional bank nor a fintech, but rather an entity capable of synergising the strengths of both realms. Our hybrid banking model facilitates the integration of technological innovation's efficiency with the strength of human relationships, establishing a balance that proves effective in an increasingly segmented market.

Our growth, marked by significant M&A transactions in recent years, has been driven not by immediate pressures but by a clear vision and a careful selection of opportunities. M&A activities have ceased to be an exceptional component of our strategy; instead, they serve as a mechanism to enhance our expertise, broaden our reach, and generate enduring value for shareholders.

Nevertheless, a bank's robustness is not solely determined by its growth. A solid bank is one that strategically selects its avenues and methods of growth. Remaining vigilant regarding risk, sustaining our margins, and managing capital efficiently have consistently been and will remain our top priorities.

Governance, strategic foresight, and the bank's function in the financial ecosystem

The role of a bank like us goes beyond simple financial intermediation. As participants in an economic and social system, our actions can create substantial effects, influencing both the broader macroeconomic environment and the everyday lives of businesses and households.

Our duty as an institution mandates that we operate with prudence, transparency, and strategic insight, maintaining a balance between growth, stability, and value creation for all stakeholders. Cherry Bank's governance is rooted in stability and rigour, which are crucial assets for managing the complexities of a fast-evolving environment.

Our pragmatic and flexible model is mirrored in our market approach: we not only follow trends but are dedicated to identifying and capitalising on tangible opportunities, consistently prioritising rigorous risk management.

Looking to the future

Cherry Bank stands today as an entity poised to embrace the future with determination, stability, and entrepreneurial mindset. Our objective extends beyond maintaining competitiveness in a shifting market; it is to actively drive change, guiding transitions and reinforcing our position through well-considered strategic choices.

We have established a bank capable of sustainable growth, integrating innovation without neglecting the essential aspects of profitability and stability, and fostering value creation whilst balancing risk with opportunity. This is our commitment and our duty.

I extend my gratitude to all shareholders and stakeholders for your unwavering support and trust. Jointly, we will forge the future path of Cherry Bank.

Giuseppe Benini
Chair of Cherry Bank

Letter from the CEO
Giovanni Bossi

Shareholders,
In 2024, we brought to life the vision of a Bank which, regardless of its modest size, can meet the needs of the economic environment it engages with, delivering tangible solutions.

Since Cherry Bank's inception, we have cultivated a robust capability for merging new businesses and a distinct propensity to pursue new and innovative areas for engagement.

Notwithstanding our scale, we are a multifaceted Organization with diverse expertise and strategic foresight, capable of delivering actual solutions to distinct targets with varied requirements, offering bespoke services.

We are a hybrid Bank that directs its efforts towards initiatives where it can genuinely create shared value. Currently, our geographical reach extends to six regions in Italy, with plans for expansion in the upcoming years. Indeed, the Bank's objective is to enhance its local footprint while continuing to develop its digital channel for more standardised offerings.

Conscious of our role as a Company, we guide our strategies and actions accordingly.

While technology serves as a key enabler, allowing us to explore its full potential, we prioritise the warmth of human interaction in our customer dialogues.

In spite of this, the Bank will persist in enhancing its technological infrastructures and application solutions, as well as focusing on the development of new services to enrich the experiences of both customers and employees.

The current market's dynamism is nearing a state of extreme agitation. In the first half of 2024, we successfully completed the 2024/2026 Strategic Plan, recognizing the possibility of revisiting the Plan variables when certain internal and external dynamics have become more stable. As a result, the Board of Directors developed the new 2025/2027 Strategic Plan, which received approval last January and establishes new and challenging objectives.

Following the peak in the first half of 2024, the ECB has enacted 6 interest rate cuts of 0.25% each, with the market anticipating another three reductions by the end of 2025.

The rate hikes cycle began in 2022, culminating in a dozen increases that reached a maximum of 4% at the close of 2023, with this level sustained until the middle of 2024. This growth may have contributed to moderating inflation but has also enabled banks following traditional business models to capitalise on the spread between the very low fixed rates for retail deposits and the rates on loans, which are largely market rate linked and thus significantly higher.

The effects are clear in the successes of banks with robust retail deposits, experienced already in 2024, with a more moderate forecast for their achievements in 2025.

Following over 15 years of endeavour, this signifies an opportunity for Italian and European banks to finalise a strengthening process, resulting in healthier players in the European market.

Cherry Bank, as a hybrid Bank, has reaped only limited advantages from this trend. In contrast, Cherry Bank has relied on alternative strategies to achieve profitability, enabling us to initiate several banking operations concurrently. This approach aims to develop particular expertise targeted at specific objectives. The creation or enhancement of several new Departments and Business Units in 2024, including Factoring, Wealth Management, and Corporate Investment Banking with Structured Finance, exemplifies this strategy. In the early years of our journey, we generated value by leveraging opportunities in the tax credit market, directing our early investments towards processes, technologies, and resources. As the opportunity has passed, the effect on our Financial Statements during the forthcoming 3 years will be kept to a minimum. According to the new Strategic Plan, all other Business Units, which form the foundational elements of the platform integrating everyone's operations, are set to achieve sustainable profitability over the forthcoming years.

The selection of intervention sectors is not an impulsive gamble but stems from a thorough market analysis and meticulous planning to ensure the optimal implementation of our initiatives on the ground.

Some activities necessitate a gestation period, and we will observe their outcomes unfold gradually in the upcoming years. Others tend to reveal their positive impact on the Bank's accounts more swiftly.

In any case, our decision-making is guided by principles of capital control, liquidity control, and profitability control, all while considering the taken risks, since embracing calculated risks is a core responsibility of a banker.

This method has become the sole approach we recognise in Banking and is now embedded in the very DNA of our Institution.
Through the hybrid Bank model, we maintain a constant presence with individuals, customers, and markets, integrally entwined with the local community.

In 2024, this innovation was initiated by Cherry Bank, with the integration of Banca Valconca marking a significant milestone.

Our strategy was to enhance our presence by leveraging the strengths of relational banking, particularly its focus on attentive listening, by taking actions seemingly at odds with the strategic behaviours of other institutions.

We remain fully cognizant of the challenges at hand. We approach them with the knowledge that we can harness technology to its maximum potential to assist a new generation of bankers in identifying the spoken and unspoken needs of customers who are no longer eager to blindly accept financial products created by general management, which frequently overlooks real-world demands.
In a rapidly evolving world and with AI integration on the horizon, labelling a bank as “digital” appears somewhat outdated.

It can now be stated that Cherry Bank’s expansion via external growth has ceased to be an entirely extraordinary activity, with its consequences necessitating adjustments for years to come. At Cherry Bank, M&A activity increasingly becomes a method to seize opportunities, grow, and create value, within the boundaries of proportionality.

Consequently, the ownership is significantly more receptive to M&A transactions than one might expect from an average market player, and is better equipped to integrate systems, business models, and even diverse mindsets.
We will consider growth opportunities only in instances where we foresee the potential for generating shared value.

Simultaneously, we will persist in our dedication to fostering an inclusive and healthy workplace to cultivate a robust company culture and positive interactions with customers and colleagues.

We are fully aware of the inherent challenges in interpreting the recent disruptions that define global trade, the economy, and finance. We refer to the possible new global equilibrium that may result from the tariff war initiated by the new US administration.
This phenomenon is one whose breadth is presently hard to discern, with its scale still being uncertain.
Cherry Bank, like any participant in the economic, financial, and social network, is required to observe the extent of events and adapt its actions accordingly in the most efficient and timely manner achievable.

So far, the first reactions to the new paradigm suggest a potential slowdown in the global economy as a result of the new policies, along with a diminishing influence of the US Dollar and, more broadly, the United States, a key player in the global economy.
Should this scenario materialise, amidst adversities and challenges, new opportunities would arise for those capable of navigating its dynamics.

I would like to conclude by expressing my appreciation to all our stakeholders, shareholders, customers, suppliers, and everyone who has engaged with Cherry Bank throughout these exceptional early years. Nonetheless, I wish to extend a special acknowledgement to the 600 individuals whose professionalism, competence, dedication, passion, and exceptional spirit of sacrifice have formed the foundation of our Project. Cherry Bank is not a manufacturing entity. It is a service-oriented business. These services receive recognition from our market, establishing the Bank as a valuable entity. We owe our success to our dedicated staff, who consistently go above and beyond in their efforts each and every day.

Thank you.

Giovanni Bossi
CEO of Cherry Bank

Notice of Shareholders' Meeting

Published in the Official Journal of the Italian Republic No. 40 of 3 April 2025.

The shareholders of Cherry Bank S.p.A. are hereby convened to an Ordinary Shareholders' Meeting, in first call, on 28 April 2025 at 08:30 a.m., at the company's registered office located in Padua, Via San Marco 11, and, if necessary, on 29 April 2025 at 10:00 a.m., in second call, at the Best Western Plus Net Tower Hotel in Padua, Via San Marco 11/A, to discuss and resolve on the following agenda:

1. Financial Statements at 31 December 2024:
   1.1 Approval of the Financial Statements at 31 December 2024,
   1.2 Allocation of the result for the year;
2. Remuneration and Incentive Policies:
   2.1 Disclosure on the implementation of the Remuneration and Incentive Policies adopted in the financial year 2024 and proposed derogation from the aforementioned Policies;
   2.2 Approval of the Remuneration and Incentive Policy for the year 2025.
   Related and consequent resolutions.

The related documentation shall be filed at the Bank's registered office in Padua – Via San Marco 11, at the company's offices in Morciano di Romagna (RN) – Via Bucci 61, and also published on the website www.cherrybank.it, in the section dedicated to Corporate Governance – Shareholders' Meeting, in the 15 (fifteen) days prior to the date of the Shareholders' Meeting, for review by shareholders who wish to consult it.

Pursuant to Article 10.3 of the current Articles of Association, voting by correspondence is not permitted. Please also note that pursuant to Article 11.1 of the current Articles of Association, shareholders who are registered in the Shareholders' Register at least 5 (five) days prior to the date set for the Shareholders' Meeting may attend the Meeting.

Shareholders who are entitled to vote but are unable to attend the Meeting may participate by appointing a proxy using the proxy form also available on the Bank's website. Representation may not be conferred to members of the Boards of Directors, auditing bodies or employees of the Bank, to the companies controlled thereby or to members of these companies' Boards of Directors, auditing bodies or employees.

Padua, 31 March 2025

Chair of the Board of Directors
Giuseppe Benini

Cherry Bank, a full-service banking hub for people and businesses

Cherry Bank S.p.A. is an Italian full-service Bank led by banker-entrepreneur Giovanni Bossi, the Bank's CEO and main shareholder. The Institution is organized into three main areas: Relationship Bank, Corporate Investment Banking and NPL Investment & Management.

The Relationship Bank operates through a territorial network with customised service models for retailers, households, and companies and consists of the four Business Units: Corporate Banking, Retail Banking, Wealth Management and Factoring.

With expertise, analysis, and foresight, Corporate & Investment Banking aids the development of companies by offering proactive and adaptable solutions to meet market demands. It comprises the following Business Units: Structured Finance, Special Situations, Green Evolution Advisory, Alternative Investments.

NPL Investment & Management is responsible for developing a path aimed at accelerating the growth of proprietary investments in distressed assets and optimising their realisation.

Cherry Bank employs approximately 600 individuals, operating in 6 Italian regions, structured around branches and local hubs, all overseen by the Padua General Management.

Continued growth

Cherry Bank was established in **2021** from the merger of Cherry 106 and Banco delle Tre Venezie. It is an Italian Bank that addresses the contemporary challenges of the credit sector with the aim of **facilitating development, increasing competitiveness and generating value for the economic and social system.**

From its inception, it has deliberately chosen a “distinct approach to banking”, committing to honour the trust customers have vested in it, with the awareness of its critical role in supporting businesses, entrepreneurs, individuals, and households. It operates with lean and fast processes, focusing on safety, reliability, transparency and mutual opportunities.

2021

The establishment of Cherry Bank

2022

People: 237

Shareholders' Equity: Euro 54 million

Total assets: Euro 1.1 billion

2023

People: 466

Shareholders' Equity: Euro 165 million

Total assets: Euro 3.2 billion

2024

People: 561

Shareholders' Equity: Euro 194.5 million

Total assets: Euro 4.4 billion

The current organisational model

Following the internal reorganisation at the beginning of 2025, Cherry Bank's organisational model presents itself as a structure based on **three different core elements**:

Relationship Bank

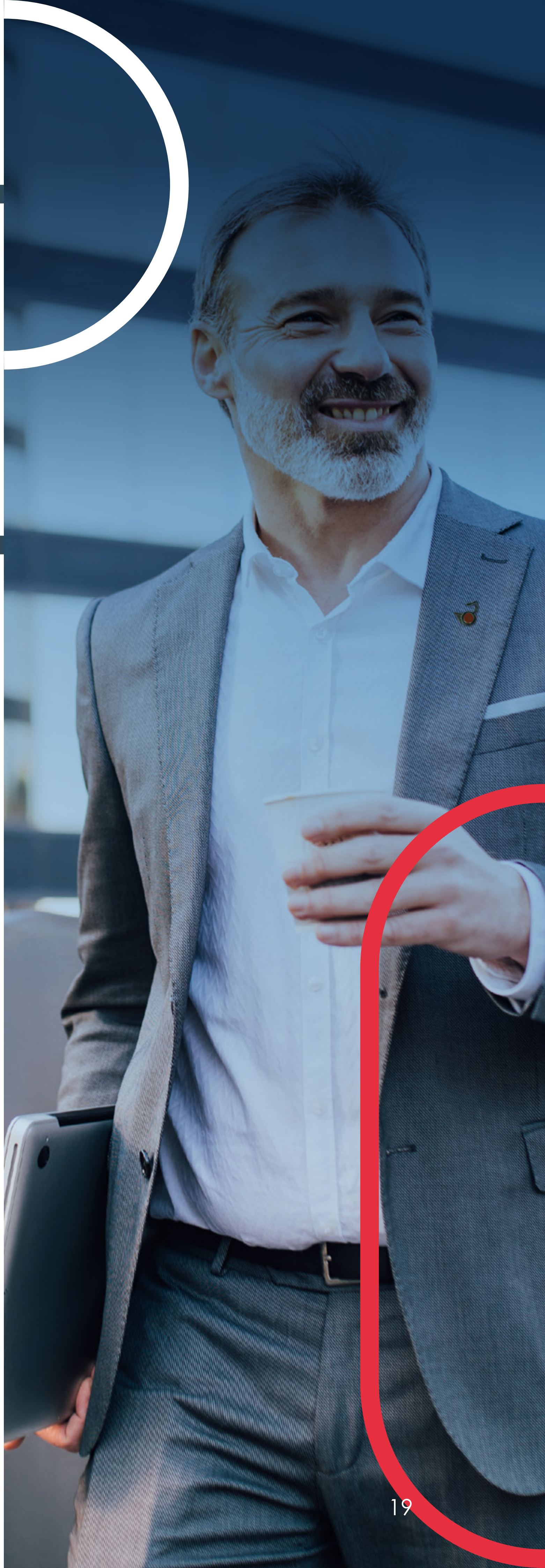
Proximity to the territory, **transparency** and **active listening** are now essential tools to build a **lasting relationship of trust**.
The Business Unit Relationship Bank builds on these principles to create a distinctive banking experience dedicated to individuals, entrepreneurs and businesses. The network of branches guarantees widespread coverage throughout most of the country and a direct relationship with the stakeholders, offering customised services for all the business areas within the Unit: **Retail Banking, Corporate Banking, Wealth Management, and Factoring.**

Corporate & Investment Banking

"Being a Bank" is a journey that requires vision, expertise and the ability to turn challenges into concrete opportunities.
Corporate & Investment Banking is the clearest expression of this entrepreneurial vision applied to finance, with **advanced financing and investment solutions**, capable of accompanying businesses in their key moments, even when market conditions are complex. This Unit encompasses the following areas: **Structured Finance, Special Situations, Green Evolution Advisory** and **Alternative Investments.**

NPL Investment & Management

The NPL Investment & Management Business Unit is responsible for developing **paths for accelerating the growth** of proprietary investments in distressed assets and optimising their realisation. A business model that combines speed, professionalism and high skills, to better manage all phases of the process: due diligence, evaluation, purchase, management and transformation.



The Bank's financial figures tell a story of growth in 2024

CET1 ratio
16.5%

TCR
17.4%

Shareholders' Equity
194.5
millions of Euro

The snapshot of the year just ended tells us a story of substantial growth for Cherry Bank in 2024. The main financial indicators describe an excellent performance for the Bank: a result that reflects the **strategic vision** of the organisation and the **competence** of the teams, but also the **trust gained in the territory** in the first three years of activity.

Total assets
4.4
billions of Euro

Net profit
30.1
millions of Euro

ROE
16.75%

Summary

1 Report on **Operations**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bank

Introductory notes

Comparability of results

The comparison of the figures for the financial year 2024 with the previous year's figures is not homogeneous, as the **economic results** of 2023 did not include the contribution deriving from the consolidation of Banca Popolare Valconca A.S. S.p.A. into Cherry Bank S.p.A. following the merger by incorporation that took place at the end of December 2023. In addition, the Income Statements for both years include some extraordinary items, in particular:

- **Results as at 31 December 2023**:
  - the item "Net impairment of assets measured at amortised cost" includes Euro 3.4 million for the effect of the impairment on performing loans from Banca Popolare Valconca, recorded at their fair value at the date of the business combination;
  - "Other administrative expenses" include acquisition and integration costs for Euro 1 million;
  - the item "Other operating expenses/income" includes the gain on bargain purchase in the amount of Euro 50.1 million, and the penalty in the amount of Euro 4.1 million resulting from Cherry Bank's withdrawal, after the date of the business combination, from the services of the acquired company's info provider.

- **Results as at 31 December 2024**:
  - "Other administrative expenses" include the integration costs of the two entities amounting to Euro 8.8 million and the costs of Banca Popolare Valconca's Infoprovider for the months prior to the integration of the IT systems amounting to Euro 3.0 million.

Sustainability Report

It should be noted that the Bank, a public interest entity, having reached an average of 500 employees during the 2024 financial year, is among the entities required to provide sustainability reporting according to European Directive 2022/2464/EU "Corporate Sustainability Reporting Directive (CSRD)" transposed into Italian law by Legislative Decree No. 125/2024. This Report, **which also includes information pursuant to Article 15 of Legislative Decree No. 125/2024**, was included in the Report on Operations to the Financial Statements, as required by the regulations, and is subject to limited assurance by the Independent Auditors.

Highlights and KPIs

Highlights

(amounts in thousands of Euro)

Main Balance Sheet figures	31/12/2024	31/12/2023	Changes	
			Absolute	%
Financial assets measured at fair value	74,987	122,020	(47,033)	(38.5%)
Receivables from banks	31,869	16,460	15,409	93.6%
Receivables from customers	2,773,433	2,065,021	708,412	34.3%
Other assets measured at fair value	1,180,604	670,409	510,195	76.1%
Total assets	**4,419,258**	**3,234,548**	**1,184,710**	**36.6%**
Payables to banks	1,098,840	491,670	607,170	123.5%
Payables to customers	3,053,949	2,504,715	549,234	21.9%
Shareholders' Equity	**194,505**	**165,050**	**29,455**	**17.8%**

(amounts in thousands of Euro)

Main reclassified Income Statement figures[1]	2024	2023	Changes	
			Absolute	%
Intermediation margin	**182,607**	**97,991**	**84,616**	**86.4%**
Net impairment/reversal of impairment for credit risk	(13,816)	(6,700)	(7,116)	106.2%
Net result from financial operations	**168,791**	**91,291**	**77,499**	**84.9%**
Operating costs	(123,597)	(17,082)	(106,515)	623.6%
Gross profit	45,192	88,020	(42,828)	(48.7%)
Net profit	**30,110**	**79,496**	**(49,386)**	**(62.1%)**

[1] Net impairment/reversal of impairment of receivables related to NPL are reclassified under interest income in order to provide a representation consistent with the characteristics of the NPL business, which sees this component as an integral part of performance.

KPIs

Main reclassified indicators[1]	31/12/2024	31/12/2023	Change
Profitability ratios			
ROE (Return on Equity)	16.75%	72.49%	(55.74%)
Cost/income	67.68%	17.43%	50.25%
Cost of risk	(1.52%)	(0.65%)	(0.86%)
Capital ratios			
RWA	1,021,006	890,630	14.6%
CET1	16.46%	15.03%	1.43%
TCR	17.44%	16.15%	1.29%
Pro-forma risk ratios[2]			
Net non-performing loans/net loans	1.68%	1.83%	(0.15%)
Coverage ratio non-performing loans	50.92%	58.19%	(7.27%)
Coverage ratio NPE	36.31%	41.55%	(5.24%)
Gross NPE ratio	10.52%	8.41%	2.12%
Net NPE ratio	7.02%	5.14%	1.88%
Liquidity ratios			
NSFR	149.03%	141.12%	7.91%
LCR	449.42%	511.47%	(62.05%)

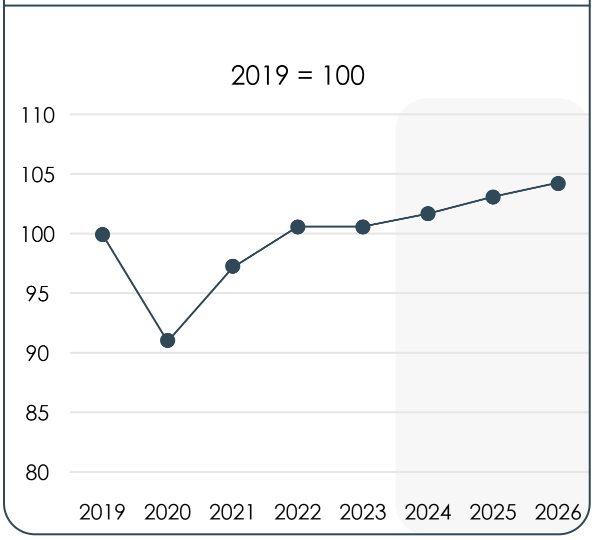
[1] Net impairment/reversal of impairment of receivables related to NPL are reclassified under interest income in order to provide a representation consistent with the characteristics of the NPL business, which sees this component as an integral part of performance.
[2] The gross amount and the value adjustments of the impaired assets acquired as a result of the business combination operations are presented in continuity with the Financial Statements of the merged companies, while also including in the value adjustments the differential arising as a result of the PPA.

Macroeconomic scenario

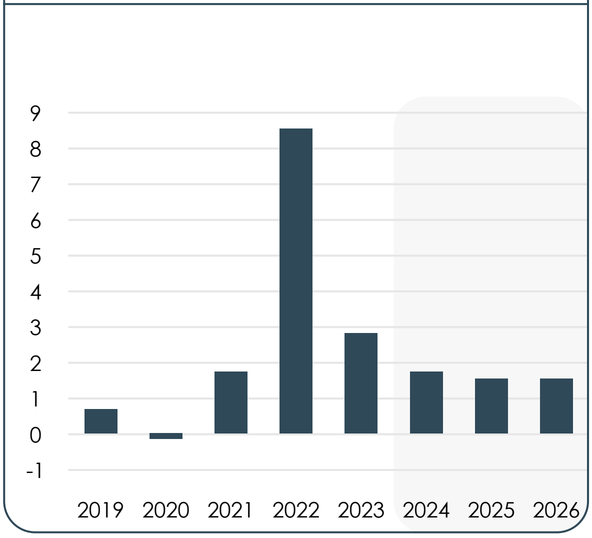
Despite the presence of geopolitical uncertainties at the international level due to the persistence of conflicts in Ukraine and the Middle East, the risks to financial stability appear lower, also due to the favourable performance of the markets.
Conditions in international financial markets were less tense, benefiting from improved investor confidence in the expectation that monetary policies may be less restrictive in the coming months.
The most recent OECD estimates foresee a 3.2% increase in global GDP by 2024, driven by services. In the Euro area, GDP has expanded moderately; in Italy, the expected growth in output is 0.6% in 2024 with a cumulative increase in the two-year period 2025-2026 of more than 2%.
Inflation, expected to reach 2.5% in the current year in the Eurozone, is expected to reach 2.2% in 2025 and 1.9% in 2026 (returning in line with the ECB target of 2% in the fourth quarter of 2025).
The Governing Council of the ECB cut the key interest rates by 75 bps (25 bps in June, 25 bps in September and 25 bps in December), reaffirming its willingness to bring the inflation rate to its medium-term target of 2%.
Since April 2024, there have been signs of improvement in the global economy. Activity remains mainly driven by services, but has also gained strength in manufacturing. In the United States, consumption has been increasing, whereas the labour market has shown indications of cooling; in China, industrial activity has grown, yet domestic demand continues to be weak. International trade showed a slight acceleration after a first quarter of modest growth. In Europe, there was a slowdown in France and Germany, with the latter recording decreases in GDP in Q2 2024.

In the Euro area, GDP has expanded moderately; in Italy, the expected growth in output is 0.6% in 2024 with a cumulative increase in the two-year period 2025-2026 of more than 2%. Inflation, projected at 2.5% in the current year in the Eurozone, is expected to reach 2.2% in 2025 and 1.9% in 2026.

EUROZONE GDP – Change %



EUROZONE INFLATION – Change %



Market context

The banking sector is currently experiencing a phase of consolidation, characterized by strong financial soundness indicators and a decline in non-performing loans, yet demand for credit remains constrained. In fact, loans to businesses are decreasing, especially in the services industry and for medium and long-term investment purposes. Loans to households, although showing slight signs of recovery, remain weak.

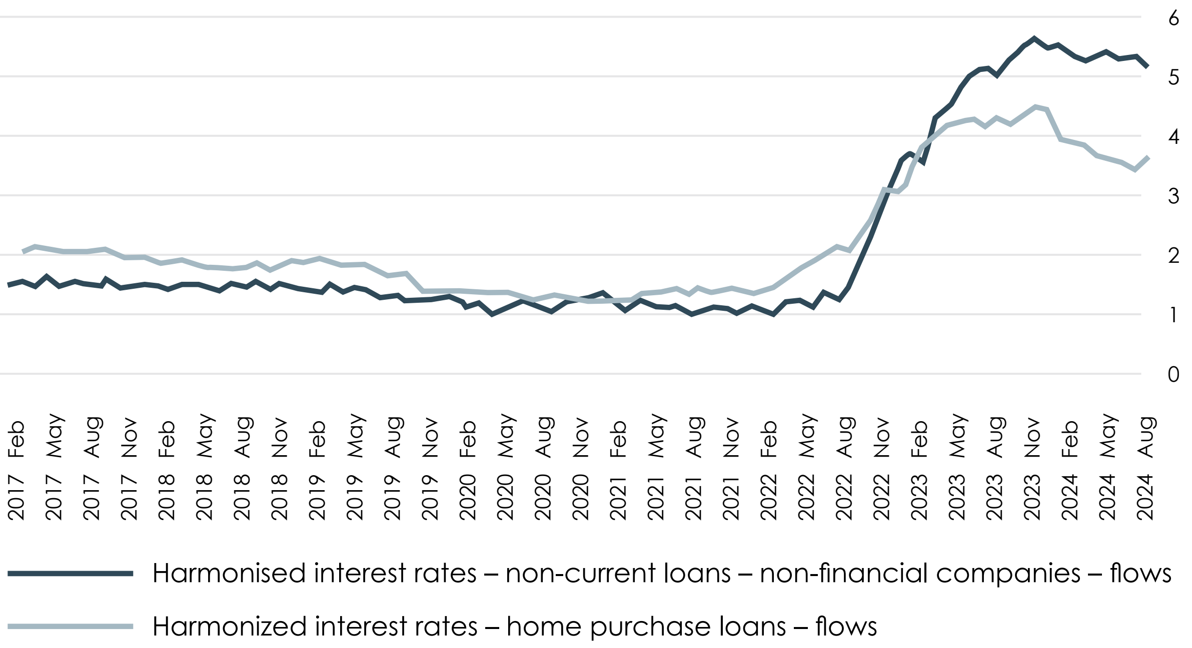
In 2024, banks recorded a boost in profitability, driven by higher interest rates on loans. Yet, a decline in credit demand is evident, negatively influencing the prospects for earnings growth. The capital position of Italian banks remains solid, bolstered by strong capital ratios, which have been enhanced through prudent management practices and a decrease in non-performing loans.

The macroeconomic landscape in Italy for 2024 remains intricate, marked by subdued economic growth, decreasing inflation, and ongoing tight credit conditions. While the banking sector displays resilience, uncertainty persists in the credit market outlook. Decreased interest rates could potentially drive an uptick in loans to households and businesses.

In 2024, banks recorded a boost in profitability, driven by higher interest rates on loans.

EUROZONE GDP

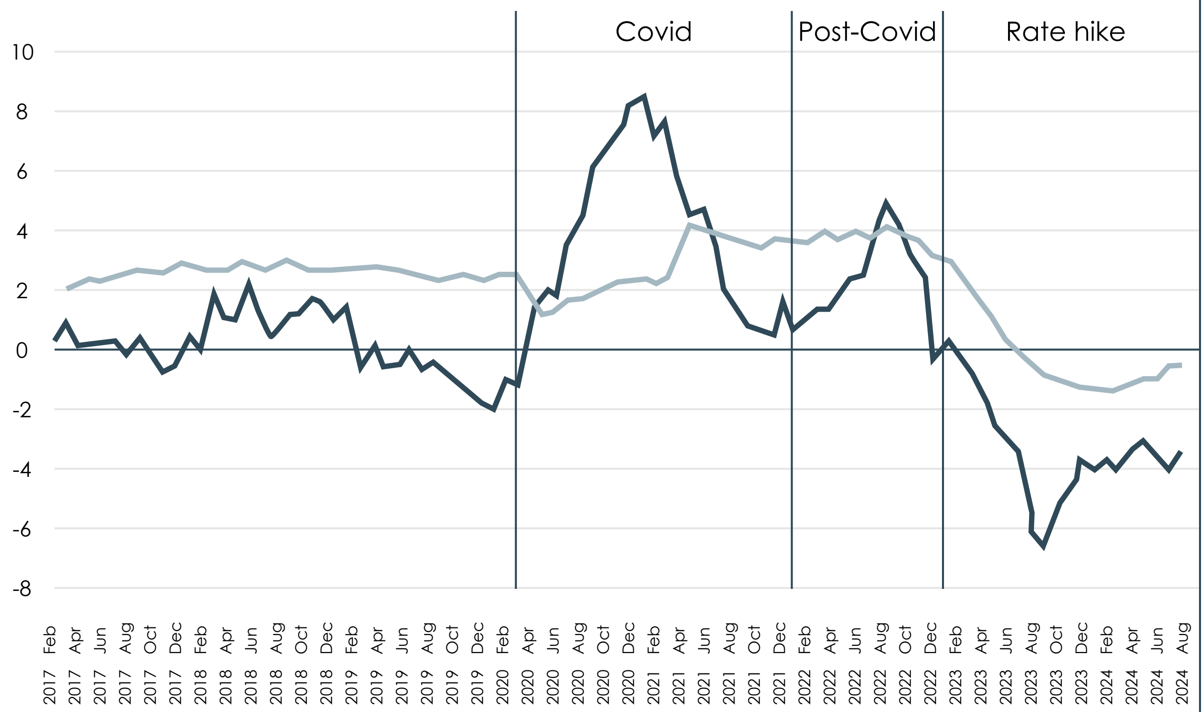
Monetary policy step change leads to an increase in credit interest rates



A decline in credit demand is evident, negatively influencing the prospects for earnings growth.

QUARTERLY CHANGE IN LOAN VOLUME (%)

Demand for loans from businesses and households slowed down in 2023 as interest rates rose



12-month change rates of bank loans to non-financial companies resident in Italy (adjusted according to the ESCB methodology)

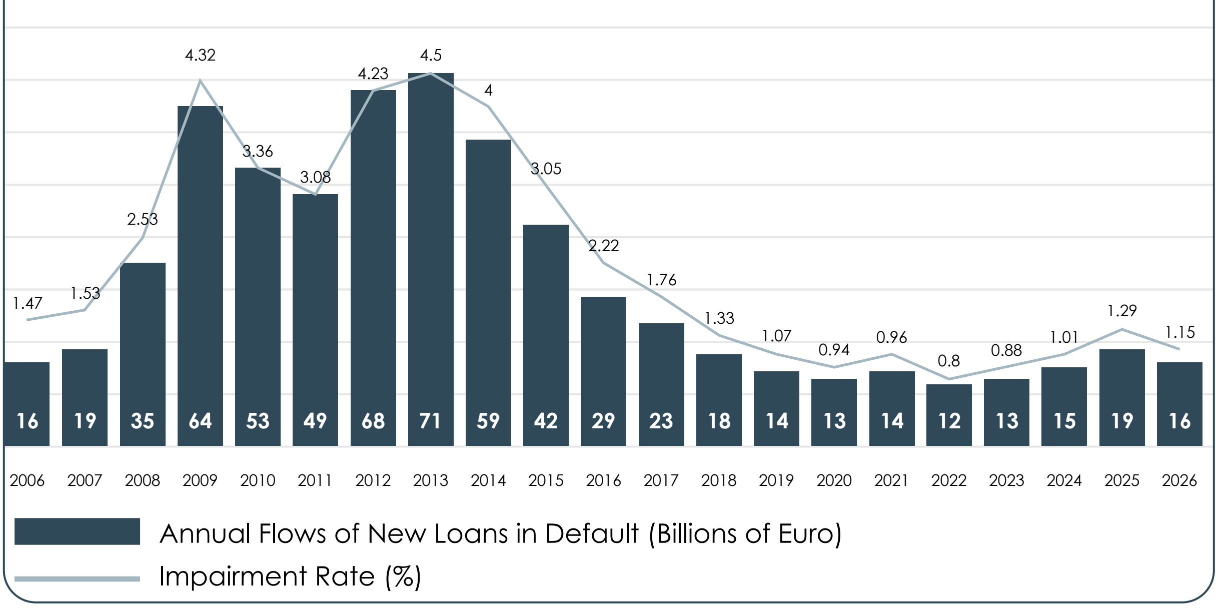
12-month change rates of bank loans to households resident in Italy (adjusted according to the ESCB methodology)

The trend in indicators anticipating deterioration does not show any particular signs of worsening credit quality; however, the effects of rising interest rates and the less favourable macroeconomic framework, which have not yet fully unfolded, could affect the future repayment capacity of borrowers with a significant share of variable-rate loans. The impact of the progressive reduction of public guarantees on the emergence of credit anomalies will have to be assessed. In the first half of 2024, credit conditions worsened slightly, with significant banks reporting an average non-performing loan ratio of about 2.4%, and less significant banks witnessing ratios climbing to as high as 6%.

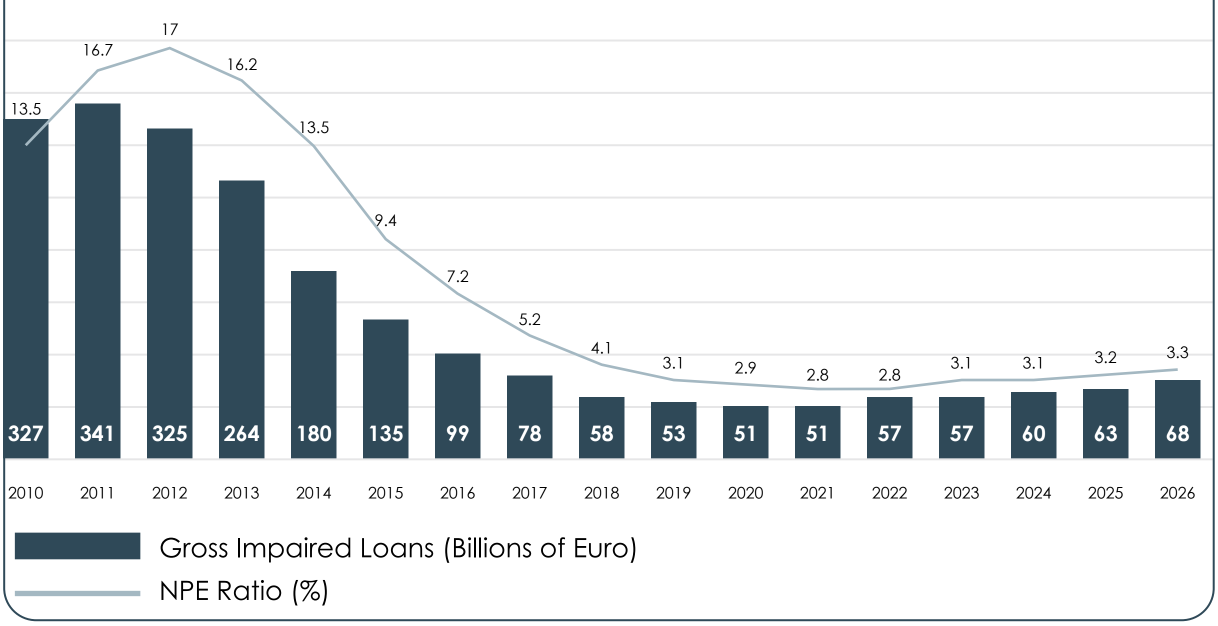
This pattern illustrates the effect of monetary tightening and increasing interest rates, resulting in reduced credit demand and higher default risks.

The trend in indicators anticipating deterioration does not show any particular signs of worsening credit quality.

ANNUAL DEFAULT FLOWS and IMPAIRMENT RATE



GROSS NPE RATIO



Source: Financial Stability Report Number 1 / 2024 April – Bank of Italy, Market Watch NPL "NPL Transaction Market and Servicing Industry" – Banca Ifis, The Italian NPE Market – PWC

Our core businesses

Below is a description of the Bank's main core businesses.

Corporate Banking

Cherry Bank, through its core business **Corporate Banking, supports and finances the growth and development of corporate customers**, with a main **focus on the SME segment**, by offering customised financing solutions. Our team of experts offers advice to identify the financing solution that most effectively meets the company's needs. We offer a comprehensive array of services that encompass medium- to long-term solutions potentially involving State-supported guarantees, alongside short-term choices such as recourse and non-recourse factoring, as well as leasing and operational rental offerings. Moreover, the BU is equipped with a team committed to supporting the management of companies' internationalisation efforts.

Retail Banking

The **Retail Banking** Business Unit leveraged the expertise gained from the specialists of the former Banca Popolare Valconca. It offers **support to retailers and the small and micro-business markets, with a strong focus on boosting local accessibility**.
It reviews and develops products that most closely match customer demands, providing suitable advice and clear information on the associated costs and benefits. The Business Unit aims to strengthen relationships with household-customers by providing secured loans, such as first home mortgages, and by forming partnerships with other operators to provide consumer credit and additional loans. For micro-business customers, the focus will be on developing short-term loans, primarily with a self-liquidating or secured strategy.

Wealth Management

The core business **Wealth Management** is the set of activities aimed at **supporting customers in the all-round management of their assets**. It combines investment advisory services and portfolio management with wealth planning activities. Cherry Bank's service model is

founded upon a set of concrete principles and strengths:
- Transparency of the commission fees structure.
- Evaluating the non-financial risks that the customers and their family members face on a daily basis, whether knowingly or unknowingly, and offering products to mitigate these risks and protect the household's standard of living.
- Selecting the top products/instruments, representing "the Best" within each individual asset class, by reviewing returns, risks, costs.
- The non-existence of proprietary products permits the offering of unbiased advice to the customer.

NPL Investment & Management

NPL Investment & Management (hereinafter also NPL I&M) is the Bank's Business Unit dedicated to the **acquisition and management of non-performing loan portfolios** (hereinafter also NPL).

Purchasing business

The investment target is represented by **non-performing portfolios of unsecured original nature** by both credit institutions and financial intermediaries as part of their lending or normal banking operations. Cherry Bank is active in both the **primary** and **secondary/tertiary markets**.
Given the **complexity of the portfolios being acquired**, a key role is played by the **due diligence of the portfolios**, which consists of information enrichment on the income and asset holdings of debtors and guarantors, analysis of documentation, generally on a sample of files made available by the transferors, and estimation of expected cash flows on individual positions, distinguishing them according to whether they are to be channelled for judicial or extrajudicial recovery.
Both in the due diligence phase and in the on-boarding phase, we also make use of analyses performed by fintech operators, which are able to return structured information on debtors/guarantors in "real time".

On-boarding business

After the purchase, the **phase of collecting information preparatory to recovery** begins. This activity enriches and completes the information provided by the transferor and is functional both to recovery activities and to the correct fulfilment of the reporting obligations to which the Bank is subject. The activity is initiated after the transfer contract has been finalised and consists of the four sub-phases described below:
- **Activity of importing the data provided by the transferor**: this process is initiated downstream of the finalisation of the transfer contract by Cherry Bank and is functional to the reporting fulfilments to which the company is obliged and to provide the starting point

for all on-boarding-related activities. The activity consists of the massive import of the database provided by the transferor into Cherry Bank's management system. The data are essentially related to the master data contained in the portfolio and the relationships transferred.

- **Document acquisition activity**: this is the activity of material acquisition of the various files in order to make available to the company all the documents contained therein (e.g. contracts, account statements, letters of forfeiture of benefit of the term, general conditions) functional to the management of relations.
- **Information enrichment activities**: starting from the enrichment activities already carried out during due diligence, the activity on the master data involved is completed, making the information set as up-to-date as possible by using the data obtained in the data import and document acquisition phases. The correct and complete performance of this activity enables the correct identification of the type of management to be undertaken.
- **Sending communications**: represents the point of contact between assignment and management. It allows the debtor to be informed of the transfer and the data acquired to be further verified. Notifications shall be made by registered letter with return receipt or by such other means as will enable the sender to be notified of receipt by the addressee.

The above activities may also be carried out in parallel with each other. The document acquisition and information enrichment activities can take the form of a true data remediation activity if the document digitalisation and database structure provided by the transferor do not conform to Cherry Bank's management and administrative requirements. During on-boarding, credits remain valued at acquisition cost, pending the obtaining of the information necessary to estimate future cash flows in line with the most suitable recovery method for the characteristics of each file.

Management

Once the on-boarding phase is over, the **file management phase** begins in the different modes of recovery, judicial and extrajudicial.
Cherry Bank's **operating strategy** for management is based on **maximising and speeding up collections**, through rapid and structured judicial and extrajudicial interventions on debtors in order to reduce recovery times. The architecture of the organisational unit proposed for this activity provides for an internal command point and the outsourcing of credit management and recovery activities to specialised market operators, with whom industrial and economic interests have been aligned.
The operating perimeter consists of the most referenced recovery companies under Article 115 TULPS and
leading law firms specialising in debt collection. The internal structure governs the outsourced activities and information flows are exchanged on the Bank's management platform, which the partner structures have access to in order to view and update files.
The expected growth of the loan portfolio will entail a consistent expansion of partnerships with recovery companies and the organic growth of the subsidiary **Cherry Legal**, a company between lawyers, to improve the timeliness of legalisation of files.

Resale

To streamline its operations, the Bank may pinpoint portions of the portfolio that are no longer efficient for processing, making it preferable to resale them to other specialists who can derive further value. Disposals therefore play a marginal and residual role, which does not justify considering them as an integral part of the Bank's business model.

Accounting model

Until 2022, Cherry Bank's business model remained a Hold to Collect and Sell ("HTC&S") model, as the operating strategy was to realise cash flows through both collection and sale. For this business model, credits are measured at amortised cost with the effects of changes in fair value recognised in equity at each reporting date, and therefore included in the Statement of Other Comprehensive Income ("FVTOCI").

Following the decision by the Board of Directors of the Bank, on 31 January 2023, to change the business model for the NPL Investment & Management Business Unit in relation to NPL, i.e., to adopt a Hold to Collect business model instead of Hold to Collect and Sell, the Bank proceeded to recognise the NPL portfolios acquired already at 31.12.2022 but which, at the date of the decision, had not yet passed the on-boarding phase, under Financial assets measured at amortised cost.

Please refer to as more fully described in the "Accounting Policies" section of the Notes to the Financial Statements regarding the classification, recognition and measurement of NPL.

Green Evolution Management

The **Green Evolution Management** segment deals with the **development of projects for the purchase and resale of tax credits to qualified counterparties** as well as the development of **projects related to the green economy**.
With regard to operations on Tax Credits, Cherry Bank has three types of products, described below.

- **SuperB**: Cherry Bank, in partnership with Banco BPM (hereafter also "BBPM") and Teamsystem, created the fintech platform "SuperB" for BBPM customers, dedicated to the purchase of tax credits from Ecobonus, Superbonus and Sismabonus. Banco BPM – which already has the tools to finance its customers in the process of accruing tax credits for real estate redevelopment – is promoting the tax credit purchase product on behalf of Cherry Bank to its customers. The agreement with Banco BPM, which was signed on 3 November 2020 with the former Cherry 106, provides for a commitment by the bank to repurchase the tax credits from Cherry Bank in order to be able to use them in autonomous offsetting with the tax authorities. The purchase and sale of these credits is finalised digitally on the

IT platform, the functionalities of which are made available to Banco BPM's customers and which allows the exchange of documents between the customer and Cherry Bank. The differential between the transfer price of the tax credits to BBPM and the purchase price is classified as commission income, representing the remuneration for the fronting activity carried out by Cherry Bank, while the fee for the use of the platform based on the volumes transacted is classified as commission expenses.
- **Cherry Credit**: direct operations on tax credits carried out by Cherry Bank through a dedicated platform for such operations launched as of June 2021 (former Cherry 106); Cherry directly acquires tax credits from Companies and/or General Contractors operating in the construction sector that require fast turnaround times and an end-to-end service for the mobilisation of tax credits. The credits acquired from the Companies/ General Contractors by Cherry are then resold to leading credit/insurance institutions or to corporate entities of high standing, on the basis of agreements stipulated that provide for mutual commitments and within the limits of the pre-determined amounts. Contracts entered into may provide for the resale of all annuities en bloc or for the resale of individual annuities along certain time windows agreed upon by the parties.

The activity described above is flanked, where the Bank deems it appropriate due to the timing or characteristics of the credits, by the purchase of credits to be used in offsetting with its tax capacity.

Special Situations

Special Situations is a Business Unit that searches for (so-called origination), analyses, evaluates, and proposes **opportunities for granting credit lines** (own exposures) and purchasing impaired loans, UTPs and NPLs (third-party exposures) with different degrees of seniority (mortgages of different degrees, senior, unsecured) with a single name approach **in "complex" situations** so-called special situations caused by mainly financial imbalances but with businesses **allowing the distress to be overcome and its subsequent restructure** (back to bonis) also through the use of default and insolvency regulation instruments. The BU is responsible for monitoring its own lending business.
In September 2023, when the securitisation vehicle Cherry Blossom SPV S.r.l. was incorporated, Cherry Bank (which is still the Master Servicer) proceeded with the disposal of the BU's portfolio, in order to mitigate the impact on regulatory capital arising from the subscription of SPV notes by third-party professional investors.
From 2025 onwards, as the Bank has surpassed an adequate threshold of free capital, the BU loans will remain included in the Bank's Financial Statements.

Alternative Investments

The **Alternative Investments** BU is responsible for **making investments in an alternative portfolio of financial instruments**, in compliance with the mandates granted by the Board of Directors and the operational limits set out in the "Delegated Powers of Proprietary Finance".

Main Balance Sheet aggregates

(amounts in thousands of Euro)

Main Balance Sheet figures	31/12/2024	31/12/2023	Change	
			Absolute	%
Cash and cash equivalents	139,145	105,747	33,398	31.6%
Financial assets measured at FVTOCI	74,987	122,020	(47,033)	(38.5%)
Receivables from banks	31,869	16,460	15,409	93.6%
Receivables from customers	2,773,433	2,065,021	708,412	34.3%
Tangible and intangible assets	54,331	48,184	6,147	12.8%
Other asset items	1,345,493	877,116	468,377	53.4%
Total assets	**4,419,258**	**3,234,548**	**1,184,710**	**36.6%**
Payables to banks	1,098,840	491,670	607,170	123.5%
Payables to customers	3,053,949	2,504,715	549,234	21.9%
Other liability items	71,964	73,113	(1,149)	(1.6%)
Shareholders' Equity	194,505	165,050	29,455	17.8%
Total liabilities and shareholders' equity	**4,419,258**	**3,234,548**	**1,184,710**	**36.6%**

Cash and cash equivalents

The item Cash and cash equivalents includes cash on hand, current accounts, and sight deposits with banks and Central Banks (excluding the compulsory reserve) amounting to Euro 139.1 million, marking an increase of 31.6% from Euro 105.7 million at the end of the previous year. The balances held in interbank accounts (reciprocal or ordinary), used by the Bank for ordinary operations amounted to Euro 131.8 million, while cash on hand amounted to Euro 7.3 million.

Financial assets measured at FVTOCI

Financial assets measured at fair value through other comprehensive income amounted to Euro 75.0 million as at 31 December 2024, compared to Euro 122.0 million in the previous year (-38.5%), and include:

- Securities owned mainly referred to Government Bonds in the amount of Euro 52.5 million compared to Euro 88.3 million at the end of 2023. The valuation reserves, before tax effect, as at 31 December 2024, amounted to Euro 0.9 million.

- NPL of Euro 22.4 million compared to Euro 33.7 million at the end of the previous year (portfolio in run-off following the change in business model). The gross positive valuation reserve went from Euro 1.8 million as at 31 December 2023 to Euro 1.4 million as at 31 December 2024. The decline is chiefly attributed to a disposal that generated a gross tax margin of about Euro 0.7 million, as well as the movement in market rates.

Receivables from banks

Receivables from banks amounted to Euro 31.9 million at 31 December 2024, up compared to Euro 16.5 million at 31 December 2023 (+93.6%), and consisted of Euro 26.9 million for the compulsory reserve (Euro 15.8 million at the end of 2023) and the remainder for deposits with other credit institutions.

Receivables from customers

(amounts in thousands of Euro)

Technical forms	31/12/2024	31/12/2023	Change	
			Absolute	%
Current accounts	95,094	83,408	11,686	14.0%
Mortgages	597,749	750,222	(152,473)	(20.3%)
Other transactions	154,905	137,800	17,105	12.4%
Debt securities	1,774,981	1,007,760	767,221	76.1%
Total book value	**2,622,729**	**1,979,190**	**643,539**	**32.5%**
Impaired assets originated	64,003	52,659	11,344	21.5%
Impaired assets purchased	86,701	33,172	53,529	161.37%
Total loans to customers	**2,773,433**	**2,065,021**	**708,412**	**34.3%**

Receivables from customers totalled Euro 2,773.4 million at 31 December 2024, compared to Euro 2,065.0 million at the end of the previous year (+34.3%).

The item includes portfolio securities amounting to Euro 1,775.0 million, primarily related to Italian Government Bonds, an increase compared to Euro 1,007.8 million at the end of the previous year. The increase was driven by market opportunities, considering both the good performance of these and the benefit at the level of capital absorption as well as maintaining a high degree of liquidity for the Institution.

Net loans originated from customers amounted to Euro 911.8 million, compared to Euro 1,024.3 million in the previous year, while impaired loans acquired amounted to Euro 86.7 million, up from Euro 33.2 million at the end of 2023, mainly attributable to the NPL I&M BU.

Below is a breakdown of the credit quality related only to the originated loans

(amounts in thousands of Euro)

Net receivables from companies	31/12/2024	31/12/2023	Change	
			Absolute	%
Net non-performing	15,320	18,728	(3,408)	(18.2%)
Net probable defaults	40,600	32,946	7,654	23.2%
Net impaired past due exposures	8,083	985	7,098	720.6%
Total net impaired assets (Stage 3)	**64,003**	**52,659**	**11,344**	**21.5%**
Net performing loans (Stages 1 and 2)	847,748	971,690	(123,942)	(12.8%)
Total net receivables from companies	**911,751**	**1,024,349**	**(112,598)**	**(11.0%)**

Net impaired assets amounted to Euro 64.0 million at year-end, compared to Euro 52.7 million at the end of 2023.

(amounts in thousands of Euro)

Credit quality	Non-performing	Probable defaults	Past due exposures	Total impaired (Stage 3)	Performing (Stages 1 and 2)	Total
Situation at 31.12.2024						
Gross amount	21,153	53,328	9,039	83,520	854,373	**937,893**
Impairment	(5,833)	(12,728)	(956)	(19,517)	(6,625)	**(26,142)**
Net amount	15,320	40,600	8,083	64,003	847,748	**911,751**
Coverage ratio	27.6%	23.9%	10.6%	23.4%	0.8%	**2.8%**
Gross ratio	2.3%	5.7%	1.0%	8.9%	91.1%	**100.0%**
Net ratio	1.7%	4.5%	0.9%	7.0%	93.0%	**100.0%**
Situation at 31.12.2023						
Gross amount	22,393	35,141	1,098	58,632	981,260	**1,039,892**
Impairment	(3,665)	(2,195)	(113)	(5,973)	(9,571)	**(15,544)**
Net amount	18,728	32,946	985	52,659	971,689	**1,024,348**
Coverage ratio	16.4%	6.2%	10.3%	10.2%	1.0%	**1.5%**
Gross ratio	2.2%	3.4%	0.1%	5.6%	94.4%	**100.0%**
Net ratio	1.8%	3.2%	0.1%	5.1%	94.9%	**100.0%**

In order to provide a more meaningful representation, the same table was drawn up showing the gross amount and the value adjustments of the impaired assets acquired following the business combination operations, in continuity with the financial statements of the merged entities, although including the differential that emerged following the PPA among the value adjustments.

(amounts in thousands of Euro)

Credit quality pro-forma	Non-performing	Probable defaults	Past due exposures	Total impaired (Stage 3)	Performing (Stages 1 and 2)	Total
Situation at 31.12.2024						
Gross amount	31,216	60,238	9,039	100,493	854,373	**954,866**
Impairment	(15,896)	(19,638)	(956)	(36,490)	(6,625)	**(43,115)**
Net amount	15,320	40,600	8,083	64,003	847,748	**911,751**
Coverage ratio	50.9%	32.6%	10.6%	36.3%	0.8%	**4.5%**
Gross ratio	3.3%	6.3%	0.9%	10.5%	89.5%	**100.0%**
Net ratio	1.7%	4.5%	0.9%	7.0%	93.0%	**100.0%**
Situation at 31.12.2023						
Gross amount	44,795	44,200	1,098	90,093	981,260	**1,071,353**
Impairment	(26,067)	(11,254)	(113)	(37,434)	(9,571)	**(47,005)**
Net amount	18,728	32,946	985	52,659	971,689	**1,024,348**
Coverage ratio	58.2%	25.5%	10.3%	41.6%	1.0%	**4.4%**
Gross ratio	4.2%	4.1%	0.1%	8.4%	91.6%	**100.0%**
Net ratio	1.8%	3.2%	0.1%	5.1%	94.9%	**100.0%**

The Bank’s effective management of impaired assets during 2024, through collections, single name sales, and write-offs led to a significant reduction in gross non-performing loans. However, probable defaults have increased, largely due to some significant positions that encountered financial difficulties in the latter part of the year.
The coverage ratio of impaired assets decreased from 41.6% in 2023 to 36.3% as at 31 December 2024. In particular, derisking activities resulted in the exit of positions with higher coverage. It should also be noted that 30.0% of impaired assets are covered by a State guarantee and that net of these exposures the coverage is 41.0%.

The table below shows a comparison of the credit quality indicators recalculated by neutralising the credit components backed by State guarantees (MCC or SACE).

Credit quality ratios	31/12/2024	31/12/2024 Adjusted
Coverage ratio	36.3%	41.0%
Gross ratio	10.5%	7.4%
Net ratio	7.0%	4.6%

Tangible and intangible assets

Tangible and intangible assets at 31 December 2024 totalled Euro 54.3 million, up from Euro 48.2 million at the end of 2023 (+12.6%), mainly attributable to tangible fixed assets and in particular, property (purchase and lease) and motor vehicles. The item relates to tangible assets for Euro 44.0 million and to intangible assets for Euro 10.3 million.

Other asset items

Other asset items increased from Euro 877.1 million at the end of 2023 to Euro 1,345.5 million at 31 December 2024 (+53.4%), and include the following items: Financial assets measured at FVTPL of Euro 35.6 million compared to Euro 34.4 million at the end of 2023 (+3.7%), the increase of which is attributable to investments of the Alternative Investment BU for Euro 2.5 million partially offset by negative changes in the fair value of the AIF Funds in portfolio resulting from the merger with Banca Popolare Valconca; Tax assets of Euro 21.1 million compared to Euro 32.3 million at the end of 2023 (-34.7%), mainly due to the use of deferred tax assets on losses; Other assets of Euro 1,288.8 million compared to Euro 810.4 million at the end of 2023 (+59.0%) mainly comprising the following items:

- Euro 1,251.5 million (Euro 716.4 million as at 31 December 2023) tax credits in portfolio of which:
  - Euro 1,180.6 million acquired as part of the Cherry transaction Credits held for resale and subject to fair value measurement;
  - Euro 70.9 million to tax credits in compensation.
- Euro 1.5 million (Euro 11.0 million as at 31 December 2023) receivables from banks related to some tax credit resale finalised at the end of 2024 and not yet collected.

Payables to banks

Payables to banks amounted to Euro 1,098.8 million as at 31 December 2024, compared to Euro 491.7 million at the end of 2023 (+123.5%). The item accounts for Euro 925.0 million in payables to the ECB (weekly auctions) compared to Euro 230.0 million as at 31 December 2023, and for Euro 173.2 million in reverse repo financing compared to Euro 30.4 million at the end of 2023. Last year, the item also included the Euro 218.6 million subscription of TLTRO III tranches repaid at natural maturity. The increase in institutional funding, which was more than proportional to customer funding, was dictated by the Bank’s desire to rebalance the diversification of funding sources.

Payables to customers

(amounts in thousands of Euro)

Customer funding	31/12/2024	31/12/2023	Change	
			Absolute	%
Current accounts and sight deposits	1,072,684	972,684	100,000	10.3%
Current accounts and term deposits	1,972,276	1,525,302	446,974	29.3%
Other loans	8,990	6,729	2,261	33.6%
Total payables to customers	**3,053,950**	**2,504,715**	**549,235**	**21.9%**

Customer funding amounted to Euro 3,053.9 million at 31 December 2024, up 21.9% from Euro 2,504.7 million at the end of the previous year. The increase is mainly attributable to inflows through online channels (Italy and Germany). Overall, the unrestricted component amounted to Euro 1,039.2 million, while the restricted component amounted to Euro 1,972.3 million. As at 31 December 2024, customer funding as a percentage of total funding was 73.5%.

Indirect funding from customers

(amounts in thousands of Euro)

Indirect funding: breakdown	31/12/2024	%	31/12/2023	%	Change %
Administered indirect funding	318,756	43.54%	244,274	41.00%	23.37%
Managed indirect funding	413,307	56.46%	351,195	59.00%	15.03%
of which Mutual Funds	278,666	38.07%	245,130	41.20%	12.03%
of which Third-party Asset Management	42,531	5.81%	12,924	2.20%	69.61%
of which Life Insurance	92,110	12.58%	93,141	15.60%	-1.12%
Total indirect funding	**732,063**	**100.00%**	**595,469**	**100.00%**	**18.66%**

Total indirect funding increased compared to the previous year, thanks to the development action undertaken by the Bank.

Capital and capital ratios

Shareholders' Equity

(amounts in thousands of Euro)

Shareholders' Equity	31/12/2024	31/12/2023	Change	
			Absolute	%
Share capital	49,598	49,598	-	-
Capital instruments	10,000	10,000	-	-
Share premiums	716	716	-	-
Reserves	94,218	15,736	78,482	498.7%
Valuation reserves	9,863	9,504	359	3.8%
- Securities	624	9	615	6,833.3%
- NPL	941	1,195	(254)	(21.3%)
- Properties	8,277	8,277	-	-
- TFR	21	23	(2)	(4.5%)
Profit for the year	30,110	79,496	(49,386)	(62.1%)
Total Shareholders' Equity	**194,505**	**165,050**	**29,456**	**17.8%**

Shareholders' Equity at the end of the financial year amounted to Euro 194.5 million, an increase of 17.8% compared to the previous year. The change is essentially represented by the result for the year.

In view of the necessary path to strengthen the Bank's capital and the capital levels achieved, the Board of Directors deems it appropriate, also for the financial year 2024, to propose the preservation of the profit for the benefit of the Bank's assets.

(amounts in thousands of Euro)

Shareholders' Equity: changes	31/12/2024	31/12/2023
Opening balance	**165,050**	**54,275**
Increases:	**30,725**	**111,352**
Capital increase	-	4,960
Issuance of AT1 capital instruments	-	10,000
Exchange reserve	-	16,296
Securities valuation reserve	615	596
TFR valuation reserve	-	4
Profit for the year	30,110	79,496
Decreases:	**(1,270)**	**(577)**
TFR valuation reserve	(2)	-
Extraordinary reserve	(1,015)	-
NPL valuation reserve	(253)	(577)
Closing balance	**194,505**	**165,050**

The decrease in the extraordinary reserve corresponds to the coupon paid on the AT1 capital instrument.

Capital and Solvency Ratios

(amounts in thousands of Euro)

Capital and Solvency Ratios	31/12/2024	31/12/2023	Change	
			Absolute	%
Common Equity Tier 1 (CET1) net of adjustments	168,072	133,859	34,211	25.6%
Additional Equity Tier 1 (AT1) net of adjustments	10,000	10,000	-	-
Tier 1 capital (Tier 1)	178,072	143,859	34,211	23.8%
Total Capital	**178,072**	**143,859**	**34,211**	**23.8%**
Total risk-weighted assets	**1,021,006**	**890,630**	**130,376**	**14.6%**
CET 1 Ratio	16.46%	15.03%	1.43%	-
Tier 1 Ratio	17.44%	16.15%	1.29%	-
Total Capital Ratio	**17.44%**	**16.15%**	**1.29%**	**-**

(amounts in thousands of Euro)

Risk-Weighted Assets	31/12/2024	31/12/2023	Change	
			Absolute	%
Risk-Weighted Assets:				
- for credit and counterparty risk	754,775	720,674	34,101	4.7%
- for regulatory and market risk	30,799	19,536	11,263	57.7%
- for operational risk	235,424	150,334	85,090	56.6%
- other specific risks	8	85	(77)	(90.6%)
Total Risk-Weighted Assets	**1,021,006**	**890,630**	**130,376**	**14.6%**

For comparison with the results achieved, the table below shows the capitalisation targets that the Bank of Italy, following the Supervisory Review and Evaluation Process (SREP), required Cherry Bank to adopt for 2024.

SREP thresholds	Regulatory minimum		SREP threshold with Buffer[1] OCR	SREP threshold with Capital Guidance	Free Capital as at 31/12/2024
	Threshold	with Add-on			
CET 1 capital ratio	4.50%	6.00%	8.50%	9.50%	6.96%
Tier 1 capital ratio	6.00%	8.00%	10.50%	11.50%	5.94%
Total capital ratio	**8.00%**	**10.70%**	**13.20%**	**14.20%**	**3.24%**

[1] regulatory minimum including capital conservation buffer of 2.50%

Main economic results

The main economic results as at 31.12.2024 compared to the corresponding period of the previous year are shown below. As already indicated in the Introductory notes, to which reference should be made for further details, the comparison of the 2024 financial year's economic results with the previous year's results is not homogeneous, as the 2023 financial year did not include the contribution deriving from the merger of Banca Popolare Valconca into Cherry Bank S.p.A. following the merger that took place at the end of December 2023. Furthermore, the Income Statements of both financial years include some extraordinary items mainly relating to the business combination which are highlighted in the description of the relevant items.

Formation of the Reclassified intermediation margin[A]

(amounts in thousands of Euro)

Formation of the Reclassified intermediation margin[1]	2024	2023	Change	
			Absolute	%
Interest margin	20,447	24,998	(4,551)	(18.2%)
Net commissions	11,010	10,837	173	1.6%
Net trading result	150,262	63,694	86,568	135.9%
Gain/Loss on disposal of financial assets	2,468	(1,354)	3,822	(282.3%)
Other intermediation margin components	(1,580)	(184)	(1,396)	758.7%
Intermediation margin	**182,607**	**97,991**	**84,616**	**86.4%**

[1] Net impairment/reversal of impairment of receivables related to NPL are reclassified under interest income in order to provide a representation consistent with the characteristics of the NPL business, which sees this component as an integral part of performance

The **Reclassified intermediation margin** stood at Euro 182.6 million at 31.12.2024, compared to Euro 98.0 million in the 2023 financial year (+86.4%). The increase is mainly driven by the contribution from the Net trading result mainly related to the Tax Credits business.

The **Interest margin** amounted to Euro 20.4 million as at 31 December 2024, down (-18.2%) compared to the previous year. In detail:

- interest income at 31.12.2024 amounted to Euro 131.8 million, compared to Euro 53.5 million in the previous year. The 2024 figure is driven by the return on securities in the portfolio of Euro 58.2 million as well as interest on loans of Euro 44.7 million;
- interest expense at 31.12.2024 amounted to Euro 111.3 million, compared to Euro 28.5 million in the previous year. The increase in 2024 is mainly due to interest expense on funding in the amount of Euro 100.3 million.

Net commissions increased from Euro 10.8 million in 2023 to Euro 11.0 million as at 31.12.2024 (+1.6%). In detail, both commission income increased by Euro 2.0 million (+8.7%), mainly related to the Retail and Wealth BUs, and commission expenses by Euro 1.8 million (+15.5%), mainly related to funding with the Raisin platform for Euro 3.3 million.

The **Net trading result** amounted to Euro 150.3 million in 2024, compared to Euro 63.7 million in the previous year. This item mainly refers to the contribution from Cherry Credit's trading in tax credits.

The **Gain/Loss on disposal of financial assets** amounted to a gain of Euro 2.5 million as at 31 December 2024, compared to a loss of Euro 1.3 million in the previous year. The net gain on disposal 2024 relates to the disposal of NPL portfolios and the disposal of some single names of originated impaired loans.

Formation of the Net result from financial operations reclassified

(amounts in thousands of Euro)

Formation of the Net result from financial operations reclassified[1]	2024	2023	Change	
			Absolute	Absolute
Intermediation margin	**182,607**	**97,991**	**84,616**	**86.4%**
Net impairment/reversal of impairment for credit risk	(13,816)	(6,700)	(7,116)	106.2%
Net result from financial operations	**168,791**	**91,291**	**77,500**	**84.9%**

[1] Net impairment/reversal of impairment of receivables related to NPL are reclassified under interest income in order to provide a representation consistent with the characteristics of the NPL business, which sees this component as an integral part of performance

The **Net result from financial operations** for the year 2024 amounted to Euro 168.8 million, an increase of 84.9% compared to the previous year.

The **Net impairment** for credit risk amounted to Euro 13.8 million in 2024, compared to Euro 6.7 million in adjustments in the previous year. The increase is mainly the result of both the impairment on the receivables from customers portfolio arising from the integration with Banca Popolare Valconca and the classification of some significant UTP positions that entered into financial difficulty in the latter part of the year.

Formation of profit for the year

(amounts in thousands of Euro)

Formation of Profit for the year	2024	2023	Change	
			Absolute	%
Net result from financial operations	**168,790**	**91,291**	**77,499**	**84.9%**
Personnel expenses	(51,073)	(26,161)	(24,912)	95.2%
Other administrative expenses	(69,549)	(35,752)	(33,797)	94.5%
Net allocations to provisions for risks and charges	180	(47)	227	(483.0%)
Net impairment/reversal of impairment of tangible and intangible assets	(5,130)	(2,310)	(2,820)	122.1%
Other operating expenses/income	1,974	47,188	(45,214)	(95.8%)
Operating costs	**(123,597)**	**(17,082)**	**(106,515)**	**623.6%**
Gains (Losses) on disposal of investments or shareholdings	(1)	13,811	(13,812)	(100.0%)
Gross profit	**45,192**	**88,020**	**(42,828)**	**(48.7%)**
Income taxes	(15,082)	(8,523)	(6,559)	77.0%
Profit (Loss) for the year	**30,110**	**79,496**	**(49,386)**	**(62.1%)**

Operating costs amounted to Euro 123.6 million at the end of the financial year, compared to Euro 17.1 million in the previous year. The item is influenced by the recognition of some extraordinary items recorded in both financial years and mainly resulting from the business combination with Banca Popolare Valconca. In particular, the 2024 figure includes IT system integration costs of Euro 8.8 million, the costs of Banca Popolare Valconca's infoprovider for the months prior to the IT migration of Euro 3.0 million, as well as the extraordinary F.I.T.D. contribution of Euro 4.5 million required to reach the target level of funding. The figure for 2023 includes the extraordinary gain on bargain purchase related to the business combination in the amount of Euro 50.1 million, the penalty in the amount of Euro 4.1 million resulting from the withdrawal, exercised by Cherry Bank after the merger date, from the services of the acquiree's infoprovider, as well as acquisition and integration costs in the amount of Euro 1.0 million. By neutralising these extraordinary items, operating costs would amount to Euro 95.1 million in FY 2024, compared to Euro 62.1 million in FY 2023 (+53.1%); the growth is directly related to the expansion of the Bank's operating perimeter and resources following the aforementioned business combination, in addition to the organisational structuring process initiated by Cherry Bank related to its growth in size and greater operational complexity.

In detail, **Personnel expenses** rose from Euro 26.2 million in 2023 to Euro 51.1 million as at 31 December 2024 (+95.2%) as a result of the significant increase in resources (561 as at 31 December 2024 including former Banca Popolare Valconca resources, compared to 315 as at 31 December 2023 of the Cherry Bank perimeter alone, +78.1%).

Other administrative expenses went from Euro 35.8 million at 31 December 2023 to Euro 69.5 million at 31 December 2024 (+94.5%). It should be noted that the item includes certain costs directly related to business volumes, including costs related to the controls performed on tax credits acquired for trading purposes for Euro 12.2 million compared to Euro 9.9 million in FY

2023, and due diligence and on-boarding costs related to NPL for Euro 3.3 million compared to Euro 3.0 million in the previous year. It should also be noted that the 2024 figure includes some extraordinary items referring for Euro 8.8 million to the costs incurred for the integration of the IT systems of Banca Popolare Valconca, Euro 3.0 million to the costs of the former Banca Popolare Valconca's infoprovider for the months prior to the IT migration, and finally Euro 4.5 million to extraordinary FITD contributions required to reach the target level of funding.

Net impairment of tangible and intangible assets amounted to Euro 5.1 million in 2024, compared to Euro 2.3 million in 2023 (+122.1%) and mainly related to depreciation on real estate, amortisation of rights of use of properties and vehicles, as well as amortisation of proprietary software.

The **Other operating expenses/income** amounted to Euro 1.9 million at 31 December 2024, mainly referring to revenues from charge-backs of expenses to customers, the related cost items of which are included in Other administrative expenses, compared to Euro 47.2 million in 2023 including some extraordinary items deriving from the business combination with Banca Popolare Valconca (gain on bargain purchase for Euro 50.1 million, penalty for withdrawal of infoprovider services for Euro 4.1 million), net of which the item amounted to Euro 1.1 million.

The **Gross profit** at 31 December 2024 amounted to Euro 45.2 million, compared to Euro 88.0 million at 31 December 2023.

Net profit for the year came to Euro 30.1 million, compared to Euro 79.5 million in the previous year. By neutralising the extraordinary items deriving from the business combination with Banca Popolare Valconca and the extraordinary FITD contribution (only for 2024), the net profit for the year 2024 would amount to Euro 41.0 million, while the net profit for 2023 would be Euro 34.9 million.

Sustainability Report


cherry
bank

General information

ESRS 2 – General information

Criteria for drafting

BP-1 – GENERAL CRITERIA FOR DRAFTING SUSTAINABILITY STATEMENTS

Cherry Bank prepares the Sustainability Report on an **individual** basis. This Report is being provided for the first time in compliance with the ESRS, as prior to 2023, the Bank voluntarily disclosed sustainability information according to GRI standards.

The information contained in this Sustainability Report in terms of policies, actions, metrics, and objectives has been identified in line with the results from the **double relevance analysis**[1] process that has covered the entire value chain of Cherry Bank and its business relationships[2]. The coverage of upstream and downstream value chain information is detailed in the individual thematic chapters.

Cherry Bank has not omitted any specific information related to intellectual property, know-how, or innovation results, and has not used the exemption to withhold information concerning upcoming developments or issues under negotiation, pursuant to Article 19-bis, paragraph 3, and Article 29-bis, paragraph 3 of Directive 2013/34/EU.

BP-2 – DISCLOSURE IN RELATION TO SPECIFIC CIRCUMSTANCES

Cherry Bank has adopted the following **time horizon** definitions:

- **Short Term**: up to one year;
- **Medium Term**: from two to three years;
- **Long Term**: for three years.

The aforementioned time horizons are consistent with the strategic planning and risk management processes and in line with the characteristics of the business model.

1. See ESRS 2 IRO 1, for further details on the double relevance analysis.
2. See ESRS 2 SBM 1, for further details on strategy, business model and value chain.

With regard to the **estimates** used for the value chain data, in order to meet the obligations of disclosure **E1-6 "Gross emissions of Scope 1, 2, 3 and total GHG emissions"**, Cherry Bank calculates and reports direct emissions (Scope 1), indirect emissions (Scope 2) and those deriving from **category No. 6 of the GHG Protocol "Business trips"** (Scope 3). Specifically, business trips undertaken by employees using car and train were considered.

With the aim of improving the **accuracy of the estimates** made, Cherry Bank periodically analyses the calculation methodologies adopted to obtain the data illustrated in the metrics based on the national guidelines for the banking sector and international standards on sustainability reporting[3].

In terms of monetary amounts, the Bank has not identified any quantitative metrics or monetary amounts subject to a high level of measurement uncertainty.

In addition to the information required by the ESRS, this Sustainability Report also includes the information required by the **EU Taxonomy** legislation, in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the taxonomy for sustainable activities and Council Regulation (EU) 2021/2178 of 6 July 2021, in particular for credit institutions, regarding the information drawn up pursuant to Annex 5/6.

In terms of reporting, Cherry Bank does not include information by reference. In particular, in its Sustainability Report, the Bank does not apply principles or frameworks other than those provided for by the ESRS.

As part of the transitional provisions, Cherry Bank, despite having fewer than 750 employees, has chosen not to apply the phase-in on “All disclosure requirements” for the 2024 Sustainability Report, as outlined in ESRS1, Appendix C. This decision affects issues related to Own Workforce (ESRS S1), Interested Communities (ESRS S4), and Consumers and End Users (ESRS S4), except for specific sustainability information.

This approach has been favoured by the Bank to ensure the transparency of information towards its stakeholders.

3. See ESRS E1-6, for further details on methodologies for calculating GHG emissions.

Governance

GOV-1 – ROLE OF ADMINISTRATION, MANAGEMENT, AND CONTROL BODIES

Cherry Bank adopts **a traditional administration and control model**, which is considered the most appropriate to ensure the sound and prudent management of the intermediary, given the size of the Bank and its degree of operational/organisational complexity. This model also guarantees **a correct internal dialectic** of the Corporate Bodies.

The **Board of Directors ("BoD")** is the corporate body that embeds the function of strategic and organisational supervision of the Bank. The **Chief Executive Officer** is responsible, within the limits of the delegated powers, for the management function, and specifically, the task of conducting business operations aimed at achieving the strategic business guidelines and objectives approved by the Board of Directors. The **Board of Statutory Auditors** is the corporate body entrusted with the task of supervising the administration of the Bank and its concrete functioning, and of supervising compliance with the law, the Articles of Association, regulations, and corporate resolutions. The **Control, Risk and Sustainability Committee ("CCRS")** is appointed by the Board of Directors, performs support functions for the body with the function of strategic supervision in terms of risks and internal control system, and is assigned the investigative, proactive and advisory functions. Finally, there is the **Supervisory Body**, also established by the Board of Directors in compliance with Legislative Decree No. 231/01 concerning the Administrative Responsibility of the Institutions, which performs supervisory and control functions on the observance of the Organisation and Control Model with which the Bank is equipped.

Annually, the Bank prepares public information on "Corporate Governance" pursuant to Circular No. 285/2013 of the Bank of Italy.

The **Board of Directors**, appointed by the Shareholders' Meeting of 29 April 2024 and in office for the years 2024-2026, consists of 9 members, of whom **3 are executive** and **5 are independent**, equal to 56%. %. With reference to the gender of the members of the Board of Directors, **33% are female** and **67% are male**; the gender ratio, calculated as the ratio between the number of women and men, is 0.5. With regard to the breakdown by age group, **2 members are under 50 years of age** (22%), **4 are between 50 and 65 years of age** (44%) and **3 are over 65 years of age** (33%).

ID	Surname	Name	Role	Year of birth	Gender	Executive Director	Non-Executive Director	Independent Director	Date of first appointment
1	Benini	Giuseppe	Chair	1954	M		X	x	10/11/2021
2	Piccolo	Gabriele	Deputy Chair	1956	M		X		03/04/2009
3	Bossi	Giovanni	Chief Executive Officer	1960	M	X			10/11/2021
4	Aldrovandi	Stefano	Director	1966	M	X			29/04/2015
5	Cavezzali	Elisa	Director	1979	F		X	x	15/05/2019
6	Vienna	Marina	Director	1963	F		X	x	10/11/2021
7	Maderna	Francesca	Director	1963	F		X	x	16/01/2024
8	Bugna	Giacomo	Director	1953	M		X	x	16/01/2024
9	Butturini	Samuele	AML Managing Director	1982	M	X			29/04/2024

The **Board of Statutory Auditors**, appointed by the Shareholders' Meeting of 29 April 2024 and in office for the years 2024-2026, is composed of **3 Standing Auditors** and **2 Alternate Auditors**. With reference to gender, **40% are female** and **60% are male**; the gender ratio, calculated as the ratio between female and male Statutory Auditors, is 0.66. With regard to the breakdown by age group, **one member is less than 50 years old** (20%), **three are between 50 and 65 years old** (60%) e **one is over 65 years old** (20%).

ID	Surname	Name	Role	Year of birth	Gender	Executive Director	Non-Executive Director	Independent Director	Date of first appointment
1	De Bei	Piero	Chair	1969	M	29/04/2015	X	x	10/11/2021
2	Ciriotto	Giovanna	Standing Auditor	1961	F	10/11/2021	X		03/04/2009
3	Regoliosi	Carlo	Standing Auditor	1977	M	10/11/2021			10/11/2021
4	Fornasiero	Filippo	Alternate Auditor	1967	M	10/11/2021			29/04/2015
5	Martina	Valentina	Alternate Auditor	1959	F	10/11/2021			29/04/2024

Within the bodies with the function of strategic supervision, management and control, there are no workers or their representatives.

In line with the sector regulations related to the optimal qualitative-quantitative composition of the Board of Directors and the Board of Statutory Auditors, the following is a summary of the **prevailing professional experience** and **areas of specialist competence** of each member of the Bodies.

Board of Directors				
Surname	**Name**	**Prevalent professional experience**	**Main specialist expertise**	**Additional specialist expertise**
Benini	Giuseppe	Consulting/Auditing	Governance	Organisation of internal control system processes
Piccolo	Gabriele	Entrepreneurial	Local economic fabric	Banking/Financial products
Bossi	Giovanni	Managerial – Banking/Finance	Directions/Strategic programme	Financial markets
Vienna	Marina	Consulting/Auditing	Financial markets	Accounting
Maderna	Francesca	Entrepreneurial	Organisation of internal control system processes	Local economic fabric
Bugna	Giacomo	Consulting/Auditing	Risk management	Banking/Financial sector regulation
Cavezzali	Elisa	Academic	Financial markets	Banking/Financial sector regulation
Aldrovandi	Stefano	Managerial – Other	Banking/Financial products	Financial markets
Butturini	Samuele	Consulting/Auditing	Banking/Financial sector regulation	Organisation of internal control system processes

Board of Statutory Auditors				
Surname	**Name**	**Prevalent professional experience**	**Main specialist expertise**	**Additional specialist expertise**
De Bei	Piero	Consulting/Auditing	Accounting	Banking/Financial sector regulation
Ciriotto	Giovanna	Consulting/Auditing	Accounting	Governance
Regoliosi	Carlo	Consulting/Auditing	Accounting	Banking/Financial sector regulation
Fornasiero	Filippo	Consulting/Auditing	Accounting	Financial markets
Martina	Valentina	Consulting/Auditing	Accounting	Governance

As of 2023, Cherry Bank has structured and implemented the **governance of sustainability topics** both at the **management** level and at an **operational** level, further developed and strengthened as regulated in the Sustainability Policy approved by the Board of Directors on 10 February 2025.

The **Board of Directors** defines the **company strategies**, including the Sustainability Plan, on the proposal of the Chief Executive Officer, taking into account the **impacts, risks and opportunities (IRO) relevant** to the Bank deriving from the **double relevance analysis**, which the Board of Directors itself approves annually. The Board of Directors is the body appointed to supervise the processes for managing relevant IROs connected to sustainability issues, with the assistance of the Board's Internal Control, Risk, and Sustainability Committee (CCRS).

The responsibilities of Cherry Bank's Corporate Bodies, Committees and Areas, Functions and Organisational Units regarding impacts, risks and opportunities are governed by the **Sustainability Policy**, drafted in line with the purpose and values of the Cherry Bank Code of Ethics.

The governance of Cherry Bank's sustainability issues involves the Bank's management. A central role is played by the **Sustainability Steering Committee (Committee)**, an inter-functional working group composed of the Heads of the Finance, Brand & Communication, Organisation, ICT & HR Areas, and the Risk Management and Compliance & AML Functions, which meets periodically to coordinate the implementation of sustainability commitments, also acting as a reference point for the other corporate functions in terms of sustainability. Among its duties, the Committee examines the results of the double relevance analysis, identifies and evaluates initiatives targeting the achievement of sustainability-related objectives and the associated IROs, and submits them to the CCRS and, consequently, the Board of Directors via the Sustainability Plan. It also provides operational oversight concerning the implementation and effectiveness of the actions undertaken by the Bank. In carrying out its duties, it is assisted by the **Sustainability Operating Unit**, led by the ESG Manager, established in December 2023, placed within the Finance Area. Finally, the company's Areas and Business Units, among other activities, contribute to the implementation of the actions of the Sustainability Plan, the double relevance process, and provide information on the evaluation, monitoring, and control activities of the IROs.

The Board of Directors directs the Bank towards the generation of long-term sustainable value for shareholders, considering the interests of stakeholders. Specifically, the **Board of Directors** examines and approves the **Sustainability Policies**, as well as the Code of Ethics and the Remuneration Policies, defines the company strategies related to sustainability issues, including the objectives regarding the management of ESG risks, and approves the double relevance analysis and the Sustainability Report.

The **Chief Executive Officer** defines and proposes the **Sustainability Plan** to the Board of Directors, examines the reports of the control functions including the risks related to ESG factors, and ensures the achievement of the sustainability objectives set through the Sustainability Plan.

The **CCRS** has the task of supporting the Board of Directors through preparatory activities of a proactive and consultative nature, for **evaluations and decisions related to sustainability issues**, including Policies, the results of the double relevance analysis and Sustainability Report and information related to the monitoring of the Sustainability Plan and the IROs.

The **Board of Statutory Auditors** monitors compliance with and the **correct application of the current regulatory provisions** on Sustainability Report, and in particular monitors compliance with the provisions established in Legislative Decree No. 125/2024 and reports on them in the Annual Report to the Shareholders' Meeting.

The **Supervisory Board 231/01** of Cherry Bank is responsible for the **operation** and the **compliance** with the **Organisation, Management and Control Model** adopted to prevent the offences falling within the scope defined by Legislative Decree No. 231/01.

Checks on IRO management processes are part of Cherry Bank's broader internal control and risk management system. Checks are carried out by the control, **Risk Management, Compliance & AML and Internal Audit** functions, which monitor ESG risks, ensure regulatory compliance and verify the effectiveness of the processes in place. The control functions, in line with their control plans, inform the Corporate Bodies about the outcome of the control activities, following evaluation by the **Control, Risk and Sustainability Committee**.

The **Sustainability Policy** regulates the levels of responsibility and periodic information flows addressed to the Corporate Bodies[4].

Cherry Bank pre-determines its optimal qualitative and quantitative composition and continuously assesses the adequacy of skills through a periodic self-assessment mechanism. In particular, the theoretical profile of candidates for the positions of Board Member and Statutory Auditor was identified also taking into account the results of the **Self-Assessment** process of 2023. The **Independent Directors**, following the filing of the lists of candidates, conduct a preliminary assessment of the compliance of the candidates proposed in the various lists with the criteria and requirements established by current legislation and their consequent suitability. Following the appointment, each body, within their respective competence, verifies

4. For further details on the roles of the Corporate Bodies in defining and monitoring the objectives, please refer to paragraph GOV-1.

compliance through an in-depth and formalised examination of the correspondence between the previously identified optimal qualitative-quantitative composition of the bodies and the actual composition resulting from the appointment process.

In accordance with the guidelines also expressed at European level and the recommendations of the Supervisory Authority on the need for banks to adopt adequate training plans to ensure an appropriate background of technical skills for the members of the corporate bodies, Cherry Bank considers it essential that all members of the corporate bodies are continuously updated on macroeconomic scenarios as well as on issues of business relevance and strategic value, and on the main trends that may have an impact on the current and future performance of the Bank, with particular regard to the areas related to **ESG, AML, ICT and Risk Management** topics.

In this regard, the Board of Directors annually approves a **training plan**, dedicated to its members, which also includes the Board of Statutory Auditors, organized with the help of external professionals, in order to consolidate the necessary skills and knowledge, and to fill any gaps that have emerged, so as to allow them to perform their roles with awareness.

If considered useful and/or necessary, the Bank reserves the right to initiate individual training plans should it become appropriate to strengthen specific technical knowledge and experience. This also aims to enrich the diversity and overall experience of the Board of Directors and the Board of Statutory Auditors.

In line with the requirements of the legislation and best practices in the sector, most of the exponents have generally demonstrated a **widespread knowledge and sensitivity concerning relevant sustainability issues**, gained during their professional and/or academic experience. In particular, a member of the Board of Directors, **Elisa Cavezzali** has specific expertise in sustainability issues given her affiliation with a **Research Laboratory specialising in sustainability topics** (Sustainability Lab of the Venice School of Management – Cà Foscari University).

In 2024, the representatives explored sustainability issues further through 6 training sessions organized by the Bank and conducted by experts, totalling 24 hours.

The training courses, tailored for members of the administrative, management, and control bodies, have been designed to adapt to the Bank's specific context, ensuring that the acquired skills are pertinent and targeted. These training courses offer both an **overview** of the general picture, and an **in-depth examination of specific cases**, with a focus on the sustainability issues most relevant to the Bank.

The Board of Directors, as a body with a strategic oversight function, defines and approves, after sharing with the Supervisory Body and on the proposal of the Chief Executive Officer, the **Code of Ethics**. This document aims to be the identity card of Cherry Bank's ethics and serves as a tool to implement a suitable disciplinary system and sanction non-compliance with the measures indicated in the Organisation and Management Model adopted pursuant to Legislative Decree No. 231/2001 (MOG 231), in turn approved by the Board of Directors itself.

The Chief Executive Officer submits to the Board of Directors any needs for **update** that may be necessary due to changes in the regulatory and/or organisational context of the Bank.

The **AML Managing Director** represents the main point of contact between the **Anti-Money Laundering Function** and the **Top Management Bodies** and ensures that they are provided with the information necessary to fully understand the significance of money laundering risks. The AML Director is also responsible for notifying the Corporate Bodies about any known violations or issues related to anti-money laundering and advising on suitable risk mitigation actions.

GOV 2 – INFORMATION PROVIDED TO THE COMPANY'S ADMINISTRATIVE, MANAGEMENT, AND CONTROL BODIES AND SUSTAINABILITY ISSUES ADDRESSED BY THEM

The **Sustainability Operating Unit** prepares information flows on the results of the double relevance analysis (annually) and the targets related to relevant impacts, risks, and opportunities, and the progress made in achieving them (quarterly), coordinating with the company's **Areas and Business Units**. These information flows are examined prior to the Board by the Sustainability Steering Committee and the Control, Risk and Sustainability Committee.

The Chief Executive Officer defines and proposes to the Board of Directors the Bank's **Sustainability Plan**, in line with the **Strategic Plan**, taking into account the impacts, risks and opportunities related to sustainability issues, which the Board of Directors examines and approves. In addition, the Board of Directors prepares and submits to the Shareholders' Meeting the **personnel Remuneration and Incentive Policy**, providing for the connection with relevant sustainability issues, including those related to climate change, as well as compliance with the principles of gender neutrality and equal opportunities.

The Board of Directors approved the 2024 **double relevance analysis** of Cherry Bank at its meeting on 10/02/2025, following a preliminary assessment by the CCRS on 07/02/2025. The Sustainability Steering Committee discussed the impacts, risks, and opportunities at its meeting on 11 December 2024.

For the list of impacts, risks and opportunities see SBM-3.

GOV-3 – INTEGRATION OF SUSTAINABILITY PERFORMANCE IN INCENTIVE SYSTEMS

The **Remuneration and Incentive Policy** of Cherry Bank represents a tool that supports the Bank in the articulation of the strategic objectives in terms of:

- ensure compliance with the provisions of legal, regulatory, statutory requirements as well as the Code of Ethics;
- ensure fairness of treatment internally and competitiveness externally;
- enhance merit, increase motivation, and support the professional growth of *cherries* in the perspective of gender neutrality, enhancing diversity and promoting inclusion;
- promote the achievement of strategic objectives.

Cherry Bank's Remuneration and Incentive Policy is defined in **compliance with the principles of gender neutrality and equal opportunities**. Semi-annually, the Bank's HR Office monitors the average pay disparity between the most and least represented genders among staff. When significant differences are found, the causes of the gender pay gap are examined, and corrective actions are planned.

In line with the commitments made, the 2024 Remuneration and Incentive Policy is linked to the implementation of projects related to the main relevant sustainability issues of Cherry Bank as detailed below.

The Cherry Bank Remuneration and Incentive Policy includes in the variable remuneration:

- **short-term formalised incentive systems (MBO – Management By Objectives)**, based on achieving objectives and behaviours defined in the individual sheet assigned to each recipient;
- **discretionary and non-continuous disbursements**, such as one-off bonuses for significant performance (from the annual performance review process), specific tasks or projects in customer service or retention bonuses to retain key resources.

The disbursement of the **variable component** of remuneration linked to short-term formalized incentive systems (MBO) is subject to the joint achievement of compliance with the access conditions and the quantitative and qualitative objectives, whether corporate or individual, measured through the instrument of the **objective sheet**. The process of assigning the objectives, for the personnel targeted by the MBO system, as well as their measurement and delivery, is based on **formalised processes**, supported by documentation and/or IT tools, which allow traceability and verification.

At least the individuals who fall within the scope of the Most Relevant Personnel, excluding those who belong to the Control Functions, are recipients of formalised incentive systems (MBO).

The Remuneration and Incentive Policy of Cherry Bank S.p.A. provides that performance is assessed against **sustainability-related objectives** within the MBO system both for the Chief Executive Officer and for the Most Relevant Personnel or other employees, where contractually provided.

For the CEO, the objective is linked to the implementation of projects related to the Bank's 2023-2025 Sustainability Plan.

For all the Most Relevant Personnel and other employees, the objectives, set out in the individual objective sheets, are linked to the implementation of **specific function projects**, including those related to sustainability initiatives concerning the main relevant sustainability issues, in line with the Bank's 2023-2025 Sustainability Plan (ESG Projects).

The objectives concern the **Cherry Planet** pillar with **initiatives in support of the territory**; the **Cherry Core** pillar with the **adaptation of Wealth Management processes** in an ESG perspective (forms, questionnaires, investment products, performance measurement,...), with the identification of **operations and opportunities consistent with the ESG lines** of the Bank and with the dissemination to personnel dealing with commercial activities of the criteria of diligence, transparency and fairness in customer relations; the ***Cherries* pillar** with the dissemination of **values and corporate culture**, also favouring coordination and **synergy** between stakeholders involved in the same processes, maintaining **gender equity** and supporting the **growth and development of internal resources** with particular attention to junior resources.

Aligned with the Bank's 2023-2025 Sustainability Plan, the objectives pertain to the implementation of sustainability initiatives concerning the primary sustainability challenges.

The **variable remuneration** of the Chief Executive Officer, for the year 2024, includes **objectives**:

- **qualitative**, whose total weight is equal to 60%, linked to financial KPIs such as year-end CET1, year-end TCR, Gross NPL Ratio, Net NPL Ratio;
- **qualitative**, whose total weight is equal to 40%, linked to strategic KPIs (10%), such as the implementation of Business Plan projects, ESG-related KPIs (10%), such as the implementation of projects tied to the Bank's 2023-2025 Sustainability Plan, and managerial KPIs (20%) for evaluating the alignment of leadership with company values.

Therefore, the share of variable remuneration that depends on sustainability-related objectives for the CEO of Cherry Bank S.p.A. is equal to **10% of the total variable component**.

For all the Most Relevant Personnel and other employees, the share of variable remuneration that depends on sustainability-related objectives varies **between 10% and 20%**.

The incentive system conditions at Cherry Bank S.p.A. are approved and updated by the Board of Directors, following deliberations with the Control, Risk and Sustainability Committee, and then submitted for approval to the Shareholders' Meeting.

ESRS E1.GOV-3 – INTEGRATION OF SUSTAINABILITY PERFORMANCE IN INCENTIVE SYSTEMS

The objectives of the Chief Executive Officer and the Most Relevant Personnel also involve the **implementation of specific projects related to environmental aspects.** The assessment of the results does not include linking them to the GHG emissions reduction targets, in accordance with what is stipulated by the 2023-2025 Sustainability Plan and the future Objectives regarding Climate Change (ESRS E1).

GOV-4 – STATEMENT ON DUE DILIGENCE

The table below provides a concise indication of the fundamental elements of the due diligence processes currently applied by Cherry Bank in the presence of potential or actual negative impacts related to relevant sustainability issues, along with the indication of the paragraphs within the Sustainability Report where the information is reported.

Fundamental elements of due diligence	Paragraphs in sustainability statements
a) Integrate due diligence into governance, strategy and business model	ESRS 2 – Paragraph "GOV 2 – Information provided to the company's administrative, management, and control bodies and sustainability issues addressed by them" ESRS 2 – Paragraph "GOV-3 – Integration of sustainability performance in incentive systems" ESRS 2 – Paragraph "SBM-3 – Relevant impacts, risks and opportunities and their interaction with the strategy and business model"
b) Involve stakeholders in all key stages of due diligence	ESRS 2 – Paragraph "SBM-2 – Interests and opinions of stakeholders" S1-2 – Paragraph "Engagement processes"
c) Identify and assess negative impacts	ESRS 2 – Paragraph "IRO-1 – Description of the processes to identify and evaluate relevant impacts, risks and opportunities" ESRS 2 – Paragraph "SBM-3 – Relevant impacts, risks and opportunities and their interaction with the strategy and business model"
d) Intervene to address negative impacts	ESRS 2 – Paragraph "SBM-2 – Interests and opinions of stakeholders" E1-3 – Paragraph "Actions" S1-4 – Paragraph "Actions" S4-4 – Paragraph "Actions" G1-3 – Paragraph "Prevention and detection of active and passive corruption"
e) Monitor the effectiveness of the interventions and communicate	E1-5 – Paragraph "Energy consumption and energy mix" E1-6 – Paragraph "Gross GHG emissions of Scope 1, 2, 3 and total GHG emissions" S1-9 – Paragraph "Diversity metrics" S1-12 – Paragraph "People with disabilities" S1-14 – Paragraph "Health and safety metrics" S1-15 – Paragraph "Metrics of work-life balance" S1-16 – Paragraph "Pay metrics (pay gap and total remuneration)" S1-17 – Paragraph "Incidents, complaints and serious impacts on human rights" G1-4 – Paragraph "Cases of active and passive corruption"

GOV-5 – RISK MANAGEMENT AND INTERNAL CONTROLS ON SUSTAINABILITY REPORT

Cherry Bank has defined the internal control and risk management system for the Sustainability Report.

The Sustainability O.U. within the Finance Area is responsible for the process of preparing the Sustainability Report, including the double relevance analysis.

The defined control system provides for:

a. **level I controls** (or line controls): the **Areas and Business Units of the Bank** are responsible for the impacts, risks and opportunities and the information disclosed in the Sustainability Report, each for its area of competence; the Sustainability O.U. offers guidance and assistance to the responsible Areas and Business Units; it is also responsible for gathering data and content across various areas and ensuring data quality verification: in particular, the Sustainability O.U. is tasked with ensuring methodological consistency throughout the process in terms of methodologies, processes, and time-lines for Sustainability Report, as well as implementing enhancements in the reporting process;
b. **level II controls**: the **Compliance** function is tasked with ensuring that the sustainability reporting process adheres to current legislation to manage non-compliance risks. It conducts both "ex-ante" and "ex-post" activities upon enforcement of the legislation, while the Risk Management function supervises the identification, assessment, and management of risks associated with sustainability issues;
c. **level III controls**: the **Internal Audit** function carries out control activities aimed at ensuring the effectiveness of the internal control system and compliance with regulations, based on its own multi-annual planning developed with a risk-based perspective.

The process of **preparation of Sustainability Report** is structured with defined roles and tasks in order to ensure clear responsibilities throughout the process, reliability, and fairness. The Sustainability Report is drafted by the **Sustainability O.U.** using qualitative and quantitative data collected across different Areas, Functions and Business Units and includes information on Cherry Bank's value chain. To ensure proper collection, processing and consistency in the reporting of sustainability information, the Finance Area has established a **specific procedure** that defines the principles for the collection of information in line with the **EFRAG-ESRS** (European Sustainability Reporting Standards) standards so that the data collection is relevant and consistent with the standards themselves.

The main risks related to the process of preparing the Sustainability Report may concern the risk of errors in sustainability information, inadequate reporting of relevant sustainability issues, and failure to comply with the requirements of the **EFRAG-ESRS** standards and other applicable regulations, such as the **Taxonomy Regulation** (EU Reg. 2020/852) and the **Regulation for the disclosure of KPIs on the Taxonomy of credit institutions** (EU Reg. 2021/2178, Annex 5/6).

The controls are carried out in accordance with the activity plans of the **control functions,** which report the results of the activities carried out and any findings that have emerged to the attention of the Governing and Control Bodies in the manner established by the respective **Regulations**, with the frequency provided for in compliance with their planning.

The Bank intends to conduct an activity, drawing on the experience gained from the first year of mandatory production of this Report, aimed at strengthening the sustainability reporting process and the related sustainability information, as well as identifying risks and implementing controls to ensure the information provided is increasingly accurate.

Strategy

SBM-1 – STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Cherry Bank has[5] **561** employees (the so-called *cherries*) and operates in **diversified markets**, with a strong territorial roots in the regions of Veneto and Emilia-Romagna, further extending to the provinces of Pesaro and Urbino, through a full-service offer available to individuals, businesses and entrepreneurs. As part of the development strategy pursued, Cherry Bank has defined the **2023-2025 Sustainability Plan "Mettiamo a frutto la Sostenibilità" [Let's put Sustainability to good use]** (or "23-25 Plan"). Also, in this context, products and services connected to sustainability issues have been developed. In particular:

- services in the area of **Corporate Banking** have been supplemented, as of 2023, with sustainability-oriented financial solutions; first of all, "**Cherry ESG Circle**" – the financing programme that accompanies SMEs on a path to support and incentivise the implementation of actions according to ESG values – was created; furthermore, for **financing with environmental objectives** the possibility of accessing **Sace Green** and **Sace Futuro** guarantees has been activated; finally, various measures of **subsidised finance** are planned, including the **FIDI Impresa & Turismo Veneto Confidi guarantees for energy efficiency measures in the hotel sector** and the **SIMEST 394** incentive; in 2025, an **offer dedicated to Third Sector Entities (ETS)** was also launched;
- the **Green Evolution Advisory** area offers the mobilisation of tax credits resulting from energy efficiency and seismic interventions, serving the **country's ecological transition process**; in **2024** was finalised the product **"Finanziamento al Condominio" [Condominium Financing]** linked to the **improvement of the Energy Performance Index (IPE)**;
- the **Non-Performing Loan (NPL)** area is in charge of managing all stages of the process, from due diligence, purchase, management and restructuring of credit, thus contributing to **financial re-inclusion**;
- the **Wealth Management** area that, since its creation in 2023,**in the field of Asset Management and Advisory services**, offers savers, among others, **GP Lines classified pursuant to Article 8 and an offer of funds pursuant to Articles 8 and 9** offered within its own catalogue in consultancy services.

5. Total number of employees as of 31/12/2024

Consistent with its corporate mission, Cherry Bank assists individuals, households, entrepreneurs, and SMEs with tailored and innovative financial services and solutions, creating shared value and making a positive impact on the real economy. Below is the number of Bank customers as of 31/12/2024[6] by Business Line:

38,012 Digital Banking

155,739 NPL

2,548 Wealth Management

25,954 Retail Banking

1,824 Corporate Banking

413 tax credits transferors

6. It does not consider the customers of the Special Situations BU as of 31/12/2024 as they are not significant.

The objectives that Cherry Bank has set itself as part of its first **2023-2025 Sustainability Plan** concern the implementation of projects aimed at enabling ESG governance and culture, the evolution of processes and progressive measurement as well as the development of responses to customer needs in terms of products, services and proximity to territories on sustainability issues. The Plan is structured around the following 3 pillars:

Cherry Core
namely the support and backing of customers through safe, efficient, and state-of-the-art products and services, and responsible business management;

Cherries
namely the protection of personal and occupational health and balance, professional growth and an inclusive, fair, and non-discriminatory climate;

Cherry Planet
namely the management of environmental impacts, particularly those related to the climate, the promotion of change through sustainable finance, the creation of shared value for the local area, and responsible supplier management.

The natural evolution of the path, enshrined in the **2025–2027 Strategic Plan** approved by the Board of Directors in January 2025, provides on the one hand for the achievement of the initiatives defined with the 2025 time horizon and on the other for accelerating the definition of a renewed ESG Plan including objectives and targets also referring to products and customers.

The **business model** of Cherry Bank is described below by stage of the value chain, together with its key players, i.e. the set of structured and strategic relationships with key business and non-business stakeholders, aimed at ensuring the effectiveness and sustainability of its operations.

To identify and analyse the value chain, both upstream and downstream, Cherry Bank examined data related to volumes (e.g., customer funding, loans, indirect funding) and based on areas of operation or customer segments, other characteristics such as, not exhaustively, sectoral and/or geographical size. The quantitative or qualitative information was obtained from the data, including management information, available on the company's IT systems, supplemented by inputs from specialists in the relevant functions.

The **Upstream** phase concerns the procurement of goods and services. The key players are the suppliers and partners for debt collection. Specifically, the Bank engages in specialised activities including consultancy, legal, and accounting services, as well as IT services.

These partners contribute to the processes of innovation and digitisation of banking operations. Debit collection partners, who play a significant role in the management of Non-Performing Loans (NPLs), are also of particular importance.

The **Own Operations** involve the creation and management of financial products and services, facilitated by advanced digital platforms and the Cherry Bank network, with its main headquarters in Padua, plus an additional 6 offices and 24 branches, ensuring a multi-channel strategy to serve customers across various regions.

The **Downstream** phase involves offering a range of financial products and services such as: i) Banking Services, encompassing both online and traditional deposit solutions, current accounts, and financing; ii) Management of tax credits, or selling them for the purpose of executing building redevelopment and energy efficiency projects; iii) NPL, which entails managing impaired loans and improving the credit profile of customer-debtors; iv) Wealth Management, which includes investment consulting and management services, also provided through its own Asset Management. Finally, in this phase, the management of investments owned by Cherry Bank takes place. Key players in the value chain include customers, institutions, and other actors in the financial system, investment firms, and players in the unsecured market.

Cherry Bank acts as a strategic enabler, adept at linking suppliers, partners, and customers by leveraging its ability to integrate technology and customisation. The Bank creates value for all parties involved, contributing to economic development through an integrated approach along the entire value chain. In the upstream phase, the Bank builds relationships based on mutual trust with suppliers. Within its internal operations, the Bank provides its employees with opportunities for professional growth, ongoing training, and a work environment that fosters well-being and inclusivity. For shareholders, the Bank strives to ensure growing and sustainable profitability, creating long-term value through careful and responsible management. In the downstream phase, Cherry Bank is dedicated to addressing its customers' needs, presenting solutions that support their development and opportunities. In the NPL area, the Bank contributes to enhancing the credit profile of customer-debtors by devising customised restructuring plans and promoting their financial inclusion. In the area of tax credits, the Bank offers solutions that contribute to the ecological transition process of the country.

SBM-2 – INTERESTS AND OPINIONS OF STAKEHOLDERS

Listening is **one of the values of the Code of Ethics of Cherry Bank**. The following table shows the main stakeholder categories and their respective methods of engagement.

Stakeholder categories	Engagement and modalities	Purposes
Employees	• internal surveys on satisfaction levels • meetings with the trade union representatives • regular meetings with the Safety Workers' Representatives • Whistleblowing platform	• collecting employees' opinions on key issues • promoting a safe and inclusive corporate culture • promoting dialogue between the Bank and workers' representatives • collecting reports of risks, offences or corporate irregularities
Customers	• meetings with Branch Managers • NPL Welcome call[7] • complaint management	• responding promptly to customer needs • collecting customer feedback
Communities concerned	• listening meetings and initiatives in support of the social and environmental issues closest to the territory	• raising awareness and promoting environmental and social issues • creating opportunities for local businesses or disadvantaged groups
Debt collection suppliers and partners	• regular meetings	• Cherry Bank regularly involves suppliers to collect certificates, such as the DUVRI[8]

Listening is taken into account by Cherry Bank, where possible, with **strategic purposes and to respond to the market** with products and services adapted to the needs, for developing and updating company policies, in the continuous improvement of company processes and tools made available to stakeholders.

The Bank promotes the **professional development of *cherries***, bringing out the aptitudes of individual personalities, considering the Bank's needs, by investing in **training activities** and refining **rewarding evaluation systems**. In line with the Code of Ethics and the Diversity Equity & Inclusion Policy, the Bank is committed to ensuring an **inclusive, fair and respectful working environment**, where each individual can express themselves freely, without fear of discrimination, harassment or prejudice that may harm their physical and psychophysical integrity. Through the methods of **stakeholder engagement**, the interests and opinions of stakeholders are listened to in order to integrate them, where possible, into the corporate strategy and model. Cherry Bank periodically involves its employees, ensuring they partake in and stay informed about the company's life and activities. With this in mind, the Bank implements **engagement initiatives through specific tools** (events, dedicated meetings, surveys, etc.) and organises **periodic meetings** to gather useful information for improving internal business processes[9].

7. Periodic survey activities on customer-debtors in the presence of home collection concerning the progress of the visit and the degree of customer satisfaction.
8. Unified Document for the Assessment of Interfering Risks.
9. See ESRS S1 Own Workforce – Engagement processes.

Listening to customers' needs is a fundamental element that guides strategic choices. This approach allows the Bank to **continuously adapt its offerings, improve internal processes, and proactively respond** to the demands of end users. To ensure an increasingly effective service in line with the real needs of the market, the Bank organises **weekly meetings with branch managers**, during which **open discussion** and the sharing of suggestions and feedback in order to determine possible improvement actions to meet customers' needs are encouraged[10].

Listening to and actively engaging the communities concerned is a further **key element in guiding strategic choices and the business model**. In particular, the Bank promotes initiatives aimed at supporting the most relevant social and environmental issues for the local area with the aim of exercising its **social responsibility in line with the needs of local communities** and in accordance with its principles and values[11].

The interests and opinions of the stakeholders of Cherry Bank are also taken into account in the **double relevance analysis process**. In particular, as part of the 2024 double relevance analysis process, Cherry Bank considered the findings from the 2023 materiality analysis, which were also derived from listening activities conducted with key stakeholders, including employees, customers, and suppliers.

Each year, the Board of Directors reviews and approves the double relevance analysis, supported by the preliminary assessment of the Board's Internal Control, Risk and Sustainability Committee. The double relevance analysis process and its results were approved on 10 February 2025.

Furthermore, the findings from the 2024 double relevance analysis process were examined by external experts from academia, who specialise in ESG matters. They assessed both the process employed by the Bank to identify pertinent issues and the outcomes achieved; in this way, their perspectives on the Bank's potential future priorities were gathered. In addition, the issues identified as relevant concerning the Own Workforce (S1) were represented to the workers' representatives.

10. See ESRS S4 End users and consumers.
11. See ESRS S3 Communities concerned.

Management of impacts, risks, and opportunities: Double relevance analysis

SBM-3 – RELEVANT IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH THE STRATEGY AND BUSINESS MODEL

The **Relevant Impacts, Risks and Opportunities (IROs)**, totalling **43**, are the result of the double relevance analysis process carried out in 2024 (see IRO-1). The IROs reflect Cherry Bank's business model and strategy; the sustainability governance model defined by the Bank ensures their interdependence. In particular, the **relevant IROs** are concentrated in the **downstream value chain** in light of the nature of intermediary, with particular reference to the issues of **Climate Change** and in own operations with particular reference to **Social and Governance issues**.

The following table shows the **relevant sustainability issues arising from the 2024 double relevance analysis** in terms of "Theme" and "Sub-theme", indicating the stage of the **value chain** within both the **impact and financial relevance, for risks and opportunities**.

Theme	Sub-theme	Impact materiality[1]	Financial materiality Risks	Financial materiality Opportunities
E1 – Climate Change	Adaptation to climate change	● ● ●	● ○ ●	○ ● ●
	Mitigation of climate change			
S1 – Own workforce	Working conditions	○ ● ○	\	○ ● ○
	Equal treatment and opportunities for all			
	Other work-related rights			
S3 – Communities concerned	Economic, social and cultural rights of communities	○ ● ○	\	○ ○ ●
S4 – Consumers and end users	Impacts related to information for consumers and/or end users	○ ● ○	\	\
	Social inclusion of consumers and/or end users			
G1 – Business conduct	Business culture	○ ● ○	\	\
	Protection of whistleblowers			
	Management of relations with suppliers, including payment practices			
	Active and passive corruption			

[1] Legend: ● ○ ○ Upstream; ○ ● ○ Own Operations; ○ ○ ● Downstream.

The details of the individual Impacts, Risks, and Opportunities are provided in the thematic chapters, along with an indication of the main methods of management.

The assessment of the resilience of the Bank's strategy and business model in relation to the identified IROs is conducted as part of the strategic planning and risk management process.

Within the risk management system, the mapping of risks associated with ESG factors encompasses the entire business model, particularly from credit provision to Wealth Management and NPL recovery, as well as both internal and external communications, human resources management, and the acquisition of securities for the proprietary portfolio. The Bank currently adopts a sectoral heat map to assess ESG exposure in relation to traditional lending and funding. The **Bank has** also **initiated the recovery** from specialised providers **of specific climate scores relating to physical risk, transition risk and climate change risk** (integration of the two previous components) associated with the SMEs entrusted, and ESG ratings concerning investment services. The development of this type of risks will therefore be monitored periodically in relation to what is defined in terms of the Risk Appetite Framework.

As part of the **2023-2025 Sustainability Plan**, various initiatives have been launched to foster ESG governance and culture, evolve processes, progressively measure outcomes, and develop responses to customer needs in terms of products, services, and local engagement on sustainability issues, such as the establishment of the CCRS, the creation of a dedicated Sustainability O.U., and the design of products aimed at contributing to environmental objectives. The 2025-2027 Strategic Plan strengthens the commitment to managing the impacts, risks, and opportunities related to sustainability issues, as its definition took into account the findings of the double relevance analysis.

The current financial effects of the opportunities are mainly represented by the contribution to the intermediation margin resulting from the sale of tax credits and the cost reduction owing to the plan to convert the company car fleet to electrically powered vehicles (25% in 2024), thanks to lower fuel and maintenance expenses. As far as risks are concerned, no significant financial effects have been found.

IRO-1 – DESCRIPTION OF THE PROCESSES TO IDENTIFY AND EVALUATE RELEVANT IMPACTS, RISKS AND OPPORTUNITIES

Cherry Bank carried out the **double relevance analysis** in order to include in this Report information on sustainability issues related to relevant Impacts, Risks and Opportunities (hereinafter also referred to as "IROs"), consistent with ESRS1 "General requirements" and the more specific Implementation Guidance on Double Relevance Analysis[12] and Value Chain[13] .

12. EFRAG IG 1: Materiality Assessment Implementation Guidance.
13. EFRAG IG 2: Value Chain Implementation Guidance.

The process is structured in the following phases:

1. **Understanding the context**;
2. **Identification of** actual and potential **Impacts, Risks and Opportunities** related to sustainability issues;
3. **Assessment of Impacts, Risks and Opportunities**;
4. **Definition of relevant sustainability issues**.

Phase 1: Understanding the context

The process of relevance analysis was initiated from understanding the context through:

i. **the identification of the value chain** and **its key players**, for which the Bank has taken into account the significant elements of the internal context, including: strategies, 2023 Financial Statements, 2023 Sustainability Report and the related outcomes of the 2023 materiality analysis process, policies, and other information useful for understanding the characteristics of the value chain;

ii. **the analysis of the external context**, for which the Bank has taken into account the relevant regulatory context, the analysis of the relevant sustainability issues for 2023 of Institutions similar to Cherry Bank and competitors, the analysis of international sector documents (e.g. UNEP FI – Sector Mapping);

iii. **the stakeholder analysis**, for which the Bank updated the 2023 stakeholder categories, in order to better understand the definitions of "Involved Stakeholders" and "Sustainability Statement Users"; these activities led to the definition of the 2024 stakeholder categories and the classification of the key players in the value chain with respect to the 2024 stakeholder categories; in order to identify the list of sustainability issues potentially relevant for Cherry Bank[14], the information obtained through the 2024 context analysis on the one hand, and the results of the 2023 materiality analysis process on the other, which was the result of listening to, among others, key stakeholders (employees, customers, and suppliers), were taken into account.

Phase 2: Identification of actual and potential Impacts, Risks and Opportunities related to sustainability issues

From the list of potentially relevant sustainability issues, related **IROs** have been identified. In particular, an **extended list of them** was drawn up, taking into consideration the overall value chain and its key players.

14. Also taking into account ESRS 1, Appendix A, paragraph RA 16, Sustainability issues to be included in the relevance assessment.

Phase 3: Assessment of Impacts, Risks and Opportunities

ASSESSMENT OF THE RELEVANCE OF IMPACTS

Cherry Bank has assessed the impacts, taking into account the so-called “Involved Stakeholders”, in line with the parameters defined by the ESRS. In particular, the evaluation process included **2 steps**:

i. **the first** was carried out by the Sustainability O.U. in order to ensure methodological consistency;
ii. **the second** provided for the **engagement of all relevant internal functions of the Bank**, as well as a specific discussion held within the framework of the Sustainability Steering Committee.

This process led to the **identification of 36 relevant impacts**.

The process of assessing the relevance of the impact involves a **system of qualitative scales based on "significance" and "probability"** over the prevailing time horizon identified for each impact. **Four key factors** were considered: "**scope**", "**perimeter**", "**probability**", and "**remediability**". "Probability" measures the possibility of an impact occurring within the prevailing time horizon, distinguishing between actual (already manifested) and potential impacts. "Scope" evaluates the severity of the impact on people or the environment, while the “perimeter” analyses the spread of the impact among the involved stakeholders. Finally, "remediability", assessed only for negative impacts, measures the effort to mitigate the negative effect of the impact. For negative impacts, consideration is also given to whether they affect human rights. The product of these parameters is measured by a value on a scale from 1 to 5. Based on the distribution of the values obtained, the relevance threshold was established.

ASSESSMENT OF THE RELEVANCE OF RISKS AND OPPORTUNITIES

The **process of analysing the relevance of risks and opportunities started from the results of the context analysis** and then moved to the related list of potentially relevant sustainability issues (Phase 1) and **took into consideration the potentially relevant impacts** identified and the dependencies arising from Cherry Bank’s value chain and its key players. The identification and assessment of risks was conducted through the involvement of the Risk Management function, supported by other control functions such as Compliance and Internal Audit. Meanwhile, the identification and assessment of opportunities was conducted with the involvement of the Finance Area and relevant corporate functions to ensure consistency with internal control and risk management systems on one hand and with strategic planning processes on the other.

This process led to the identification of 3 relevant risks and 4 relevant opportunities.

The process of **assessing financial relevance involves a system of qualitative scales based on "probability" and "potential magnitude"** over the prevailing time horizon identified for each risk or opportunity. "Probability" measures the likelihood of a risk or opportunity occurring within the prevailing time horizon, whereas "potential magnitude" measures the financial extent of the risk or opportunity, such as margins, costs, reputational effects, and market shares. The outcome of these parameters was determined using a "probability-potential magnitude" matrix. Risks and opportunities with an outcome equal to or exceeding "Medium" were deemed significant. These risks and opportunities contribute to the identification of relevant sustainability issues.

It should also be noted that with reference to the **risks**, the Bank **pursues an approach aimed at integrating them into the broader risk management system**. In particular, as part of the process of identifying and evaluating the financial relevance of risks, these have been categorised according to traditional risk categories as outlined by banking supervisory regulations (credit, market, operational and compliance, liquidity, reputational, and strategic risks), while **the process of identifying, evaluating and managing opportunities is incorporated into Cherry Bank's strategic planning processes**. Specifically, the Bank's business model and the initiatives planned in the 2023-2025 Sustainability Plan were taken into account as part of the double relevance analysis process.

Phase 4: Definition of relevant sustainability issues

The process thus led to the **identification of sustainability issues relevant to Cherry Bank** in relation to the ability to generate positive and negative impacts on society and the environment and in relation to the possibility of suffering/generating financial effects over time[15].

The input parameters of the double relevance analysis refer to qualitative information related to the external context (e.g. analysis of the relevant regulatory environment, comparison with competitors, other international documentary sources in the sector) and **information regarding the overall value chain of the Bank** and its key players, such as sectoral, dimensional, and geographical characteristics. In line with the path undertaken also in response to the Bank of Italy's Expectations on climate and environmental risks, during 2024, the Bank **focused** on the one hand on the **mapping of risks related to ESG factors**, also as part of the double relevance analysis process itself, and on the other hand **on enabling the measurement of certain types of such risks through the provision of data**, e.g., on climate risks, for a more precise measurement of risks related to customers, real estate owned or pledged as collateral for loans granted. Therefore, the **management of impacts and risks within the Bank's overall risk management system is being implemented**, and from 2025, it is expected that the evolution of the processes for measuring them will be evaluated.

The Sustainability O.U. is responsible for the process related to the analysis of double relevance for the preparation of the Sustainability Report, as well as their periodic review; this process includes the involvement of the appropriate internal functions and stakeholders. The results of the annual double relevance analysis are examined by the Sustainability Steering Committee, before being evaluated by the Control, Risk and Sustainability Committee, and then submitted for approval by the Board of Directors.

15. See SBM-3 – Relevant impacts, risks and opportunities and their interaction with the strategy and business model for relevant sustainability issues.

Cherry Bank, in line with the path initiated to respond to the Bank of Italy's Expectations on climate and environmental risks, during 2024, **focused** on the one hand on the **mapping of risks related to ESG factors**, also as part of the double relevance analysis process itself, and on the other hand **on enabling the measurement of certain types of such risks through the provision of data**, e.g., on climate risks, for a more precise measurement of risks related to customers, real estate owned or pledged as collateral for loans granted. Therefore, the **management of impacts and risks within the Bank's overall risk management system is being implemented**. From 2025, it is expected that the evolution of the measurement processes themselves will be evaluated.

ESRS E1.IRO 1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND EVALUATE RELEVANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE (E1)

The process of identifying impacts, risks and opportunities related to **climate change** is **part of Cherry Bank's broader double relevance analysis process for 2024**[16].

Process of identifying and evaluating Impacts

With specific reference to the **generation of greenhouse gas** (GHG) **emissions**, for the purpose of identifying and evaluating impacts, **the entire value chain was considered, and the Bank made use of context analysis** (i.e. sector regulations, sectorial and comparative analyses) and the measurement processes already in place, with particular reference to Scope 1 and 2 own operations.

Risk identification and evaluation process

The identification of physical and transition risks follows the guidelines set by the Bank of Italy and other European regulators such as the ECB and EBA, international environmental and climate risk standards, and comparative analyses with other financial institutions. This approach ensures a comprehensive mapping that aligns with both operational and regulatory contexts, aiming to foresee potential impacts on the Institute's financial stability and operational resilience.

With specific reference to **physical risks**, a preliminary assessment exercise was also conducted on the possible risk associated with the real estate pledged as collateral, through an analysis of Cherry Bank's portfolio as of 31/12/2023, using a methodology developed by a supplier, which assesses the following risks:

- **flood risk**: which considers the average of estimates, the average annual loss due to flooding, with an accuracy of up to 30 metres;
- **fire risk**;
- **drought risks**.

16. See IRO-1 – Description of the processes to identify and evaluate relevant impacts, risks and opportunities.

This analysis is also subject to the application of the RCP 8.5 scenarios (Representative Concentration Pathways, as defined by the Intergovernmental Panel on Climate Change, IPCC). The evidence on the portfolio of these pledged assets did not reveal any relevant risks in either the base or stressed RCP 8.5 scenario.

With specific reference to **transition risks** (Resource intensity; Waste), the Bank has also developed a process to identify these risks through the construction of a Heatmap based on the Impact Map produced by UNEP-FI[17]. This methodology is therefore the basis for monitoring the risk level inherent in the Bank's loan portfolio and is also integrated with the liquidity component pertaining to the corporate segment.

The evidence produced by the Heatmap thus constructed highlights **certain business sectors financed by the Bank where transition risk is potentially present**, such as construction and real estate activities. Given, however, that the time horizon over which this risk may manifest itself, which in commonly adopted analyses spans even several decades, while the average duration of loans granted to businesses by Cherry Bank is less than 5 years, the financial impacts arising from the transition risk are currently considered not significant.

The collection and analysis of climatic and environmental data, concerning both historical data and forward-looking scenarios, is being integrated to estimate the Bank's exposure level, also in terms of geospatial analysis. In this sense, it will contribute both to the periodic update of the risk catalogue and the evolution of mitigation and adaptation strategies in alignment with the Bank's risk management system.

Process of identification and evaluation of Opportunities

The process of identifying opportunities related to climate change is part of Cherry Bank's broader 2024 double relevance analysis process[18] and has taken into consideration the Bank's business model and the actions planned in the 2023-2025 Sustainability Plan.

17. UNEP Finance Initiative is a network of more than 400 banks and insurers, with total assets exceeding US Dollar 100 trillion, working together to achieve more sustainable global economies.
18. See IRO-1 – Description of the processes to identify and evaluate relevant impacts, risks and opportunities.

ESRS E2-E5.IRO 1 DESCRIPTION OF PROCESSES TO IDENTIFY AND EVALUATE IMPACTS, RISKS AND OPPORTUNITIES RELATED TO POLLUTION (E2), WATER AND MARINE RESOURCES (E3), BIODIVERSITY AND ECOSYSTEMS (E4), RESOURCE USE AND CIRCULAR ECONOMY (E5)

In its 2024 double relevance analysis process, Cherry Bank took into consideration the potential impacts, risks, and opportunities related to Pollution (E2), Water and marine resources (E3), Biodiversity and ecosystems (E4), and Resource use and circular economy (E5), focusing on its value chain. For the purposes of the assessment[19], Cherry Bank used information on its value chain and its key players, such as sectoral, size and/or geographical characteristics. No consultations were held with the communities concerned.

With particular reference to Biodiversity and ecosystems (E4) issues, it is *specified* that the Cherry Bank sites are not located in or near biodiversity sensitive areas and therefore no mitigation measures are envisaged. Moreover, the Bank has in place a path of progressive integration of climate and environmental risks into its risk management systems, which will lead, with particular reference to the downstream value chain, to more specific considerations regarding the assessment of dependencies on biodiversity and ecosystems, the evaluation of risks (both physical and transitional), including any potential systemic risks and the possible identification of opportunities.

ESRS G1.IRO 1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND EVALUATE RELEVANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BUSINESS CONDUCT (G1)

In its 2024 double relevance analysis process, Cherry Bank took into consideration the potential impacts, risks, and opportunities related to Business conduct within its value chain. For the purposes of the evaluation[20], the context in which the Bank operates and its business model have been considered.

19. See IRO-1 – Description of the processes to identify and evaluate relevant impacts, risks and opportunities.
20. See IRO-1 – Description of the processes to identify and evaluate relevant impacts, risks and opportunities.

Environmental reporting

E1 – Climate change

Relevant impacts, risks and opportunities

The following table details the **impacts, risks and opportunities,** in relation to the thematic standard **E1 Climate change**, emerged as **relevant** within the double relevance analysis process together with the **management methods implemented by Cherry Bank.**

Sub-theme	Sub-Sub-theme	Impacts[1]	Risks	Opportunities	Main management methods
Mitigation of climate change Adaptation to climate change Energy	-	⊕ Supporting the transition of corporate customers towards sustainability through the implementation of ESG financing **[DS; E; MT]** ⊕ Orientation of investments with an ESG perspective through the integration of ESG criteria into Wealth Management strategies **[DS; E; MT]** ⊖ GHG emissions indirectly generated by the purchase of goods and services (Scope 3) **[US; E; MT]** ⊖ GHG emissions generated directly and/or increased energy consumption (Scope 1-2) **[OP; E; MT]** ⊖ GHG emissions generated by employee travel (Scope 3) **[OP; E; MT]** ⊖ GHG emissions generated indirectly by financing and investment activities/AUM (Scope 3) **[DS E; LT]**	Operational risk: losses arising from damage to suppliers' assets and resulting business continuity interruptions caused by adverse weather events like floods and landslides (acute physical risks) **[US; LT]** Credit risk: decrease in the value of real estate pledged as collateral due to regulatory changes, such as those related to energy efficiency requirements **[DS; LT]** Credit risk: reduction in the repayment capability of retail customers most susceptible to harm from adverse weather conditions, such as floods and landslides (acute physical risks), or other effects arising from climate change (chronic physical risks) **[DS; LT]**	Cost reduction/ Economic savings and reputational improvement due to the progressive electrification of the corporate fleet **[OP; MT]** Increased revenues from supporting construction or energy companies involved in building renovation and energy efficiency projects for the transfer of their tax credits **[DS; BT]**	Code of Ethics Sustainability Policy Policy on Sustainable Investment Management Credit Strategy Framework 2025

[1] ⊕ = positive impact; ⊖ = negative impact; OP = Own Operation; DS = Downstream; E = actual impact; POT = potential impact; BT = short-term impact; MT = medium-term impact; LT = long-term impact.

TYPES OF CLIMATE-RELATED RISKS

Cherry Bank has identified the following physical and transition risks as relevant:

Risk factor	Risk description	Type of risk
Physical	Operational losses due to potential business continuity interruptions generated by the IT systems outsourcer caused by adverse weather events (e.g., floods)	Operational risk
Physical	Reduction in the repayment capability of retail customers most susceptible to harm from adverse weather conditions, such as floods and landslides	Credit risk
Transition	Reduction in the value of real estate pledged as collateral by counterparties due to regulatory changes, such as those related to energy efficiency requirements	Credit risk

SCOPE AND REMIT OF RESILIENCE ANALYSIS

In line with Cherry Bank's path towards compliance with the Bank of Italy's Expectations regarding climate and environmental risks, the **Bank conducted initial pilot analyses to better identify and assess the resilience of its business model**.

The first **resilience analysis was conducted on the corporate loan portfolio outstanding in December 2022 using the Heatmap based on the Impact Map produced by UNEP-FI** and was first reported at the Risk Control Committee meeting on 10 March 2023. Thereafter, each quarter, this analysis is presented and updated to the Corporate Bodies in the Tableau De Board Risk, which also includes the liquidity risk profile where this is generated by a company.

In addition, a preliminary analysis of the exposure to flood, drought, and fire risks was conducted on the real estate pledged as **collateral for the Bank's loan portfolio** on 31/12/2023, analysing the possible exposure in the event of adverse scenarios. The findings show that the Bank was not materially exposed to physical risks at that date.

The progressive integration of further data on climate and environmental risks can support the updating and greater articulation of analyses related to resilience concerning transition and physical risks and their use in supporting the ability to adjust or adapt the strategy and business model to climate changes.

Policies

Cherry Bank's policies address the following climate-related issues, even considering the relevance of some of them in the Bank's value chain:

- mitigation of climate change;
- adaptation to climate change;
- energy efficiency;
- dissemination of renewable energies.

In particular, the **Code of Ethics** and the **Sustainability Policy** of Cherry Bank **promote climate change engagement and management at all stages of the Bank's value chain both in terms of mitigating negative impacts and generating positive ones, as well as managing risks and opportunities**, collaborating with key stakeholders. In accordance with these commitments, the Bank, for instance, joined the Climate City Contract (CCC) with the Municipality of Padua in 2024, actively committing to the city's journey towards achieving climate neutrality by 2030 (see S3 – Communities concerned). In particular, the themes of **mitigation of climate change** and **adaptation to climate change** are pursued within the framework of the Credit Strategy 2025, through, on the one hand, limiting exposure to carbon-intensive sectors and, on the other, analysing the ESG profile of customers; within the framework of the Sustainable Investment Management Policy, through the management of risks linked to ESG factors. The themes of **energy efficiency and the dissemination of renewable energies** are an integral part of the business model of the Green Evolution Advisory Area, for example, through the assignment of tax credits, and are pursued within the Bank's Credit Strategy 2025, through the provision of loans to support the energy transition.

CODE OF ETHICS

Environmental protection represents a **central aspect of Cherry Bank's commitment to responsibility**. Within the Code of Ethics[21], it is specified that the Bank's policy on social responsibility places great emphasis on **reducing waste and analysing the environmental implications of business decisions**.

Cherry Bank is committed to making a significant impact on environmental sustainability, both in the short and long term. To this end, the Bank **requires its personnel to carefully consider the environmental consequences of operational decisions**, with the aim of minimising resource consumption, emissions, and waste, both from internal activities and from those of customers and suppliers.

In particular, Cherry Bank:

- takes measures to **contain the negative effects** of its activities on the environment, applying the **principle of preventive action** and, in cases of uncertainty, the precautionary principle;
- **favours interventions aimed at preventing environmental damage** rather than merely repairing those already caused;
- **constantly monitors the evolution of environmental legislation** to ensure compliance with current provisions.

In parallel, the Bank is dedicated to **researching for innovative and effective solutions to improve environmental sustainability, offering specific products and services to both customers and suppliers**. Cherry Bank also promotes a constructive dialogue with all those who represent environmental issues, favouring lasting solutions that enhance the resources and expertise of the ecosystem in which it operates.

21. See ESRS G1-1, for further details on the minimum reporting requirements of the Code of Ethics.

SUSTAINABILITY POLICY

Within the **Cherry Planet Pillar of the Sustainability Policy**, Cherry Bank is **committed to integrating environmental and social issues throughout the value chain** and the surrounding social context, aiming to create a balance between economic performance and social and environmental responsibility. Cherry Bank is committed to **progressively mitigating the impacts generated** by energy consumption stemming from the operation of Bank premises, the procurement of goods and services, employee travel, and the use of materials, as well as managing risks and capitalising on opportunities related to climate change, monitored through the Sustainability Report. One of the Bank's main objectives concerns **the progressive orientation of its business policies**, as well as associated products and services, towards an economic model that is attentive to key environmental issues and focused on sustainable development. With this in mind, Cherry Bank is committed, in particular, to **progressively monitoring and managing the impacts, risks and opportunities related to climate change, mitigating the negative impacts generated and fostering the positive impacts**. Furthermore, Cherry Bank aims to generate positive effects on the communities and regions in which it operates, considering collaboration with individuals and businesses essential.

The Sustainability Policy defines the **core principles and sustainability commitments adopted by Cherry Bank**, and also details the **governance rules** related to these principles and commitments. The **core principles and sustainability commitments of Cherry Bank** have been **defined in line with the Code of Ethics** of the Bank and are aimed at fostering the **pursuit of economic objectives** and **the integration of sustainability issues, including climate change**, along the entire **Bank's value chain**.

In particular, the purposes of the Policy are:

- formalise the Bank's sustainability approach and commitment, illustrating its vision through the **guidelines** for generating value for the company and its stakeholders (Cherry Core, Cherries, Cherry Planet);
- define the **roles and responsibilities** within the corporate governance framework of the Bank, clearly delineating the stakeholders involved in managing relevant sustainability issues and their related impacts, risks, and opportunities;
- identify the **regulations and reference principles that guide decisions related to the Bank's sustainability issues**, mapping the relevant laws and regulations at national and international level;
- promote and consolidate the **culture of sustainability** both within the Bank and outside of it.

The Policy covers **the Bank's entire value chain**, including internal operational processes and relationships with external stakeholders.

The **Board of Directors** is primarily responsible, supported by the Chief Executive Officer, the Board's Internal Control, Risk and Sustainability Committee and the Sustainability Steering Committee.

The Policy has been drafted considering the **main European and national regulations related to sustainable development issues** (e.g., CSRD Directive, Legislative Decree No. 125/2024, Bank of Italy's Expectations regarding supervision on climate and environmental risks) and **other international standards** such as the United Nations 2030 Agenda, the Paris Agreement on climate change, the UN Guiding Principles on Business and Human Rights, the UN Global Compact of the United Nations, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO).

Cherry Bank's Sustainability Policy is made **available** on the **institutional website** of the Bank.

POLICY ON SUSTAINABLE INVESTMENT MANAGEMENT

The Policy on Sustainable Investment Management (ESG Investment Policy) integrates sustainability into the investment strategy, considering ESG (Environmental, Social and Governance) risks. The main objectives of the ESG Investment Policy are:

- promote the integration of ESG factors in investment decisions;
- extend the offer of sustainable financial products;
- invest in thematic and impactful solutions to tackle challenges like climate change and social inequalities;
- reduce risks and indirect impacts associated with investment activities.

The ESG Investment Policy involves the **semi-annual monitoring of portfolios** and the **periodic verification of management companies**.

The ESG Investment Policy applies to **portfolio management and advisory services** and covers asset classes such as stocks, bonds, and funds. It includes exclusions for issuers with high ESG risk and unethical practices. Excluded are companies involved in the production of unconventional weapons, violations of human rights, and child labour, along with countries under international sanctions.

The Board of Directors is **responsible for approving the ESG Investment Policy** and **defining the guidelines**, supported by the Control, Risk and Sustainability Committee.

The ESG Investment Policy aligns with European regulations such as the SFDR (EU Regulation 2019/2088) and the EU Taxonomy (EU Regulation 2020/852), in addition to referencing the principles of the United Nations Global Compact.

Cherry Bank's ESG Investment Policy is made **available** on the **institutional website** of the Bank.

CREDIT STRATEGY

The Policy in question, **"Credit Strategy Framework 2025"**, aims to define the **Bank's credit disbursement strategy**, providing qualitative/quantitative indications on credit disbursements, risk and return objectives, and investment and divestment sectors and segments. The Policy consists of 3 main elements:

- **top-down credit strategy**, consisting of high-level guidelines consistent with the Bank's risk appetite, its mission and with a view to creating sustainable value;
- **credit policies**, a set of **credit disbursement Guidelines** that further detail the strategic directions according to macro credit standards;
- **lending model and monitoring**, consisting of detailed credit standards, broken down by segment, sector and technical form, and an implementation and monitoring system based on dedicated tools such as, for example, a tool for monitoring the consistency between resolutions and lending model and credit reporting.

With reference to the guidelines defined for 2025 regarding sectors of economic activity, it is anticipated:
- the possibility of new disbursements for energy transition projects and attention, in general, to ESG profiles;
- the limitation of exposure to carbon-intensive sectors in view of the sector outlook and ESG impact.

The **strategy** and **credit policies** are the responsibility of the **Board of Directors**, while the lending model and monitoring are the responsibility of the Lending Area.

The Credit Strategy 2025, drawn up in accordance with the **"EBA Guidelines on Loan Origination & Monitoring",** applies to **all forms of loan generated by the Business Units** (ordinary credit, factoring and Special Situation).

Actions

IMPACTS RELATED TO OWN OPERATIONS

Decarbonization lever: Energy efficiency

REDEVELOPMENT OF SPACES

In 2024, Cherry Bank carried out energy efficiency interventions, such as the installation of **high-performance windows** to improve thermal insulation, in 4 branches, a management headquarters, and some Private Banking centres. By 2025, the Bank plans to replace the windows in two branches and in another management headquarters.

NEW HEADQUARTERS

The reconstruction project involves the construction of **new headquarters with high energy performance**, with the aim of reaching at least energy class A3. The start of construction is scheduled for March 2025, with completion expected by 2026. An assessment is currently underway to obtain **LEED certification** (or other similar certifications) between 2026 and 2027. In addition, with similar timing, Cherry Bank is also evaluating the achievement of the **Well Building Standard certification**, which focuses on the well-being of the building's occupants. In the Bank's new premises in Padua, **110 kW photovoltaic panels** will be installed to increase energy self-sufficiency and reduce CO_2 emissions generated. The photovoltaic panels will be installed in 2026 and will come into operation in 2027.

Decarbonization lever: Electrification

LED RELAMPING

During 2024, Cherry Bank continued the **replacement of traditional lighting with LED systems** in part of the offices of its headquarters at the Net Center, in the executive offices in Milan and Morciano di Romagna and in 6 branches. By 2025, Cherry Bank plans to intervene in a further 6 branches.

EMPLOYEE MOBILITY

Cherry Bank has decided to **expand its corporate car fleet** with the purchase of 22 electric cars. At present, the Bank's car fleet consists of roughly 100 vehicles (including those for mixed use), about a dozen of which are pooled for all employees. Currently, 25% of the company's cars are fully electric vehicles, another 25% are hybrid cars, while the remaining 50% consist of vehicles with internal combustion engines. Cherry Bank has also planned **the purchase of fully electric vehicles**, with the aim of completing the conversion of its car fleet by 2027.

Decarbonization lever: Use of energy from renewable sources

SUPPLY OF GREEN ENERGY

From August 2024, the management of the Net Center, where Cherry Bank has its headquarters, has entered into a **contract with a supplier of energy exclusively from renewable sources**. The Bank has planned to adopt a **100% green energy supplier** for all other locations and branches from the beginning of 2025.

COLLABORATION WITH RETE CLIMA

In collaboration with **Rete Clima**, a network that has been accompanying companies on sustainability paths for many years, also in 2024, Cherry Bank has calculated the CO_2 emissions generated by **accesses to its website** with methodology verified by ICMQ. To neutralise the **896 kg of CO_2 equivalent** generated, the Bank has joined the **"MRMPL Wind Power Project"**, which aims to produce electricity from renewable sources and reduce dependence on fossil fuels to meet energy needs.

SUSTAINABLE INVESTMENTS

Since the founding of Cherry Bank's asset management service in 2023, it has adopted **Policies for the integration of ESG factors into the investment strategy**. Currently, the value offer includes **33 asset management lines (or "GP Lines"),** all of which are screened to ensure that neither the investment nor the counterparty features in the exclusion lists outlined by the ESG Investment Policy and the Bank's investment strategy.

7 GP Lines are classified pursuant to Article 8 under the SFDR, as they pursue objectives of promoting environmental and/or social characteristics. In accordance with Cherry Bank's investment strategy, the use of instruments without an ESG rating is excluded. It is expected that at least 80% of the funds will have a sustainability objective (so-called, funds pursuant Article 9 of SFDR) or will promote sustainability characteristics (so-called, funds pursuant to Article 8 of SFDR), holding an ESG rating of B or above (B applies only for the 2 Lines specialising in Emerging Countries). Among the 32 funds that underpin the management lines, 20 are classified by the reference information provider as "leader", while the remaining 12 funds are classified as "average", on a 3-tier scale from "leader" to "laggard".

In 2024, the value of the GP Lines pursuant to Article 8 amounts **to 3.88% of the total Assets Under Management included in the asset management service, up compared to 2023 (2.90%)**. Also in 2024, **the monitoring of the ESG characteristics of the GP Lines** was constant, in line with the provisions of the ESG Investment Policy.

With reference to the **advisory service, the Bank has established a process for selecting the funds to be included in its catalogue, which includes**: verification of compliance with the exclusions and limitations as defined by the ESG Investment Policy and an "ESG test"; upon passing these checks the fund can be included in the catalogue and recommended to customers. The Bank reserves the right to include in the portfolio funds that do not pass the ESG test at the specific request of the individual customer.

In **2024, the funds proposed in its catalogue were over 1,700 belonging to 27 different AMCs**, of which almost **71% are so-called funds pursuant to Article 8 of SFDR, while 4% are so-called funds pursuant to Article 9 of SFDR, and the rest are funds that do not have ESG characteristics**. In terms of assets under management, approximately **41% of the AUM is invested in so-called funds pursuant to Article 8 of SFDR**, while **7%** is **invested in so-called funds pursuant to Article 9 of SFDR**.

For the **year 2025,** the **strategies of the asset management service** foresee **operating in continuity**, continuing the integration of sustainability issues in line with regulatory developments, and have planned the **creation of a new due diligence process and related tools** in order to strengthen the process of **verifying the consistency of the fund managers' business strategy with the Bank's strategy**.

SUSTAINABLE CREDIT

Cherry Bank seeks to align its lending strategy with projects aimed at contributing to environmental goals and focused on sustainability issues all around.

CHERRY ESG CIRCLE PROGRAMME

In the course of **2023**, the Bank **created** and **launched on the market "Cherry ESG Circle"**, an innovative financing solution geared towards ESG sustainability. The offering of **2 free assessments on the level of sustainability of the company** is planned, **to be carried out both at the beginning of the loan and after 12 months, to support companies in adopting more sustainable practices**, with the aim of supporting companies not only financially. In fact, with Cherry ESG Circle, companies benefit from the support of **expert consultancy to identify and manage projects related to their sustainable development path**. The free ESG assessment provides businesses with a detailed evaluation of their positioning (ESG score), along with advice on how to improve it. This enables companies to understand their environmental, social, and governance impact and adopt progressive measures to improve their sustainability performance over time. **If the ESG score improves after the first assessment and the company requests a second loan, it can benefit from a discount on the spread, subject to creditworthiness assessment**. Cherry ESG Circle offers the opportunity to finance a wide range of ESG interventions, including **energy production from renewable sources, social inclusion projects, and actions aimed at improving corporate governance**.

As of 31/12/2024, 5 transactions were completed for a total of Euro 8 million.

FINANCING GUARANTEED THROUGH SACE GREEN OR SACE FUTURO

With **SACE GREEN**, companies are offered the opportunity to finance projects, guaranteed by the State, aimed at **facilitating the transition to an economy with a lower environmental impact**, and integrating **production cycles with low-emission technologies** for the production of sustainable goods and services and promoting new mobility with lower polluting emissions.

As of 31/12/2024, the Bank has disbursed 2 loans for a total value of Euro 5.3 million.

With **SACE FUTURO**, companies are offered the possibility of obtaining funds, guaranteed by the State, for projects in the areas of, for example, **global expansion, digitalisation, sustainability, infrastructure, female entrepreneurship, disadvantaged areas, social housing, renewable energy, and reduction of seismic and hydrogeological risks**.

As of 31/12/2024, the Bank has provided 1 loan for a total value of Euro 1.5 million (for climate change mitigation purposes) and **1 loan for a total value of Euro 10 million** for the construction of 5 scientific pavilions for the University of Milan, the installation of 2 gas compressors for SNAM and the construction of a 26MW wind power plant.

SUPPORT FOR CUSTOMERS AFFECTED BY CALAMITOUS WEATHER EVENTS

Cherry Bank has, from time to time, enforced the ordinances issued by the Civil Protection Department (11 in 2024) for the suspension of mortgage repayment instalments. No customer has adhered to it.

GREEN EVOLUTION ADVISORY

Cherry Bank is engaged in the **brokering of tax credits** and **services related to the provision of subsidised or guaranteed loans by the main Italian institutions**, serving the country's ecological transition process, including:

- **Transfer of tax credits**, since its foundation, the Bank has offered companies strategic support in transferring tax credits, with the objective of improving their liquidity and aiding in business expansion. This service is designed to streamline the transfer process, ensuring a beneficial and uninterrupted journey.
- **Green Evolution Advisory**, the segment deals with the purchase and resale of tax credits, developing initiatives related to the green economy.

TRANSFERS OF TAX CREDITS

In the "Transfer of Tax Credits" area, the Bank has implemented the following platforms:

- **SuperB**, developed in collaboration with Banco BPM and Teamsystem to manage credits online deriving from Ecobonus, Superbonus, and Sismabonus; Banco BPM promotes and repurchases the credits for self-compensation, simplifying the process for customers and ensuring fully digital transactions;
- **Cherry Credit**, introduced in 2021, focuses on the direct acquisition of tax credits from companies and general contractors within the construction industry. The acquired credits are subsequently resold to prominent banking, insurance, or corporate entities, under agreements that stipulate specific conditions and limitations, including the possibility of full or partial resale within designated time-frames.

The purchase of tax credits, initiated in 2020 and continuing through 2025, is aimed at construction companies that have carried out energy efficiency and seismic improvement interventions in buildings.

In 2024, Euro 1.1 billion of tax credits were purchased from construction interventions on the Cherry Credit platform and Euro 0.4 billion on the SuperB platform, for a total nominal value purchased in the year of Euro 1.5 billion.

GREEN EVOLUTION ADVISORY

In the course of **2024**, the **"Finanziamento al Condominio" [Condominium Financing]** was approved. This product involves the provision of **financing, on condition that the work carried out leads to an improvement in the Energy Performance Index of at least 30%**, in order to qualify the financing as a loan that can contribute to the mitigation of climate change.

"Finanziamento al Condominio" [Condominium Financing] is aimed at condominiums duly constituted in Italy that incur expenses for the energy efficiency of the common parts of the building.

The disbursement of the **first funding** will take place in the course of **2025**.

MANAGEMENT OF ESG CREDIT AND CLIMATE-RELATED RISKS

In line with the commitments made as part of the **Adaptation Plan to meet supervisory expectations on climate and environmental risks, Cherry Bank** has carried out or planned the following actions:

- ***Data related to environmental risks:*** in 2024, Cherry Bank finalised partnerships with leading providers of climate and environmental risk data, enabling the implementation of processes such as risk management and credit management;
- ***Integration of climate risk into credit management and risk management processes:*** during 2024, Cherry Bank focused on acquiring the information assets necessary for the assessment of environmental risks, including those related to climate, counterparties and assets; during the two-year period 2025-2026, it plans to evaluate and identify how to **integrate ESG factors into credit granting and monitoring processes**, including the origination phase, as well as to support the **evolution and strengthening of risk management processes**.

Metrics and objectives

ENERGY CONSUMPTION AND ENERGY MIX (E1-5)

Most of the **energy consumed** by Cherry Bank (2,475.48 MWh) comes from **fossil sources**, while the contribution of nuclear energy is limited, constituting only 1% (17.90 MWh) of the total.

Energy consumption of own operations	UoM	2024
Total energy consumption of the company's own operations	**MWh**	**2,475.48**
Total energy consumption from fossil sources	MWh	2,457.58
	%	99%
Total energy consumption from nuclear sources	MWh	17.90
	%	1%
Total energy consumption from renewable sources	MWh	0.00[1]
	%	0%[1]
Total fuel consumption from renewable sources	MWh	0.00
Total consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired	MWh	0.00
Total consumption of self-produced renewable energy without the use of fuels	MWh	0.00

[1] In 2024, Cherry Bank consumed **398.61 MWh of energy from renewable sources**. These data have not been included in the table as they lack appropriate certification of guarantees of origin.

The total energy consumption of the company's own operations was calculated on the basis of data recorded in the bills and invoices[22] of the Bank. All consumption expressed in megawatt-hours (MWh) has been calculated using the conversion factors provided by DEFRA[23] to determine the average calorific value and density of the energy sources subject to reporting.

The energy shares from each source in the total energy consumption were calculated by dividing the energy consumption from each source by the total energy consumption of the company's own operations.

The metrics on energy consumption and the energy mix have not been validated by an external body different from the entity issuing the certificate of conformity.

GROSS GHG EMISSIONS OF SCOPE 1, 2, 3 AND TOTAL GHG EMISSIONS (E1-6)

Gross greenhouse gas (GHG) emissions of Scope 1, i.e. direct emissions related to the use of fossil fuels, are **354.64 tCO_2eq**, in accordance with energy consumption. The **Scope 2 emissions**, i.e. indirect emissions from electricity use, vary depending on the calculation methodology used: Scope 2 emissions **location-based** are equal to **325.01 tCO_2eq**, while Scope 2 emissions **market-based** are **483.53 tCO_2eq**. Finally, the **Scope 3 emissions**, which result from employee travel by car and train, amount to **359.29 tCO_2eq**, resulting in the most consistent type. Therefore, **total location-based emissions** amount to **1,038.93 tCO_2eq**, while **market-based emissions** amount to **1,197.45 tCO_2eq**.

Gross GHG emissions	UoM	2024
Total gross GHG emissions (location-based)	**tCO_2eq**	**1,038.93**
Total gross GHG Emissions (market-based)	**tCO_2eq**	**1,197.45**
Gross GHG emissions of Scope 1	tCO_2eq	354.64
Total gross GHG emissions of Scope 2 (location-based)	tCO_2eq	325.01
Total gross GHG emissions of Scope 2 (market-based)	tCO_2eq	483.53
Gross GHG emissions of Scope 3 – Business trips	tCO_2eq	359.29

Gross GHG emissions of Scope 3 – Business trips	UoM	2024
Gross GHG emissions of Scope 3	tCO_2eq	359.29
Diesel-powered car trips	tCO_2eq	127.93
Gasoline-powered car trips	tCO_2eq	215.94
Train trips	tCO_2eq	15.43

22. The invoices considered also include those for the fuel cards associated with each vehicle.
23. UK Government GHG Conversion Factors for Company Reporting – 2024.

The methodology adopted by Cherry Bank for the calculation of Scope 1 and 2 emissions is based on the guidelines[24] published by the category organization Associazione Bancaria Italiana (ABI, Italian Banking Association) in December 2024. The emission factors used to quantify Scope 1 and 2 emissions are taken from ISPRA[25] and DEFRA[26], while those used for Scope 3 emissions come exclusively from DEFRA. Scope 1 emissions originate from natural gas used for heating and the petrol and diesel consumed by the Bank's car fleet; Scope 2 emissions arise from the electricity consumed, while Scope 3 emissions stem from the car and train travel of employees.

The metrics of gross Scope 1, 2, 3 GHG emissions and total GHG emissions have not been validated by any external body other than the entity issuing the certificate of conformity.

IRO COVERAGE

To assess the company's performance and effectiveness in relation to relevant impacts, risks, and opportunities of climate change, Cherry Bank used:

- the metrics on **energy consumption and energy mix** (E1-5) as the basis of calculation for the other quantitative metrics on climate change;
- the metrics on **gross GHG emissions of Scope 1, 2, 3 and total GHG emissions** (E1-6) with respect to the following negative impacts: "GHG emissions generated directly and/or increased energy consumption (Scope 1-2)"; "GHG emissions generated by employee travel (Scope 3)".

OBJECTIVES FOR THE FUTURE

Cherry Bank, also through its first **2023-2025 Sustainability Plan**, has committed to adopting responsible policies, paying attention to reducing waste and analysing the environmental implications of business choices. This commitment has been translated into concrete measures aimed at **reducing emissions in Scope 1** (e.g., actions on energy efficiency) **and Scope 2** (e.g., actions on the use of energy from renewable sources and actions on electrification). Also in line with what is defined in the **2025-2027 Strategic Plan** and in continuity with the path of the 2023-2025 Sustainability Plan, Cherry Bank plans to:

- evaluate the methods of identifying **measurable objectives and targets** for reducing impacts during 2025 (transition plan), starting from a path of strengthening measurement (e.g. Scope 3), to support the definition of transition strategies, consistent with the Bank's business model;

24. Guidelines on the application in banking operations of the European Sustainability Reporting Standards (ESRS) in environmental matters – Focus on disclosure requirements E1-5, E1-6.
25. Institute for Environmental Protection and Research – "Italian Greenhouse Gas Inventory 1990-2022 – National Inventory Report 2024".
26. UK Government GHG Conversion Factors for Company Reporting (v.1.1, 2024).

- further strengthen the offer of **products and services that can contribute to climate change mitigation or adaptation objectives** for customers (e.g., Cherry ESG Circle and investment products that promote ESG objectives or that contribute to the environmental objectives set by the EU Taxonomy) through measurable objectives and targets.

Disclosure pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy)

Companies and participants in financial markets subject to the obligation to report sustainability information, in accordance with the new European Union Directive CSRD – 2022/2464[27], implemented in Italy by Legislative Decree No. 125/2024, are also required to produce a disclosure under the European Taxonomy for sustainable investments. As part of the European Union's commitment to sustainable finance, the European Taxonomy, introduced by Regulation (EU) 852/2020[28] (also known as the EU Taxonomy Regulation), defines a system for classifying environmentally sustainable economic activities, with the aim of directing capital towards such investments.

Environmentally sustainable activities are those economic endeavours that contribute significantly to the achievement of at least one climate or environmental goal (as outlined below), without causing significant harm to any other objectives (do no significant harm – DNSH), and ensuring adherence to minimum safeguard criteria:

- Climate change mitigation (CCM);
- Climate change adaptation (CCA);
- Sustainable use and protection of water and marine resources (WTR);
- Transition to a circular economy (CE);
- Pollution prevention and reduction (PPC);
- Protection and restoration of biodiversity and ecosystems (BIO).

The European Taxonomy allows the identification of 3 macro-categories of economic activities:

- **Ineligible**: they do not fall among the environmentally sustainable activities defined in Delegated Regulation (EU) 2021/2139[29] (so-called Delegated Act on Climate) and Delegated Regulation (EU) 2023/2486[30] (so-called Delegated Act on the Environment)[31] of the Taxonomy;
- **Eligible**: they are included in the Delegated Acts of the Taxonomy referred to in the previous point, but without necessarily meeting all the alignment criteria;
- **Aligned**: not only are they mentioned in the Delegated Acts, but they also adhere to the requirements of Article 3 of Regulation (EU) 2020/852, that is, the technical screening criteria set out in the relevant Delegated Regulations (pertaining to making a substantial contribution to at least one of the six Taxonomy targets and fulfilling the DNSH criteria for the other objectives), all while ensuring full compliance with the minimum social safeguards.

27. Replacing the Non-Financial Reporting Directive (NFRD) 2014/95/EU.
28. Regulation (EU) 2020/852.
29. Delegated Regulation (EU) 2021/2139.
30. Commission Delegated Regulation (EU) 2023/2485.
31. Delegated Regulation (EU) 2023/2486.

Therefore, an eligible activity is regarded as environmentally sustainable and, consequently, aligned with the Taxonomy, if it satisfies the technical screening criteria associated with at least one of the six environmental targets, as outlined in Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2023/2485.

In line with regulatory requirements, for FY 2024, Cherry Bank exclusively reports the portion of eligible and aligned assets corresponding with the objectives of Climate Change Mitigation and Climate Change Adaptation. Regarding the other four environmental objectives – sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and reduction, and protection and restoration of biodiversity and ecosystems – the Bank simply reports the eligibility KPIs[32].

From 1 January 2026, the information will be supplemented with evidence of alignment data for the additional four environmental objectives, also including the new KPIs provided by the relevant legislation[33].

The methodology and indicators necessary for the reporting required for the purposes of the Taxonomy are set out in Delegated Regulation (EU) 2021/2178[34] (known as the Disclosure Delegated Act), which defines the content and methods of presenting information.

Specifically, Article 4 of the aforementioned Regulation requires credit institutions to publish the information as specified in Annex V, presenting the data in a tabular format according to the models outlined in Annex VI. In particular, the required key performance indicators (KPIs) include the Green Asset Ratio (GAR), defined as the ratio of a credit institution's assets designated to finance economic activities aligned with the Taxonomy – or invested in such activities – to the total covered assets, and the KPIs for off-balance sheet exposures, which measure the share of economic activities aligned with the Taxonomy relative to the assets underlying the off-balance sheet exposures. Specifically, the disclosure obligations concerning the proportion of off-balance sheet assets pertain to financial guarantees (FinGuar) provided to support loans, advances, and other debt instruments to companies, as well as managed financial assets (Assets Under Management, AuM).

32. Due to the lack of availability of information on the alignment KPIs for these four environmental objectives, as they are not yet available in the statements of the non-financial counterparties. The latter, in fact, will be required to provide such data starting from the Report on FY 2024.
33. The additional KPIs relate to commission and fee shares and the trading portfolio aligned to the Taxonomy.
34. Delegated Regulation (EU) 2021/2178 (so-called Disclosure Delegated Act)

Credit institutions present the KPIs in tabular form, according to the models provided for in Annex VI of Delegated Regulation (EU) 2021/2178:

- **Model 0**, summarises the KPIs communicated pursuant to the Taxonomy Regulation;
- **Model 1 – Assets for the calculation of the GAR**, provides evidence of the countervalues in Euro of the on- and off-balance sheet exposures as of 31/12/2024;
- **Model 2 GAR – Information on the sector**, through which the exposures (total and environmentally sustainable) to non-financial companies will be reported, divided according to the prevailing NACE sector of the counterparty;
- **Model 3 GAR (Stock)**, based on the values indicated in Model 1, provides evidence about the percentage values relating to the GAR on the stock of exposures;
- **Model 4 GAR (Flow)**, based on the values indicated in Model 1, provides evidence about the percentage values of GAR calculated on the flow of loans and investments;
- **Model 5**, presents the KPIs for off-balance sheet exposures.

Each model is published in two versions, using Capex and Turnover as weighting factors for exposures to companies.

The relevant legislation also requires financial companies to report their exposures to certain specific sectors of economic activity related to nuclear and fossil gases, in accordance with Delegated Regulation (EU) 2022/1214[35] . The disclosure includes a total of 5 tables, each of which must be published in two versions, using Capex and consequently Turnover as weighting factors for exposures to companies. Please refer to the section "Results – Exposures to the gas and nuclear sectors" for details on the disclosure.

35. Commission Delegated Regulation (EU) 2022/1214, amending Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2021/2178.

Main results

The KPIs below were calculated using Turnover and Capex shares published by companies as weighting factors for exposures to them.

Model 0. Summary of KPIs

		Total environmentally sustainable assets (in millions of Euro)		KPIs based on Turnover	KPIs based on Capex	% of coverage (on total assets)[2]	% of assets excluded from the GAR numerator (Article 7, paragraphs 2 and 3, and point 1.1.2 of Annex V)[3]	% of assets excluded from the GAR denominator (Article 7, paragraph 1, and point 1.2.4 of Annex V)[4]
		Turnover	Capex					
Main KPI	GAR (Green Asset Ratio) for Stock	3.89	4.44	0.15%	0.17%	57.85%	53.99%	42.15%
		Total environmentally sustainable assets (in millions of Euro)		**KPIs based on Turnover**	**KPIs based on Capex**	**% of coverage (on total assets)**	**% of assets excluded from the GAR numerator (Article 7, paragraphs 2 and 3, and point 1.1.2 of Annex V)**	**% of assets excluded from the GAR denominator (Article 7, paragraph 1, and point 1.2.4 of Annex V)[5]**
		Turnover	**Capex**					
Additional KPIs	GAR (Flow)	0.16	0.11	0.01%	0.00%	57.85%	57.67%	42.15%
	Trading portfolio							
	Financial guarantees	-	-	0.00%	0.00%			
	Financial assets under management	0.81	1.25	3.16%	4.87%			
	Revenue from commissions and fees[1]							

[1] *Additional KPIs pertaining to the trading book and revenue related to commissions and fees will be released, in accordance with what is stipulated by Delegated Regulation 2178/2021, starting in 2026.*

[2] *The figure is calculated as the ratio between the Total assets covered (referred to in Model 1, Line 48 "Total GAR assets") and the Total on-balance sheet assets (referred to in Model 1, Line 53 "Total assets").*

[3] *The value is given by the ratio between the assets excluded from the GAR numerator (referred to in Model 1, Line 32 "Assets excluded from the numerator for the calculation of the GAR (included in the denominator)") and the Total on-balance sheet assets (referred to in Model 1, Line 53 "Total assets").*

[4] *The value is given by the ratio between the assets excluded from the GAR denominator (referred to in Model 1, Line 49 "Assets not included for the calculation of the GAR") and the Total on-balance sheet assets (referred to in Model 1, Line 53 "Total assets").*

[5] *The value is given by the ratio between the assets excluded from the numerator of the flow GAR (calculated starting from Total assets covered and excluding the gross book value of the exposures that contribute to the calculation of the numerator of the flow GAR) and the Total on-balance sheet assets (referred to in Model 1, Line 53 "Total assets").*

The **Green Asset Ratio (GAR) in terms of Stock** for the year 2024 corresponds:

- to **0.15%** (approximately Euro 3.89 million) considering the KPI of **Turnover** of the counterparties as weighting factor for corporate exposures for the purposes of the alignment assessment;
- to **0.17%** (approximately Euro 4.44 million) considering the KPI of **Capex** of counterparties as a weighting factor for corporate exposures for the purposes of the alignment assessment.

These indicators are calculated using the Bank's covered assets as the denominator. These assets are derived from the total assets on Cherry Bank's balance sheet, minus exposures to Central administrations and supranational issuers, Central Banks, and the trading book.

With reference to the KPI concerning financial assets managed (AuM KPI) in terms of stock, the figures for the year 2024 are equal:

- to 3.16% (approximately Euro 0.81 million) considering the KPI of Turnover of the counterparties as weighting factor for corporate exposures for the purposes of the alignment assessment;
- to 4.87% (approximately Euro 1.25 million) considering the KPI of Capex of counterparties as a weighting factor for corporate exposures for the purposes the alignment assessment.

The Financial Guarantees KPI (FinGar KPI) is instead equal to zero.

Approach adopted

For the 2024 financial year, the disclosure is based on the gross book value of the assets as reported in the Financial Statements at 31/12/2024 and related, as required by the regulations, to the scope of prudential consolidation[36].

In accordance with the regulations, the disclosure is based only on specific data, therefore excluding any estimates from the analysis.

For the analysis of aligned exposures, it is necessary to distinguish between:

- exposures with unknown purposes (so-called general purpose);
- exposures with known purposes.

36. As defined under Regulation (EU) 2024/1623

For the purposes of the alignment assessment, with respect to general purpose exposures, by which is meant financing transactions whose purpose is not disclosed in the contract and investments for which the issuer does not provide information on the intended use of the proceeds, the regulation requires exposures to be weighted by the Taxonomy KPIs of companies subject to CSRD, published by each counterparty in their respective Statements[37], using information on the share of Turnover and Capital Expenditure (Capex) of products/ services corresponding to economic activities assessed as environmentally sustainable.

On the other hand, for the purposes of assessing exposures with a known purpose[38], to determine the exposures to be included in the numerator of the applicable KPIs, it is necessary to verify compliance with the technical screening criteria set forth in the Climate Delegated Act/Environmental Delegated Act, with reference to the specific economic activity being financed.

For the purposes of calculating the share of eligibility and alignment of exposures, Cherry Bank has assessed the following asset categories:

On-balance sheet exposures – Loans and advances

In relation to the 2024 financial year, no exposures attributable to loans and advances to companies subject to CSRD have been identified.

On-balance sheet exposures – Debt securities and equity instruments

Debt securities and equity instruments whose issuer is subject to CSRD are among the exposures that contribute to the calculation of the GAR. For the purposes of assessing eligibility and alignment quotas, the Bank's methodology follows the evaluation provided for exposures with an unknown purpose, based solely on specific data published in the counterparties' Sustainability Statements, where available.

Using the taxonomic data for the 2023 reporting year, Cherry Bank sourced the relevant KPIs from the Sustainability Statements of the issuing companies.

The calculation of the GAR also includes debt securities for which the use of the proceeds is known. In particular, the legislation stipulates that bonds identified as "green bonds" must be assessed based on the level of alignment with the Taxonomy of the financed activities or projects, according to the information supplied by the issuers. Following assessments conducted with the aid of prominent market info providers, the Bank has noticed a lack of detailed information regarding the alignment quotas of the instruments. Accordingly, with regard to the 2024 financial year, the Bank evaluates the eligibility and alignment of all bonds in the portfolio, including those potentially tied to the financing of green projects, based on a direct evaluation of the issuer and the taxonomic data published for the 2023 reporting year.

37. For FY 2024, the share of eligibility and alignment is determined based on the data reported in the 2023 Non-Financial Statements (NFSs) drawn up in accordance with NFRD regulations.
38. In the case of loans with a known use of proceeds, the evaluation is based on the project and/or the activities subject to the financing.

On-balance sheet exposures – Mortgages with real estate used as collateral

With regard to the analysis of mortgages to private individuals for the purchase and possession of buildings, Cherry Bank has assessed the alignment of the properties used as collateral for the loans disbursed with respect to what is reported in the Delegated Regulation (EU) 2021/2139[39].

To assess the alignment of exposures with the specifications outlined by the technical screening criteria, the Bank has followed a methodology that is structured across three levels:

- **verification of the year of construction**: the Bank has reviewed the properties used as mortgage collateral to ascertain their year of construction, distinguishing between those erected before and after 31 December 2020;
- **control of the criteria for substantial contribution**[40]:
    - for buildings constructed **before 31 December 2020**, it was verified that they have at least an energy efficiency class "A" or an Energy Performance of the Building (PED) falling within the TOP 15% of the relevant climate zone;
    - for buildings constructed **after 31 December 2020**, it was verified that the PED was lower than the threshold for nearly zero energy buildings (NZEB) of the relevant climate zone, reduced by a further 10%;
- **verification of compliance with the "Do No Significant Harm" (DNSH) criteria**: for properties satisfying the relevant substantial contribution criterion, the Bank, with the support of an info provider, obtained the physical risk score associated with the property as collateral and calculated it based on the requirements set out in Appendix A, Annex I to Delegated Regulation (EU) 2021/2139. Properties are considered compliant with the taxonomic criteria when the related physical risk is classified as "Null", "Low", or "Medium", and none of the assessed risks used to calculate the synthetic physical risk score have a value equivalent to "High".

With reference to FY 2024, Cherry Bank has not identified shares of aligned loans attributable to the renovation of residential buildings and the purchase of motor vehicles by households.

As for the total GAR, it appears to be contained due to the peculiarity of Cherry Bank's Business Model. The Bank predominantly invests in SMEs, and the total of these investments is not considered in the GAR because such companies are not subject to the CSRD. Thus, the total of the GAR is given almost exclusively by mortgages with real estate used as collateral in Cherry's portfolio.

On-balance sheet exposures – Local administrations financing

Regarding the financing of local administrations, in line with the European Commission

39. See the provisions of Delegated Regulation (EU) 2021/2139, Annex I, point "7.7. Purchase and ownership of buildings".

40. Substantial contribution assessments were carried out by associating each Province with the corresponding Climate Zone and verifying the PED and NZEB thresholds, as indicated by the Report Percentage distribution of primary energy (Ep) values in the Italian national building stock.

Communication No. C/2024/6691, the item has not been valued. More specifically, question 15 of the referenced Communication clarifies that only local administrations financing with known purposes can be included in this section. If the purpose of the loans is not known (so-called, general purpose loans), the aforementioned exposures must not be considered in the calculation of the GAR numerator but only in the definition of the denominator of this KPI.

Off-balance sheet exposures – Financial Guarantees

Regarding Financial Guarantees, the legislation mandates the reporting of only the value of eligible and aligned financial guarantees to counterparties obligated to report under the CSRD. Since Cherry Bank does not offer financial guarantees to companies subject to this obligation, the KPI for Financial Guarantees is not included in the relevant Templates.

Off-balance sheet exposures – Managed financial assets

Regarding the Financial assets managed by Cherry Bank (Asset Under Management KPI), the legislation stipulates that only exposures financing activities aligned with the Taxonomy should be reported.

In this case too, the calculation rules are the same as those described for "Debt securities and equity instruments".

Social reporting

S1 – Own workforce

Relevant impacts, risks and opportunities

The following table details the **impacts, risks and opportunities,** in relation to the thematic standard **S1 Own workforce**, which emerged as **relevant** in the double relevance analysis process together with the **management methods implemented by Cherry Bank.**

Sub-theme	Sub-Sub-theme	Impacts[1]	Risks	Opportunities	Main management methods
Working conditions Equal treatment and opportunities for all Other work-related rights	Secure employment Working hours Adequate salaries Social dialogue Freedom of association, existence of works councils and workers' rights to information, consultation, and participation Collective bargaining, including the percentage of workers covered by collective agreements Work-life balance Health and safety Gender equality and equal pay for work of equal value Training and skills development Employment and inclusion of people with disabilities Measures against violence and harassment in the workplace Diversity Confidentiality	⊕ Economic security of employees thanks to employment relationships based on permanent contracts **OP; E; LT** ⊕ Adequacy of working hours **OP; E; LT** ⊕ Economic security of employees thanks to the guarantee of adequate salaries **OP; E; MT** ⊕ Support for regular company information/consultations with workers' representatives (through trade unions and/or works councils) **OP; E; MT** ⊕ Support for employee freedom of association **OP; E; MT** ⊕ Improvement of working conditions through tailor-made welfare plans for employees and families **OP; E; MT** ⊕ Work-life balance **OP; E; MT** ⊖ Harm to the worker resulting from accidents and occupational diseases **OP; POT; BT** ⊖ Gender and/or pay disparity for the same job **OP; E; MT** ⊕ Appropriate training programmes, performance evaluation systems, and professional development plans **OP; E; MT** ⊕ Employment and integration of workers with disabilities **OP; E; BT** ⊖ Employee insecurity due to incidents of harassment and/or the absence of measures to protect workers and/or awareness-raising initiatives **OP; POT; BT** ⊖ Episodes of discrimination related to, for example, sex, age, or other factors **OP; POT; MT** ⊖ Data loss of employees **OP; POT; BT**	-	Improvement of talent attraction and retention thanks to investment in training programmes and skill development **OP; BT**	Code of Ethics Sustainability Policy Diversity, Equity & Inclusion Policy Personal Data Protection Policy

[1] ⊕ = positive impact; ⊖ = negative impact; OP = Own Operation; DS = Downstream; E = actual impact; POT = potential impact; BT = short-term impact; MT = medium-term impact; LT = long-term impact.

As part of Cherry Bank's double relevance analysis process, in relation to the thematic standard **S1 Own workforce**, the following **impacts, risks** and **opportunities** were identified.

All own workers who might experience significant impacts from the company, including impacts directly connected to its own operations, are included within the scope of the disclosure and have indeed been contemplated in the double relevance analysis.

The main own workers subject to significant impacts are Cherry Bank employees, the *cherries*.

The relevant negative impacts that emerged from the outcome of the double relevance analysis are mainly related to individual potential events such as:

- potential harm to the worker resulting from accidents and occupational diseases;
- gender and/or pay disparity for the same job;
- potential episodes of discrimination related to, for example, sex and age;
- potential episodes of harassment and/or the absence of measures to protect workers and/or awareness-raising initiatives;
- potential data loss of employees.

The relevant positive impacts, which emerged from the outcome of the double relevance analysis, are related to the activities in the field of protection and development of *cherries*:

- economic security of employees thanks to employment relationships based on permanent contracts;
- work-life balance;
- appropriate training programmes, performance evaluation systems, and professional development plans;
- adequacy of working hours;
- economic security of employees thanks to the guarantee of adequate salaries;
- improvement of working conditions through tailor-made welfare plans for employees and families;
- support for regular company information/consultations with workers' representatives;
- support for employee freedom of association;
- employment and integration of workers with disabilities.

In the double relevance analysis process, the relevant opportunity related to the improvement of talent attraction and retention thanks to investment in training programmes and skill development was recognised, while no substantial impacts were identified on the own workforce stemming from transition plans aimed at lessening environmental harm, nor were there any specific categories of workers with particular characteristics, working in specific contexts, or performing certain activities, that might be more susceptible to risks.

With reference to Cherry Bank's own workforce, there are no operations at serious risk of forced or compulsory labour, nor operations at serious risk of child labour.

The relevant opportunity "Improvement of talent attraction and retention thanks to investment in training programmes and skill development" concerns the entire own workforce and not a specific group of people.

Policies

Cherry Bank's commitment to its own workforce is described and formalised within some key documents of the Bank's regulatory framework: the Code of Ethics, the Sustainability Policy, the Diversity, Equity & Inclusion Policy, and the Whistleblowing Regulation.

Such policies concern the own workforce as a whole.

POLICIES ON WORKING CONDITIONS AND HUMAN RIGHTS

Code of Ethics and Sustainability Policy[41]

The Bank's main sustainability and business conduct policies, including the Sustainability Policy and the Code of Ethics, have specific **commitments regarding working conditions**, including safe employment, working hours, and adequate wages. With reference to these aspects, company policies on **welfare and remote working** are defined **in order to promote a better work-life balance**, favouring the **reconciliation of private and professional life as a collective success of the Bank**.

With regard to **relations with trade unions**, any interaction between the Bank and trade unions must be approved by the designated authorities, paying particular attention to avoid situations where conflicts might arise between the interests of the Bank and those of the employee authorised to interact with trade union representatives. Cherry Bank maintains **relationships based on transparency and fairness with its own employees and their trade union representatives**.

With regard to **health and safety**, the Bank undertakes to provide an **adequate working environment from the point of view of safety and physical health** in accordance with the provisions of current legislation, also in the light of Legislative Decree No. 81/2008. Cherry Bank is committed to protecting the integrity of its employees by spreading and consolidating a **culture of safety**, developing awareness of risks and compliance with current legislation, and promoting responsible behaviour by all employees. The Bank clearly outlines and communicates the essential principles and criteria upon which all decisions related to occupational health and safety are made, at every level and of every type.

41. See ESRS G1-1, for further details on the minimum reporting requirements of the Code of Ethics and ESRS E1-2, for further details on the minimum reporting requirements of the Sustainability Policy.

With regard to **work-life balance**, the Bank believes that ensuring the well-being of its people is crucial for building trust and enhancing their professional involvement. This attention is manifested, in particular, through **processes of listening to the professional and personal needs of the company population and through the provision of benefit and welfare plans** consistent with the expectations of the latter.

With reference to the protection of **privacy and employee data**, Cherry Bank undertakes to process any data acquired in the course of its business in compliance with the principles of confidentiality, integrity, and availability. Confidential personnel information is processed in accordance with external and internal regulations, in a way that ensures maximum transparency for those directly involved and remains inaccessible to third parties, except for justified and exclusive reasons related to work or justice.

In accordance with its Code of Ethics, Cherry Bank recognises respect for **human rights** as a central element of its business strategy. This commitment is aimed at fostering a **fair and inclusive work environment and a positive and productive working climate**. To this end, the Bank is inspired by major international human rights treaties, including the International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work and related Conventions, as well as the principles of the UN Global Compact, aimed at promoting a sustainable global economy that respects human and labour rights. In relation to respect for human rights, including those of workers, Cherry Bank takes an approach aimed at guaranteeing all employees the **right to operate in a healthy, safe working environment that respects human dignity, equality and fundamental freedoms**. The company requires respect for **civil, sexual, religious, and political freedoms**, and is committed to **preventing any form of discrimination** that may compromise the well-being and security of its resources.

The **Code of Ethics** is disseminated externally as a **charter of values**, so that stakeholders, including their own workforce, who have relationships with the company can know and understand its purposes. To this end, the Code of Ethics is made available to all staff, who must prove that they have acknowledged it. In addition, listening is among the "Company principles and values". In fact, for Cherry Bank, ***"All voices have the same weight. At Cherry Bank, listening is a two-way process. Every idea and service starts from listening carefully to the professionalism of the cherries and the needs of the customers".***

Cherry Bank has systems for reporting violations, or suspected violations, of the Code of Ethics governed by the Whistleblowing Regulation available on the Bank’s website. **The reporting systems are aimed at identifying and resolving any incidents that may affect human rights.** The reported violations undergo a thorough evaluation, aiming to implement effective remedies and prevent such episodes from reoccurring. In cases where the report pertains to a particularly serious issue, such as a sensitive process, potential risks including reputational damage to the Bank, or when the individual implicated belongs to Top Management, the Head of Internal Reporting Systems communicates the information directly and without delay to the relevant Corporate Bodies, even without waiting for the outcome of investigations, depending on the nature of the violation or the party involved.

Cherry Bank is inspired by the main international and national treaties, with particular reference to the Universal Declaration of Human Rights, the European Convention on Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO) and related Conventions, the UN Guiding Principles on Business and Human Rights, the United Nations Global Compact containing principles aimed at promoting a sustainable global economy that respects, among others, human and labour rights, the European Commission Green Paper entitled "Promoting a European framework for corporate social responsibility", the Code of Equal Opportunities (Legislative Decree No. 198/2006, as amended by Law No. 162 of 5 November 2021), UNI/Pdr 125:2022, in compliance with the defined criteria on gender certification, and ISO 30415 ("Management of Human Resources"). One of the priority rules of conduct contained in the Code of Ethics is **health and safety**. Cherry Bank is actively engaged in implementing **appropriate strategies and management systems to ensure the protection of the health and safety** of employees. In line with the legislative directives relating to health and safety in the workplace and, following the provisions of Legislative Decree No. 81/08, the company **precisely establishes the responsibilities and protocols to be followed for the prevention and management of any accidents or emergency situations**. The health and safety management infrastructure is diligently overseen by the Employer (DdL) and the Head of the Prevention and Protection Service (RSPP), with crucial support from the Company Doctor, emergency management and first aid personnel, and all those responsible for the various structures.

This organisational model enables the maintenance of a secure and healthy workplace, the prevention of occupational injuries and illnesses, and the continuous optimisation of our health and safety performance. The methodology is based on the **detailed analysis of the internal organisational structure**, beginning with the creation of the "Risk Assessment Document", which guides the company in defining safe processes, allocating specific tasks and responsibilities, and stabilising secure operating procedures.

This system is further enhanced by a **targeted training programme for the *cherries***, supplemented by routine audits to ensure the effective implementation and efficiency of the safety management system, incorporating a critical assessment and ongoing refinement of the adopted organisational model. This proactive approach highlights a continuing dedication to fostering a work environment where employee safety and well-being are the cornerstones of business success and integrity.

In order to provide effective health care, a **Company Doctor is available to carry out mandatory medical examinations, as well as further in-depth visits upon request**. **The *cherries* are invited to report any sources of health and safety risk to emergency management personnel**.

POLICIES ON EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

The Bank's sustainability and business conduct policies, including the Sustainability Policy and the Code of Ethics, include specific commitments regarding working conditions and equal treatment and opportunities for all. In particular, the Code of Ethics establishes rules of conduct relating to the respect for the working conditions of the Bank's employees.

In terms of **training, performance evaluation systems and professional development plans**, Cherry Bank is committed to **enhancing its people, promoting their professional development, highlighting the aptitudes of each person while taking into account the Bank's needs, investing in training activities and perfecting rewarding evaluation systems**. Regarding training specifically, Cherry Bank commits to offering the necessary updates to enhance skills and foster the development of qualified professionals in alignment with the Bank's primary interests and in respect of individual aptitudes. To foster a **proactive and rewarding work environment**, in which resources feel valued and motivated, targeted training activities are proposed, aimed at promoting respect, collaboration, and personal growth. Among the topics discussed, we mention, in particular: **training on professional ethics and company values**, in order to raise personnel awareness of the principles of the Code of Ethics, such as transparency, integrity, and responsibility; **courses on effective communication**, to improve internal and external communication, reducing conflicts and fostering collaboration; **leadership, team management and feedback culture**, to train managers capable of motivating and listening to employees and creating a positive work environment; **culture of sustainability and social responsibility**, to strengthen the sense of belonging and responsibility towards the community and the environment; **training on diversity and inclusion**, in order to promote a respectful and inclusive work environment for all people.

DIVERSITY, EQUITY & INCLUSION POLICY

The **Diversity, Equity & Inclusion Policy (DE&I Policy)** aims to **promote diversity, equity and inclusion (DE&I),** enhancing the uniqueness of people, ensuring equal opportunities, overcoming all forms of discrimination, and creating an inclusive work environment. This objective is based on an approach grounded in **ethical leadership, organisational listening, the dissemination of the DE&I culture, and the promotion of equal opportunities**.

The **final responsibility for the DE&I Policy is entrusted to the Board of Directors**, supported by the Control, Risk and Sustainability Committee. **Operational implementation is led by the DE&I Manager** and other specific functions, such as **HR and Brand & Communication**, with the support of the Sustainability Steering Committee, which takes care of defining and monitoring operational actions. The Policy is aligned with international norms and standards, including the Universal Declaration of Human Rights, the United Nations 2030 Agenda, the Global Compact, and UNI/PdR 125:2022 for gender certification. In addition, Cherry Bank follows industry guidelines, such as Carta ABI Donne in Banca (ABI Charter for Women in Banking).

The approach to the definition of the DE&I Policy is collaborative, with the active engagement of internal and external stakeholders. The interests of *cherries*, customers, suppliers, and communities are integrated through dedicated listening and survey processes. The Policy is accessible both internally, in the regulatory section of the company intranet, and externally via the institutional website and other communication channels. Stakeholders also have the opportunity to contribute to its implementation and monitoring through feedback and reports.

Cherry Bank adopts a holistic approach to diversity, overcoming distinctions related to gender, age, disability, ethnicity, and all other forms of difference. The Bank promotes an inclusion that goes beyond categories, valuing the unique contribution of each person in generating value for the stakeholders. The approach to DE&I is based on equity and focuses on individuals, overcoming any form of inequality. As indicated in the Code of Ethics, the company is committed to **guaranteeing equal opportunities and preventing any acts of harassment, intolerance, or behaviour harmful to psychological and physical health, which may create an intimidating, hostile, or offensive work environment. Harassment, violence, threats, intimidation, despotic attitudes and marginalisation are expressly prohibited**. Individuals who experience or observe such conduct must promptly report it to the Head of Internal Reporting Systems, following the procedures outlined in the Whistleblowing Regulation, without needing to adhere to the chain of command.

Cherry Bank recognises and values differences related to gender, age, disability, ethnicity, sexual orientation, culture and any other aspect of identity. These elements are not considered obstacles to professionalism but rather resources that enrich the organisation, fuelling enthusiasm, motivation, and determination in pursuing company objectives.

Cherry Bank is firmly committed to removing any barriers, including cultural or linguistic ones, that may limit the potential of its people. With an open and inclusive approach, the Bank encourages the entry of international professionals, promoting a global and diverse work environment.

Cherry Bank believes that **monitoring should be an integral part of a DE&I system**, not only in terms of reporting and compliance, but as a true **driver of the strategies and actions introduced to achieve the defined vision.** As previously stated, Cherry Bank has adopted a whistleblowing channel designed to gather reports related to any violations of a non-inclusive nature, as well as harmful, threatening, or violent behaviour that might occur in the workplace.

POLICIES ON CONFIDENTIALITY

Cherry Bank has adopted an Internal Regulation[42] to explain to personnel the main regulatory changes and the fundamental principles of the GDPR[43], in line with the relevant legislation. To **guarantee the lawfulness of processing and limit access to data to authorised personnel only, the Bank issues specific processing authorisations, accompanied by detailed instructions**, reserved for those who need them for reasons related to their duties. Furthermore, a procedure has been introduced to address any actual or potential breaches of personal data, outlining the actions to be taken. All documentation concerning confidentiality policies, except for the processing authorisation provided upon hiring and updated as necessary, is accessible to personnel in the designated section of the company intranet.

Engagement processes

Cherry Bank actively and directly engages personnel, particularly through surveys aimed at monitoring and measuring employee satisfaction in relation to internal policies, and **dialogue with workers' representatives is constantly encouraged**. Aligned with this engagement perspective, the Joint Policies Commission was established in 2024. This Commission consists of at least two trade union representatives for each represented acronym and representatives from the HR Function. The Commission's objective is to meet periodically, three times a year, to discuss possible improvements concerning health, accident, and life policies.

The following is an overview of the ways of engaging personnel and worker representatives, the type and frequency of engagement, as well as the functions with operational responsibilities.

Relevant sustainability issue	Modalities of engagement	Phases, type, and frequency of engagement	Function with operational responsibility
Secure employment	Joint Policies Commission Trade union representatives	3 meetings per year as provided for by protocol As required	HR Function
Working hours	Internal Perceived Survey	Annual	HR Function and Diversity Manager
Adequate salaries	Meetings with the company management Ad hoc consultancy for benchmark analysis	Annual As required	HR Function
Collective bargaining	Meetings with the trade union representatives	As required	HR Function
Work-life balance	Internal Perceived Survey	Annual	HR Function and Diversity Manager
Health and safety	Safety meetings	Annual	Employer, Health and Safety Delegates, RSPP and Company Doctor

42. See ESRS S4-1, for further details on the minimum reporting requirements of the Personal Data Protection Policy.
43. General Data Protection Regulation.

Relevant sustainability issue	Modalities of engagement	Phases, type, and frequency of engagement	Function with operational responsibility
Gender equality and equal pay for work of equal value	Internal Perceived Survey	Annual	HR Function and Diversity Manager
Training and knowledge development	Survey/Focus group Assessment	Biennial Annual	HR Function
Employment and inclusion of people with disabilities	Internal Perceived Survey	Annual	HR Function and Diversity Manager
Measures against violence and harassment in the workplace	E-learning training on gender-based harassment	Annual	HR Function and Diversity Manager
Diversity	Internal Perceived Survey	Annual	HR Function and Diversity Manager
Confidentiality	Confidentiality letter for employee accounts Tickets on company intranet	In the process of hiring or granting access to employee accounts In the process of hiring and granting access	HR Function Organization, ICT Security and HR O.Us.

In relation to the **merger by incorporation of Banca Popolare Valconca into Cherry Bank that took place in the previous year**, in order to better understand the scope, effectiveness and impacts of the merger on personnel, meetings were held with the Trade Unions, during which the **intention emerged to guarantee all workers the maintenance of the existing contractual conditions**. At the end of this round of meetings, it was signed, effective **from 1 January 2024**, **the Trade Union Agreement between Cherry Bank S.p.A. and Banca Popolare Valconca S.p.A. (incorporated company), as well as the Fabi and First Cisl Trade Unions**. **The Agreement, in addition to ensuring that the incorporated workers maintain their existing contractual conditions at the time of the merger, also explicitly guarantees protection regarding employment outcomes, territorial relocation, and professional mobility**.

All workers incorporated from BPV were assured that no territorial mobility mechanisms would be initiated on an extra-regional basis, except in cases where specific agreements at an individual level were made with the worker involved.

In addition, with the signing of the Agreement, **Cherry Bank has committed to guaranteeing all incorporated workers the same economic measures in terms of supplementary pensions, meal vouchers, welfare, insurance coverage, etc.**

Finally, Cherry Bank has committed to **ensuring that all Bank personnel, including incorporated workers, have adequate training sessions to accompany both male and female workers in the full integration and retraining of personnel where necessary**. To address the gaps resulting from the differing operating methods, an intense training activity lasting 5,163 hours was conducted during the IT system migration.

Through the **periodic surveys** mentioned above, Cherry Bank is committed to engaging its own workforce with various tools. **One of the main ones is the survey "How inclusive is your organisation"**, through which **all the *cherries* were asked how much they feel included and valued in their working environment, how much they feel they have the opportunity to express their ideas without fear, how often they are invited to express their opinions and**

which measures they consider a priority to improve the working environment. In addition, the opportunity was offered to propose useful initiatives to improve the culture of inclusivity, providing ideas for improvement.

Also in the context of the above survey, through an open response to the survey, all the *cherries* were given the opportunity to express a comment on their **difficulties related to gender differences, the role of being a parent, or a possible condition of disability, even invisible**. Efforts were made to investigate how these conditions might impact daily and professional life and how the Bank can support these groups. For instance, **with reference to people with invisible disabilities, it was investigated what were the greatest obstacles faced due to this condition**, how much disability affects daily work, and what measures are considered priorities to constantly support these individuals.

Processes to remediate negative impacts and channels to access for raising concerns

The processes to remedy the negative impacts related to the own workforce are:

- *whistleblowing* – Cherry Bank provides a platform for sending reports, guaranteeing confidentiality and effectiveness, as required by the Whistleblowing Regulation; all personnel, including those who work in the organisation without a subordinate employment relationship, can access the platform from the company website and choose between written or oral reporting; the reports are collected through a secure computer procedure and evaluated by the competent bodies, which adopt any necessary measures; if no violations emerge, the alleged responsible party is protected; in the event of unlawful conduct, the Bank intervenes with disciplinary measures and strengthens the internal control system if necessary[44];
- *management of cybersecurity incidents and data breach procedure* – Cherry Bank has implemented specific processes and procedures aimed at managing potential cybersecurity incidents and any loss of data[45];
- *occupational safety* – Cherry Bank, in line with the legislative directives relating to health and safety in the workplace, and following the provisions of Legislative Decree No. 81/08, precisely establishes the responsibilities and protocols to be followed for the prevention and management of any accidents or emergency situations[46].

44. See ESRS G1-1, for further details on whistleblowing channels.
45. See ESRS S4-3, for further details on procedures to remedy negative impacts on privacy.
46. See ESRS S1-1, for further details on procedures to remedy negative impacts on occupational safety.

Actions

WORKING CONDITIONS

Permanent contracts

In terms of secure employment, Cherry Bank favours **permanent employment and apprenticeship contracts**, with **almost all the staff** employed under this type of contract. Fixed-term contracts are employed only for particular requirements, intended to foster growth and ensure organisational stability.

The Bank also implements measures to stabilise the workforce with fixed-term or apprenticeship contracts, promoting the shift to permanent employment. In 2024, the actions described above were initiated and consolidated, leading to the stabilisation of 27 fixed-term persons with their shift to permanent contracts, and 7 apprentices were confirmed in permanent roles, with a commitment to maintain this approach in the following years.

Work flexibility and remote working

Regarding working hours and working methods, since its inception Cherry Bank has believed in the **flexibility of work**, promoting **policies of remote working** and offering **one-hour flexibility for entry and exit times.** Agile work is a crucial means to balance productivity and personal needs, promoting both employee well-being and organisational efficiency. The result-oriented approach and working towards objectives allow the *cherries* to independently manage their activities, optimally balancing professional and personal life. In addition, a ceiling of hourly permits has been provided for all branch collaborators, to allow them a better work-life balance.

Remote working is governed by current legislation and company guidelines, with requests on a voluntary basis evaluated by the HR Office and Area Heads. Performance in agile mode is always governed by an individual agreement between the company and the employee. During 2024, it was **allowed access to remote working to all** non-branch staff who requested it. In 2024, 83% of resources had access to remote working, corresponding to all the *cherries* not employed at branches.

Pay equity

When it comes to adequate wages, in establishing a comprehensive remuneration package, what guides Cherry Bank is the **principle "equal pay for equal work".**

Therefore, Cherry Bank:

- analyses internal and external salary benchmarks for each function and role;
- annually implements a salary review process, also with a view to monitoring the absence of discrimination;
- establishes incentive systems based on achieving specific qualitative and quantitative objectives, communicated and set in advance, in accordance with and within the boundaries of statutory supervisory provisions, related to the contribution of *cherries* to company performance;
- provides for a welfare system aimed at responding to the needs of the *cherries* and their families.

Monitoring employee satisfaction

To continuously involve and support all its employees, Cherry Bank has scheduled a series of surveys throughout 2024 aimed at **monitoring and measuring employee satisfaction** concerning activities carried out, the work environment, as well as the company culture.

With regard to the actions carried out by Cherry Bank with respect to the areas of "Social dialogue", "Freedom of association" and "Collective bargaining", please refer to the paragraph relating to the processes of involvement of the *cherries*[47].

HEALTH AND SAFETY

Training and management in occupational safety

Cherry Bank is actively committed to safeguarding the health and safety of its employee through appropriate strategies and management systems. During 2024, **mandatory training on occupational safety** was provided, in accordance with Legislative Decree No. 81/08 and the 2011 State-Regions Agreement. **The training modules**, delivered online for all *cherries*, **totalled 772 hours.**

As expected, the **usual annual safety meeting** was held, with the participation of the Employer, the Health and Safety Delegates, the Head of the Prevention and Protection Service and the Company Doctor. The purpose of the meeting was to review the year's activities, establish new courses of action, and tackle any critical issues that arose during 2024.

In 2024, 136 medical examinations were carried out on 136 employees.

47. See ESRS S1-3, for more details on the 2024 actions with respect to the "Social dialogue", "Freedom of association" and "Collective bargaining" areas.

Management and review of company health insurance policies

Cherry Bank protocol provides for **three meetings** per year with the **Joint Policies Commission**; in 2024, the **meetings** with the Joint Policies Commission were **six**, with a view to effectively assessing the renewal of the Bank's health insurance policy.

WORK-LIFE BALANCE

Corporate welfare and support for *cherries*

To support *cherries* and their families, **Cherry Bank has activated a welfare platform,** offering a flexible ceiling for the choice of customisable services and benefit, in line with company values. The goal is to meet the needs through an **enhanced reward system.** Currently, as part of our corporate welfare benefits, we offer life and permanent disability insurance, accident insurance for both professional and non-professional scenarios, healthcare for the entire family, the "Cherry Benefit" scheme for flexible benefits, meal vouchers, a supplementary pension fund, and advantageous conditions for banking relationships.

In particular, during 2024:

- the welfare budget for all resources has been increased;
- the company's welfare platform has been modified, expanding the offer with new providers of flexible benefits;
- the value of the meal vouchers has been increased, raising it from Euro 7 to Euro 8;
- health coverage has been extended, improving benefits, maximum limits, and deductibles;
- a ceiling of 100 hours of leave for parenting support has been established for branch staff, with the measure confirmed also for 2025;
- from 2025, paternity leave will be extended by 10 additional days beyond what is stipulated in current legislation, to bolster the role of fathers and encourage a more equitable sharing of caregiving duties between mother and father.

TRAINING AND SKILLS DEVELOPMENT

Cherry Bank is committed to offering **targeted training programs**, **designed to develop essential skills and foster the professional growth of *cherries***. The training approach integrates personal development and collective learning, promoting initiatives that stimulate a sense of belonging and active participation in the company's growth.

"Datemi una C" (Give me a C) project

In October 2022, the **two-year project "Datemi una C"** was launched, aimed at gathering the training needs of *cherries* and creating adequate growth paths. In 2024, the project involved the entire company structure, with training activities aimed at **developing technical and soft skills**, delivered both in the classroom, to encourage discussion, and via e-learning. Among the various topics addressed during the training courses are **corporate culture and values**,

leadership and effective and generative communication, female empowerment and paths crafted specifically for Team Leaders, or related to specific projects, such as the introduction of the company "Buddy" role in the on-boarding process. Specific courses have been provided in the commercial field to strengthen relational and technical skills for specific roles of the Retail Banking, Corporate Banking and Wealth Management O.Us.

Training offering and professional development

The Bank's training offer is divided into mandatory training modules and specific technical training modules**. Mandatory training includes:**

- **training for consultants on financial and insurance products**, compliant with IVASS and MiFiD II regulations, provided online through recognised training institutions;
- **occupational health and safety training**, with classroom courses for managers and supervisors and e-learning for the rest of the personnel;
- **online training on the Mortgage Credit Directive (MCD)**, to ensure professionalism in the management and advice on credit agreements, according to Article 120-septiesdecies of the Consolidated Law;
- **training on the Administrative Responsibility of entities (Legislative Decree No. 231/2001)**, extended to all personnel and available in e-learning mode;
- **training on Anti-Money Laundering legislation**, delivered through e-learning courses for the entire company personnel, with targeted insights for the operational segments;
- **training on operational risks**, to provide skills in the detection and management of risk situations;
- **IT security training**, carried out through an interactive course in gaming mode, inspired by the escape room model.

In addition to mandatory training, **Cherry Bank provides specific training courses**, identified throughout the year by the HR Function and the Heads of Operating Units, based on the skills demanded by structural and regulatory changes in the banking sector.

In particular, during 2024:

- the *cherries* had the opportunity to discuss various topics proposed in order to promote a respectful and inclusive work environment; topics related to **effective communication, inclusive leadership, and female empowerment** were explored; **all the team leaders took part in a structured course on team management, the use of feedback as a tool for enhancement and development, and the sharing of a positive approach to error**;
- **Team Coaching and Individual Coaching activities** have been carried out with the aim of strengthening the sense of team and improving interpersonal relationships, including between different Operating Units;
- in addition, **Cherry Bank has joined the "Permanent Refresher Courses" of The European House – Ambrosetti**. With the Permanent Refresher Course service, live meetings and webinars were organised for Top and Senior Managers, covering a range of subjects including innovation, leadership development, and the future of marketing and communication.

On-boarding and retention process

Regarding the opportunity related to **improving the attraction and retention of talent,** in 2024, the design of the **new On-boarding process was initiated, to be operational from February 2025.** The path, structured in five phases, goes from the first interview to the end of the first three months of work, with the aim of promoting the integration of the new *cherries* and improving their attraction and retention. In the first three months, each new resource will be accompanied by a *Buddy*, a colleague with at least five years of experience, tasked with transmitting values, company culture, practices and rules. To prepare for this role, the *Buddies* underwent a dedicated two-day training in 2024.

Performance assessment system "*Cherries Performance Review*"

Every year, the **course of *Cherries Performance Review*** is activated, the system of **performance assessment of the *cherries*,** integrated into the overall human resources management and development process; meritocratic measures can result from this process. The objective is to promote professional and personal growth, enhancing the talent, skills, and uniqueness of the *cherries*, while promoting a culture of listening and constructive feedback management. The assessment process is divided into the following main phases:

- evaluation of the resource by the Head;
- confrontation of the Area Head with the Human Resources Office on the evaluations carried out;
- formalisation of the assessment to the collaborator, with the possibility for the assessed person to write a comment on the assessment.

The evaluation sheet consists of **28 KPIs** linked to the following macro-categories: guidance and leadership area, analysis and processing area, cooperation and development areas, organization and quality area, goal orientation and entrepreneurship area, innovation and strategy area, inclusion and sustainability area.

The evaluation takes place on the basis of a rating scale from 1 to 6 (inadequate, partially adequate, adequate, good, oriented towards excellence, excellent).

There is also a **Management By Objectives (MBO) system,** based on the achievement of objectives and behaviours defined in an individual sheet assigned to each recipient.

DIVERSITY AND INCLUSION

Inclusion is a core value at Cherry Bank: the diversity of thought, vision, and attitude helps foster a balanced workplace in which everyone can feel recognized and valued. In 2023, Cherry Bank started a journey on the issues of diversity, equity and inclusion (DE&I), involving numerous *cherries* in the construction of a DE&I Policy. This journey has led to the definition of guiding values and how they are practically enacted within the organisation. Starting from the commitments undertaken by the Bank through its own Policy, Cherry Bank initiated and sustained projects throughout 2024 to confirm its commitment to creating an inclusive work environment attentive to ensuring equal opportunities and equity.

We give voice to our beating heart by telling of a reality made up of daily challenges faced with commitment, passion, and professionalism.

Discover, listen, read, and be inspired by our cHERries.

cHERry column[48]

The **cHERry column**, launched in 2022, was created to **give a voice to *cherries*** and **promote an inclusive environment based on equal opportunities for role and treatment.** The column has been enriched with new initiatives, including interviews, editorials and videos, through which the *cherries* share their approach and vision on the challenges related to reducing inequalities and achieving gender equality.

Memorandum of Understanding between the Minister for Families, Birth Rate and Equal Opportunities and the Chair of ABI

Cherry Bank has also confirmed its commitment for 2024 to the Memorandum of Understanding between the Minister for Families, Birth Rate and Equal Opportunities and the Chair of ABI, aimed at preventing and opposing violence against women and domestic violence. The Memorandum also aims to promote training and information initiatives on the tools available to promote financial inclusion and overcome gender differences.

48. See ESRS S3-4, "Care of the common good", for further details on the action in question.

Adherence to Carta delle donne (Women's Charter)

Also in 2024, Cherry Bank renewed its **adherence to "Carta delle donne" (Women's Charter) promoted by ABI**, confirming its commitment to gender equality in the banking sector. The Bank is committed to promoting an inclusive environment, strengthening resource selection and development processes, encouraging women's participation across all company levels, and supporting gender equality beyond the organisation.

Membership to Valore D

For 2024, the Bank confirmed its **membership to Valore D,** an association that promotes gender balance and an inclusive culture for the growth of companies and the country.

In partnership with Valore D, Cherry Bank offered courses and training programmes aimed at middle managers, senior managers, and young talent to promote inclusive leadership and enhance team diversity. The entire corporate personnel has been provided with **periodic video capsules** on topics such as bias, gender harassment and inclusive language.

Partnership with Queesy[49]

To promote well-being and inclusion, the Bank continued, even in 2024, to **install environmentally friendly and hypoallergenic sanitary pad dispensers in offices and branches.** The products, provided by Queesy, are free for all employed women, who represent 47% of the personnel.

Review of HR processes in a DE&I logic

In terms of research and selection processes, Cherry Bank is determined to value all kinds of diversity: gender, age, cultural, skills, or experiences. For this reason, **it encourages all types of incoming talent, overcoming barriers and prejudices**. To this end, in 2024, the Bank has worked to make the operational selection and recruitment procedure compliant with DE&I principles, and in 2025, Policy updates will be applied and made public according to these principles.

Participation in the Digital Diversity Week

On the occasion of Disability Rights Week, the Bank participated in the Digital Diversity Week, a Talent Acquisition event that values diversity and inclusion, with the aim of **reaching people with disabilities and allowing them an opportunity to enter the company.**

49. See ESRS S3-4, "Care of the common good", for further details on the action in question.

Feedback Day

Cherry Bank values listening to people, promoting **Feedback Day**, an initiative launched in 2022 to **foster dialogue between managers and collaborators on work and personal issues.** The meeting, based on a two-way exchange of feedback, aims to create a climate of openness and mutual trust. The initiative was also confirmed for 2024.

DE&I Survey

With the aim of valuing listening to people, Cherry Bank carries out an **annual DE&I survey**. The purpose is to gather the needs of the cherries on the proposed DE&I issues and, consequently, **to create a programme of activities** that responds as much as possible to the requests made. The ultimate goal is to **build a work environment that is increasingly inclusive and attentive to the needs of everyone**.

In December 2024, the survey "**How inclusive is your organization?**" was completed, aimed at measuring the perception of the issues of Diversity, Equity and Inclusion (DE&I) and ongoing business initiatives.

The results have guided the definition of an action plan for 2025, aimed at integrating and strengthening the Bank's commitments in the field of DE&I.

Support for caregivers and parenting

In order to **support caregivers**, an annual provision for those who have dependent family members with disabilities has been established for 2024, amounting to Euro 750 for the spouse or cohabitant *more uxorio* and Euro 1,000 for the children. Finally, in **support of new parenting**, the parenting contribution has been recognized for 2024, a one-off payment of Euro 1,000 for the birth of each child.

Metrics and objectives

CHARACTERISTICS OF THE COMPANY'S EMPLOYEES (S1-6)

In 2024, the total number of Cherry Bank employees is **561 individuals**, with a slight prevalence of **men** (**300**, equal to **53%**) compared to **women** (**261**, equal to **47%**). Almost all employees have a **permanent contract** (**99%**), while only **1%** are employed with **fixed-term contracts**. There are no employees with variable hours.

Regarding the distribution between full-time and part-time, the vast majority of employees work **full-time** (**97%**), with a very high percentage among **men** (**99%**) and slightly lower among **women** (**94%**). **Part-time work** is more common among **female workers** (**6%** compared to **1%** of **men**).

Employees	UoM	Women	Men	Total
Total number of employees by type of contract	**No.**	**261**	**300**	**561**
Permanent employees	No.	258	295	553
	%	99%	98%	99%
Fixed-term employees	No.	3	5	8
	%	1%	2%	1%
Total number of full-time and part-time employees	**No.**	**261**	**300**	**561**
Number of full-time employees	No.	245	298	543
	%	94%	99%	97%
Number of part-time employees	No.	16	2	18
	%	6%	1%	3%

The Bank's **turnover rate** is **5%**, with **29 employees** leaving the company in the reference period, confirming good employment stability. In fact, of the 29 individuals who left:

- 3 have retired upon fulfilling eligibility requirements, and 1 of them has returned to the company on a fixed-term contract to engage in reverse mentoring, aimed at passing on skills to the new generation;
- 7 have entered into voluntary severance agreements;
- 2 have entered into consensual termination agreements for other motives.

Employees who left the organisation	UoM	2024
Total number of employees	No.	561
Total number of employees who left the organisation during the reference period[50]	No.	29
Turnover rate	**%**	**5%**

50. In the total number of employees who left the organisation (29), departures due to voluntary resignations and voluntary severance agreements were considered.

The data shown in the tables above refer to the reporting scope of Cherry Bank and have been extracted from the Financial Statements. The data were collected in terms of the number of individuals (headcount) without recourse to estimates and represent the situation of the Bank's personnel at 31/12/2024.

Compared to previous years, the data show a **significant increase in *cherries*** due to the merger by incorporation with Banca Popolare Valconca.

The gender distribution of employees was calculated by dividing the number of employees of each reported gender by the total number of employees. The employee turnover rate was calculated as the ratio between the number of employees who voluntarily left, were dismissed, retired, or died while in service and the total number of employees at the end of the reporting period. The primary data used in the calculation refer to the number of *cherries* employed at 31/12/2024.

The metrics on employee characteristics of the company have not been validated by an external body different from the entity issuing the certificate of conformity.

COVERAGE OF COLLECTIVE BARGAINING AND SOCIAL DIALOGUE (S1-8)

All employees are covered by national collective agreements, providing broad contractual safeguards for the entire workforce.

Employees covered by collective bargaining agreements	UoM	2024
Total number of employees	No.	561
Number of employees covered by collective agreements	No.	561
Percentage of employees covered by collective agreements	**%**	**100%**

The percentage of the total workforce covered by collective agreements was calculated by the ratio between the number of employees covered by collective labour agreements and the total number of employees at the end of the reporting period. The primary data used in the calculation refer to the number of *cherries* employed at 31/12/2024.

The metrics on collective bargaining coverage have not been validated by an external body different from the entity issuing the certificate of conformity.

DIVERSITY METRICS (S1-9)

Female representation in Top Management positions[51] is **33%**, while men occupy **67%** of these positions. Regarding the age of employees, the largest group is between **30 and 50 years old** (**68% of the total, equal to 383 individuals**), followed by those over 50 (21%) and young people under 30 years old, who represent 11% of the workforce.

Diversity metrics	UoM	2024
Total number of Top Management members by gender	**No.**	**12**
Women	No.	4
	%	33%
Men	No.	8
	%	67%
Total number of employees by age group	**No.**	**561**
Under 30 years of age	No.	62
	%	11%
Aged between 30 and 50 years	No.	383
	%	68%
Age over 50 years	No.	116
	%	21%

The division of employees into age groups was calculated by dividing the number of employees within each specified age category (under 30 years, 30 to 50 years, and over 50 years) by the overall total number of employees. The primary data used in the calculation refer to the number of *cherries* employed at 31/12/2024.

The diversity metrics have not been validated by an external body different from the entity issuing the certificate of conformity.

PEOPLE WITH DISABILITIES (S1-12)

People with **disabilities** represent **4%** of the total (23 individuals), with a slight prevalence of women (**57% women, 43% men**).

People with disabilities	UoM	2024
Total number of employees	No.	561
Total number of employees with disabilities	**No.**	**23**
	%	**4%**
Women	No.	13
	%	57%
Men	No.	10
	%	43%

51. "Top Management" refers to all direct reports of the Chief Executive Officer and the Board of Directors of the Bank.

The calculation of the total number of employees with disabilities refers to the number of people (headcount). The percentage of employees with disabilities was calculated by dividing the total number of employees with disabilities by the total number of employees, while the percentage of women or men with disabilities was calculated by dividing the number of women or men with disabilities by the total number of employees. The primary data used in the calculation refer to the number of *cherries* employed at 31/12/2024.

The metrics of people with disabilities have not been validated by an external body different from the entity issuing the certificate of conformity.

TRAINING AND SKILLS DEVELOPMENT METRICS (S1-13)

All **561 employees** of the Bank participated in periodic performance and career development reviews in 2024, with a coverage of **100%**, for both men and women.

Periodic performance and career development reviews	UoM	2024
Total number of employees	No.	561
Total number of employees who participated in periodic performance and career development reviews	**No.**	**561**
	%	**100%**
Women	No.	261
	%	100%
Men	No.	300
	%	100%

The total number of training hours provided is **28,538.13**, with a **fairly balanced distribution** between men (13,760.61 hours) and women (14,777.52 hours). At the same time, the **average number of hours of training** per employee is slightly higher for women (**56.62 hours**) than for men (**45.87 hours**).

Training and skills development	UoM	2024
Total number of training hours by gender	**No.**	**28,538.13**
Women	No.	14,777.52
Men	No.	13,760.61
Average number of hours of training by gender	**No.**	**51**
Women	No.	56.62
Men	No.	45.87

The percentage of employees who participated in periodic performance and career development reviews was calculated by the ratio between the number of employees who participated in periodic performance and career development reviews and the total number of employees at the end of the reporting period. Similarly, the average number of training hours by gender was calculated by the ratio between the total training hours undertaken by employees and the total number of employees at the end of the reporting period. At the same time, the average number of training hours by each gender was calculated by the ratio between the number of training hours undertaken by women or men and the total number of women or men. The primary data used in the calculation refer to the number of *cherries* employed at 31/12/2024.

The training and skills development metrics have not been validated by an external body different from the entity issuing the certificate of conformity.

HEALTH AND SAFETY METRICS (S1-14)

All Cherry Bank resources are included in the **health and safety management system**, thus ensuring full coverage of the regulations. The total number of hours worked in 2024 is **1,079,781.83**. There were no serious accidents at work, confirming a safe and attentive environment for its own personnel. Finally, the **recordable accident rate** is **6.48%**.

Health and safety metrics	UoM	2024
Total number of own workers	No.	561
Number of hours worked by own workers	No.	1,079,781.83
Number of own workers covered by the company's health and safety management system based on legal requirements and/or recognised standards or guidelines	**No.**	**561**
	%	**100%**
Number of deaths of own workers due to work-related injuries and illnesses	No.	0
Number of deaths of other workers operating on company sites (e.g., value chain workers if operating on company sites) due to work-related injuries and illnesses	No.	0
Number of recordable workplace accidents of own workers	No.	7
Recordable workplace accident rate of own workers	**No.**	**6.48**
Number of recordable work-related illness cases, subject to legal restrictions on the collection of employee data	No.	0
Number of days lost due to injuries and deaths at work resulting from workplace accidents, work-related illnesses, and deaths as a result of employee illnesses	No.	0

The rate of recordable workplace accidents among all Bank employees is calculated by dividing the number of recordable workplace accidents by the number of hours worked and multiplying the result by 1,000,000.

The number of workplace accidents reported above refers to commuting accidents for 6 out of 7 cases.

The health and safety metrics have not been validated by an external body different from the entity issuing the certificate of conformity.

METRICS OF WORK-LIFE BALANCE (S1-15)

All Bank employees are entitled to **family leaves**. In 2024, **54 employees** (10% of the total) took family leaves: 36 women and 18 men.

Work-life balance	UoM	2024
Total number of employees	No.	561
Number of employees entitled to family leave	**No.**	**561**
	%	**100%**
Number of entitled employees who have taken family leave, by gender	**No.**	**54**
	%	**10%**
Women	No.	36
	%	14%
Men	No.	18
	%	6%

The percentage of employees entitled to family leave was calculated by the ratio of the number of employees entitled to family leave to the total number of employees. At the same time, the percentage of entitled employees who availed themselves of family leave was calculated by the ratio of the number of entitled employees who took family leave to the total number of employees. The proportion of entitled women or men utilising family leave was determined by the ratio of the number of entitled women or men who took leave to the total number of women or men, respectively. The primary data used in the calculation refer to the number of *cherries* employed at 31/12/2024.

The metrics of work-life balance not been validated by an external body different from the entity issuing the certificate of conformity.

PAY METRICS (PAY GAP AND TOTAL REMUNERATION) (S1-16)

The **average hourly remuneration** shows a gap between men (Euro 46/h) and women (Euro 34/h) of 26%.

Pay metrics	UoM	2024
Average hourly remuneration of male employees	No.	46
Average hourly remuneration of female employees	No.	34
Pay gap between female and male employees	**%**	**26%**

The total annual remuneration of the person with the highest salary is **Euro 390,517**, while the median annual remuneration of all employees is **Euro 50.355,61**, with an **annual total remuneration rate of 7.76%**.

Remuneration	UoM	2024
Total annual remuneration of the highest-paid person	No.	390,517.00
Median annual total remuneration of all employees (excluding the highest-paid person)	No.	50,355.00
Total annual remuneration rate	**%**	**7.76%**

The gender pay gap was calculated by finding the difference between the average hourly remuneration of men and women, compared to the men's average hourly wage, and expressing it as a percentage.

The ratio of the total annual remuneration of the person with the highest salary to the median annual remuneration of all employees (excluding the person with the highest salary), including the variable component, results in a **total annual remuneration rate of 7.76%**

The pay metrics have not been validated by an external body different from the entity issuing the certificate of conformity.

INCIDENTS, COMPLAINTS AND SERIOUS IMPACTS ON HUMAN RIGHTS (S1-17)

In 2024, **there were no incidents of discrimination** or **harassment**, nor were any complaints made through company channels. Furthermore, **there are no sanctions** or **claims for damages in the area of human rights**: a positive sign of corporate compliance with ethical and regulatory standards.

Incidents, complaints and serious impacts on human rights	UoM	2024
Total number of incidents of discrimination, including harassment	**No.**	**0**
Number of complaints submitted through the channels set up for the company's own workers to raise concerns (including grievance mechanisms)	No.	0
If applicable, number of complaints lodged with national contact points for multinational enterprises in the OECD, excluding incidents already reported in the previous data point	No.	0
Total amount of fines, penalties, and compensation for damages resulting from the above incidents and complaints	€	0
Number of serious incidents on human rights related to the company's workforce during the reporting period	No.	0
Total amount of fines, penalties, and compensation for damages related to serious incidents on human rights	€	0

The figures reflecting the total number of discrimination incidents (including harassment), the number of complaints submitted through established channels to allow the company's own workers to raise concerns, and the severe human rights incidents connected to the company's workforce within the reporting period were extracted from the Bank's internal monitoring systems; similarly, this applies to the total sums of fines, penalties, and compensation for damages.

The measures of the metrics of incidents, complaints and serious impacts on human rights have not been validated by an external body different from the entity issuing the certificate of conformity.

IRO COVERAGE

To assess the company's performance and effectiveness in relation to relevant impacts, risks, and opportunities regarding its own workforce, Cherry Bank used:

- the metrics on the **characteristics of the company's employees** (S1-6) as the basis for calculating the other quantitative metrics on its own workforce;
- the metrics on **coverage of collective bargaining and social dialogue** (S1-8) with respect to the following positive impacts: "support for regular company information/consultations with workers' representatives (through trade unions and/or works councils)"; "support for employees' freedom of association"; "improvement of working conditions through tailor-made welfare plans for employees and families";
- the metrics on **diversity** (S1-9) with respect to the following negative impacts: "gender and/or pay disparity for the same job"; "incidents of discrimination related to, e.g., gender, age or other factors";
- the metrics on **people with disabilities** (S1-12) with respect to the following positive impacts: "employment and integration of workers with disabilities";
- the metrics of **training and skills development** (S1-13) with respect to the following positive impacts: "appropriate training programmes, performance evaluation systems, and professional development plans"; opportunities: "improvement of talent attraction and retention thanks to investment in training programmes and skill development";
- the metrics on **health and safety** (S1-14) with respect to the following negative impacts: "harm to the worker resulting from accidents and occupational diseases";
- the metrics on the **work-life balance** (S1-15) with respect to the following positive impacts: "adequacy of working time"; "work-life balance";
- the metrics on **remuneration** (S1-16) with respect to the following positive impacts: "economic security of employees thanks to employment relationships based on permanent contracts"; "economic security of employees thanks to the guarantee of adequate salaries";
- the metrics on **incidents, complaints and serious impacts on human rights** (S1-17) with respect to the following negative impacts: "employee insecurity due to incidents of harassment and/or the absence of measures to protect workers and/or awareness-raising initiatives"; "loss of employee data".

OBJECTIVES FOR THE FUTURE

One of the pillars of the first **2023-2025 Sustainability Plan of the Bank** is dedicated to the ***cherries***. This pillar encompasses all the commitments, translated into projects, aimed at protecting personal and occupational health and balance, professional growth and an inclusive, fair, and non-discriminatory climate through the **adoption of new policies** (e.g. the DE&I Policy), processes (e.g., the DE&I selection process) and initiatives (e.g., training). The natural evolution of the path, also enshrined in the **2025-2027 Strategic Plan**, envisages, on the one hand, the achievement of the initiatives defined with a 2025 time horizon and, on the other, the definition of a renewed **ESG Plan**, including **objectives and targets referring to the *cherries***. In particular, by 2025 the Bank plans to obtain the **certification on gender equality UNI/Pdr 125:2022**, which will also result in the establishment of an improvement plan with goals related to sustainability matters within the framework of "Equal treatment and opportunities for all".

S3 – Communities concerned

Relevant impacts, risks and opportunities

The following table details the **impacts, risks and opportunities,** in relation to the thematic standard **S3 Communities concerned**, which emerged as **relevant** in the double relevance analysis process together with the **management methods implemented by Cherry Bank.**

S3 – Communities concerned

Sub-theme	Sub-Sub-theme	Impacts[1]	Risks	Opportunities	Main management methods
Economic, social and cultural rights of communities	Territorial impacts	⊕ Advancing the socio-economic development of local communities, also through the support of territorial associations, solidarity initiatives, sports, cultural activities, and community support activities **OP; E; MT** ⊕ Support for financial education through the promotion of educational projects for the population **OP; E; MT**	-	Establishing a presence in the local areas where Cherry Bank is active by executing project or sponsorship initiatives, including financial support for organisations in the social and research sectors, sports clubs, and collaborations with Charitable Organisations, Foundations, Third-Sector Associations, and Volunteer Groups that generate positive environmental, social, and economic impacts. This also involves promoting development projects in disadvantaged economies to encourage social rebalancing, improve education levels, and facilitate access to the job market **OP; MT**	Code of Ethics Sustainability Policy Policy on the management of sponsorships, gifts, and donations

[1] ⊕ = positive impact; ⊖ = negative impact; OP = Own Operation; DS = Downstream; E = actual impact; POT = potential impact; BT = short-term impact; MT = medium-term impact; LT = long-term impact

All communities concerned that may suffer significant impacts from the company **are included in the scope of the disclosure**.

Cherry Bank **identifies as relevant communities the territories in which it operates and its actors**, such as customers, business partners, local administrations, and entities, in particular.

The communities concerned may be subject to the impacts generated by Cherry Bank's operations, such as the community in which its headquarters is located, or by its value chain, such as the communities of its customers.

There are no significant negative impacts.

The relevant positive impacts are related to sustainability issues related to "Territorial impacts". Cherry Bank aims to generate positive impacts in the local areas where it operates by: i) executing project or sponsorship initiatives such as providing financial support to organisations in the social and research sectors, sports clubs, and partnerships with Charitable Organisations, Foundations, Third-Sector Associations, and Volunteer Organisations; ii) promoting development projects in disadvantaged economies to encourage social rebalancing; iii) improving education levels and facilitating access to the job market.

As part of the materiality analysis process**, a relevant opportunity was identified for Cherry Bank related to its potential positioning in the territories** in which the Bank operates through the implementation of dedicated project initiatives.

The types of **communities particularly exposed** (e.g. with particular characteristics and/or residing in particular geographical contexts) to risks **are not detected**.

The categories of **specific groups of communities concerned** that can be **affected in a differentiated way** are not detected.

Policies

Cherry Bank has developed policies to ensure the management of the aforementioned relevant sustainability issues. The main policies for the management of impacts related to the topic "**Territorial impacts**" are the Code of Ethics, the Sustainability Policy, and the Policy on the management of sponsorships, gifts, and donations.

CODE OF ETHICS[52]

Cherry Bank's commitment to the communities and territories in which it operates is formalised in the Code of Ethics of the Bank. This document underlines the **importance of the link with the territory and the institutions, promoting relationships based on trust, made possible by in-depth knowledge and proximity to specific local issues**. Beyond strict adherence to rules and regulations, the Bank's operations also rely on a system of shared values that includes fairness in conduct and complete transparency. In particular, the relationship with the Supervisory Bodies and Institutions is acknowledged as crucial for conducting activities in harmony with the Bank's stability needs and the expectations of the local area where Cherry Bank seeks to establish itself.

Respect for Human Rights is a pillar of the Code of Ethics and strategy of Cherry Bank in order to **contribute to the well-being of the communities in which the Bank operates**. By integrating Human Rights into its business practices, Cherry Bank also promotes a constructive dialogue with its stakeholders and shareholders , stimulating mutual trust and cooperation. Currently, the tool by which compliance with Human Rights can be monitored is the whistleblowing procedure that the Bank has adopted. This procedure indeed allows for the reporting of violations related to this matter, as specified by the Code of Ethics and the Organisation,

52. See ESRS G1-1, for further details on the minimum reporting requirements of the Code of Ethics.

Management and Control Model pursuant to Legislative Decree No. 231/07.

To date, **there have been no reported cases of human rights violations involving communities concerned by Cherry Bank's direct operations**. In case of reports, the Bank is ready to activate its remediation mechanisms.

SUSTAINABILITY POLICY[53]

The **Sustainability Policy** of Cherry Bank, under the **"Cherry Planet" pillar envisages, among its commitments, generating positive effects on the communities and territories in which it operates, considering collaboration with people and companies essential**. Thanks to social and cultural initiatives, in partnership with Third-Sector Associations, universities and other partners, Cherry Bank is committed to **stimulating positive change in the local and national socio-economic landscape**. Additionally, the Bank supports the social and economic well-being of the local areas where it operates by promoting financial education initiatives aimed at enriching the society's economic culture.

POLICY ON THE MANAGEMENT OF SPONSORSHIPS, GIFTS, AND DONATIONS

The Policy defines the general principles and operating methods for the management of sponsorships, gifts, and donations. The objectives of the Policy include:

- promotion of the Bank's image;
- support for the progress and well-being of the territories in which Cherry Bank operates;
- consistency with company values, prudence in reputational risks and compliance with the approved budget.

Monitoring takes place through periodic reports sent to the Supervisory Body and internal audits to ensure transparency and compliance with regulations.

The Policy **applies to all Cherry Bank Business Units and Organisational Units**, and covers sponsorship, gifts, and donation initiatives that comply with ethical and regulatory principles. Initiatives solely benefiting individuals or entities not conforming to the established criteria are excluded.

The Policy **is approved by the Board of Directors**, subject to validation by the Chief Executive Officer. The Brand & Communication Area is responsible for operational management and reporting, while the approval of initiatives is the responsibility of the Chief Executive Officer and, in the most relevant cases, the Board of Directors.

The Policy has been drafted in line with the principles of the Code of Ethics and the Organisation, Management and Control Model as per Legislative Decree No. 231/01 and adopts an approach compliant with the regulations on anti-money laundering and relations with the Public Administration. In pursuing the aim of preventing corruption, the Policy primarily promotes the interests of shareholders and internal resources for sound and prudent business management.

53. See ESRS E1-2, for further details on the minimum reporting requirements of the Sustainability Policy.

The Policy is made available and must be respected by all internal resources. The guidelines on the subject are also contained in the Code of Ethics and in the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/01 which are instead published on the Bank's website.

Actions

Cherry Bank aims to foster a positive impact on the communities and regions in which it operates, firmly believing that creating synergies with individuals and businesses should be a priority for the Organisation. Through a series of initiatives and projects with social and cultural purposes, also carried out through partnerships with associations, universities, for-profit and non-profit organisations, Cherry Bank makes its commitment to creating positive change in the local and national socio-economic fabric a reality.

The initiatives that Cherry Bank has developed in 2024 can be traced back **to the following strategic commitment guidelines**, which represent a priority and the reference context for the Bank:

- **urban regeneration and biodiversity,**
- **cultural innovation and entrepreneurship,**
- **care for the common good,**
- **education and access to the world of work.**

URBAN REGENERATION AND BIODIVERSITY

Cherry Bank aims to **promote the redevelopment of certain relevant places within its territory** and to contribute to the **protection of its biological diversity**, in order to help create a more sustainable and healthy environment for the people who live there.

Project: L'Oasi della Biodiversità [Biodiversity Oasis] of Cherry Bank

A high-impact sustainable commitment to safeguard tomorrow for all of us.

Find out more about our project:

In 2022, Cherry Bank launched the **"L'Oasi della Biodiversità" project,** which led to the installation of an apiary with five hives and the planting of a half-hectare nectar-producing forest consisting of 100 native cherry trees. This initiative aims to contribute to the protection of local biodiversity and the creation of a healthier, more sustainable environment.

The actions carried out as part of the "L'Oasi della Biodiversità" project are geographically located in **Veneto,** on land made available by Concessioni Autostradali Venete. The project has a significant impact on the environmental value chain as it promotes the protection of biodiversity through both pollinator support and reforestation. The stakeholders involved include **Concessioni Autostradali Venete**, which provided the land, **and 3Bee**, a nature-tech company, which developed the bee health monitoring system (you can view the monitoring in real time on the page dedicated to the 3Bee oasis

– https://www.3bee.com/owner/oasi-biodiversita-cherry-bank/) that reduces their mortality by up to 30%. The project has already produced significant results, such as the protection of about 1.5 million bees per year, the pollination of over 3 million flowers, and the absorption of about 4 tonnes of CO_2 per year. The forest's presence also provides a stable pasture for pollinators, contributing to ecosystem protection and the fight against climate change.

Project: Climate City Contract signed with the Municipality of Padua

In 2024, Cherry Bank joined the Climate City Contract (CCC) with the Municipality of Padua, actively engaging in the city's path towards climate neutrality by 2030. As part of this agreement, the Bank has implemented several initiatives, including the consolidation of ESG financing for local SMEs, the launch of funding projects for companies aiming to improve their sustainability index, the electrification of the company fleet with the aim of exceeding 50% electric vehicles in the next three years, and the planning of the new headquarters in Padua. This will be accomplished through the redevelopment of an existing building, utilising renewable energy and adhering to advanced energy efficiency criteria. Furthermore, Cherry Bank has planned the creation of an urban tree-lined park near the new headquarters to further contribute to the improvement of environmental quality. These actions aim to reduce the Bank's environmental footprint and support the local area's ecological transition, contributing to the achievement of the CCC objectives and the European climate neutrality strategy. Stakeholders involved include the Municipality of Padua, citizens, the European Commission, and local businesses benefiting from ESG funding.

CULTURAL INNOVATION AND ENTREPRENEURSHIP

For Cherry Bank, it is **creativity** and **ideas** that activate **social and economic change**. That is why the Bank has decided to provide **tools**, **knowledge**, and **opportunities** to support the creation of **new initiatives** and the **enhancement of the cultural heritage** of its Region and its country.

Project: Riviera del Brenta Footwear District: state of health and future challenges for its greater competitiveness and excellence

Our research project that aims to analyse the state of health of sectors and product segments of our national territory.

Find out more about our project:

In 2023, Cherry Bank inaugurated its research centre to explore strategic sectors of the Italian territory. The first research assessed the current state and future challenges of the Riviera del Brenta Footwear District, a pinnacle of Venetian industry, emphasizing the necessity of its protection and enhancement. Defined a **"Crystal District"**, it combines exclusivity and fragility.

In 2024, Cherry Bank developed a new Outlook to update the analysis of the Italian footwear sector, with a specific focus on the Riviera del Brenta District. The objective is to support local businesses in improving their competitiveness and addressing market challenges by continuously monitoring their economic and financial conditions.

The study examined the **507 companies** of the Footwear System of Riviera del Brenta, evaluating their economic, financial and employment structure. Conducted under the scientific supervision of **The European House – Ambrosetti**, it compared the main Italian footwear districts with European and global ones. The project involves key players in the sector, including local businesses, luxury brands, educational institutions such as the **Politecnico Calzaturiero**, as well as economic and financial stakeholders operating in the area.

The primary challenges highlighted involve digitisation, difficulties in recruiting young talent, adherence to ESG standards, inflation, and Mergers & Acquisitions (M&A) activities. Cherry Bank aims to work alongside companies in the District to facilitate intergenerational governance transitions, enhance human resource training, and ensure the sector's sustainability.

In 2023, the Riviera del Brenta District recorded a turnover of about Euro 2 billion, equal to 3.5% of the national turnover of the footwear sector. The production reached 20 million pairs of footwear, corresponding to 13% of Italian production. In Veneto, the demand for training rose by 10% compared to 2022, while the difficulty in sourcing human resources diminished by 3%. In addition, there was a 5% increase in the employment of young people under 30.

Project: Cherry Made in Italy – Competition with Cherry Excellence Award

Great stories to tell.
So many excellences to discover.

Find out more about our project:

In 2024, Cherry Bank launched the **Cherry Made in Italy** competition, an initiative dedicated to the enhancement of local excellence and Italian production chains. The contest awarded a virtuous company by offering it economic and strategic support to promote its growth in the short and medium term.

The project took place in the following phases:

- 15 April 2024: launch of the competition on the occasion of the National Day of Made in Italy,
- April – May 2024: collection of applications and selection of finalists,
- second half of 2024: assessment of the impact of the initiative and planning of future editions.

The winner received a cash prize of **Euro 20,000**, while the second and third place winners benefited from two **free ESG assessments**. The initiative also involved the academic world: a team of students from the **Venice School of Management**, as part of the **Experior** project, contributed to the selection of finalists through a specific evaluation framework.

The competition was aimed at **SMEs with a turnover between Euro 2.5 and 10 million**, with registered and/or production offices in Veneto, Friuli-Venezia Giulia, Trentino-Alto Adige, Lombardy, Emilia-Romagna, and Marche.

The participating companies belonged to different sectors, including:

- agriculture, forestry and fishing,
- manufacturing activities,
- wholesale and retail trade,
- accommodation and food services,
- professional, scientific and technical activities,
- education,
- health and social care.

The first edition of the contest collected **50 applications in 15 days**, generating:

- 3 million impressions on ads,
- 30,000 clicks on advertising campaigns,
- 6,000 views on the project webpage,
- 130,000 views of the launch video content,
- 22,000 views on LinkedIn,
- 118,000 impressions on Facebook and Instagram.

Looking ahead, Cherry Bank intends to extend the initiative, facilitating the growth of Italian companies by offering new editions and additional forms of financial and consultancy support.

Project: Cherry Made in Italy – A tale of Business

**Great stories to tell.
So many excellences to discover.**

Find out more about our project:

In parallel to the Cherry Made in Italy competition, Cherry Bank has launched a **blog dedicated to Italian entrepreneurial excellence**, with the aim of promoting the companies that contribute to Made in Italy and promoting their role in the national economic landscape.

The activity involves the publication of **business case studies**, conducted through interviews, written narratives, photographic and video content. The content is shared via Cherry Bank's digital channels and further promoted by the companies involved on their social media and web presences.

In 2024, the project led to the publication of **7 business case studies**, with over:

50 dedicated social contents

22K video views

34K post views on LinkedIn

24K impressions on Facebook and Instagram

The blog has already given visibility to companies from different Made in Italy sectors. For the future, Cherry Bank intends to increase the number of companies featured and enrich multimedia content, with the aim of **promoting knowledge of Italian business realities, creating networks, and developing strategic synergies**.

Project: Alongside the "Moleskine Foundation" to support the Creative Pioneers Fund

Creativity activates social change. Hence, our decision to join the Moleskine Foundation and contribute to the Creativity Pioneers Fund.

Find out more about our project:

In 2024, Cherry Bank renewed its support for the **Creative Pioneers Fund** of **Moleskine Foundation**, a philanthropic fund that supports cultural initiatives and organisations in disadvantaged communities, promoting social change through creativity. Cherry Bank contributed a donation of **Euro 40,000**, replicating the commitment already made in the 2022 and 2023 editions. The initiative has an **international impact**, with over **2,000 applications from 136 countries**, also registering wide participation by Italian organisations.

CARE FOR THE COMMON GOOD

Cherry Bank wants to stand **alongside the people** to make its commitment to integrating the **social values** upon which it bases its governance, and which concern a **shared responsibility that it does not want to shirk**, concrete. The Bank's commitment is expressed through **economic support** to some local entities that operate in the social and research fields, contributing to the **implementation** of their **activities** and **initiatives** to improve **the future of the community**.

Project: Giardino della Ricerca and "Colture Primarie" (Primary Crops) project

In 2024, Cherry Bank renewed its **support for the association Il Giardino della Ricerca ODV** through a **donation of Euro 20,000** for the **"Colture Primarie"** programme dedicated to personalised medicine for children and adolescents suffering from sarcoma. This support is in addition to the donations made in previous years (Euro 10,000 in 2022 and Euro 15,000 in 2023). In addition, solidarity *panettone* and *pandoro* of the association were purchased for the *cherries* and customers of the Bank.

This initiative is conducted within the scope of scientific research in paediatric oncology and encompasses the Paediatric Oncohaematology Clinic of Padua, the Advanced Diagnostics and Target Discovery laboratory of the University of Padua, as well as paediatric patients and their families.

cHERry

We give voice to our beating heart by telling of a reality made up of daily challenges faced with commitment, passion, and professionalism.

Discover, listen, read, and be inspired by our cHERries.

Project: cHERry

The cHERry column, launched in 2022, continues to promote an inclusive work environment through interviews, editorials, and videos that give voice to the *cherries* on issues of gender equality and reducing inequalities. In 2024, there were 7 blog posts, 21 social media releases and 23 *cherries* interviewed and/or involved in the creation of content. The initiative is internal to the company and aims to raise awareness among employees and stakeholders about equal opportunities in the workplace.

Project: Queesy

In 2024, Cherry Bank expanded the initiative introduced in 2023, installing new **dispensers of ecological and biodegradable sanitary pads** in the bathrooms of the Pordenone, Romagna and Marche offices. In addition, it contributed to **donations of products to anti-violence centres** through the purchase of 6,192 sanitary pads, thanks to which 310 sanitary pads were donated to Fondazione Libellula, WeWorld Onlus and Differenza Donna.

The project promotes the well-being of employees and combats period poverty, involving company offices and Italian charities. The initiative also aims to reduce the taboo on menstrual hygiene and to raise awareness of environmental sustainability.

Project: Cherry Bank teams up again with Petrarca Baskin of Padua

Also in 2024, Cherry Bank renewed its partnership with Petrarca Baskin of Padua, a sports reality that makes the **enhancement of the uniqueness of each individual its strength**. Baskin is a team sport, in which **people with and without disabilities play together**. In fact, the term comes from the union of "basket", the sport from which it originates, and "inclusive". The rules of baskin **enhance the contribution of each player within the team**: the common success really depends on everyone. A principle in which Cherry Bank fully recognizes itself. The project focuses on social inclusion through sport, with particular attention to disability. The Cherry Bank logo will be featured on official uniforms for the 2024-2025 season.

Project: "Spiaggia Sicura 2024" (Safe Beach 2024) in collaboration with the Cattolica Lifeguard Cooperative

Cherry Bank has supported the **"Spiaggia Sicura 2024"**project, in collaboration with the Cattolica Lifeguard Cooperative, to promote a responsible approach to bathing. Held in the summer of 2024, the initiative seeks to prevent maritime accidents and promote sound safety practices, thereby guaranteeing enhanced protection for swimmers and tourists.

The support from Cherry Bank will be enhanced by the presence of the Cherry Bank logo on the uniforms of the Cooperative's 23 lifeguards and on the informational signs along the beach. The project involves the organisation of three public training and dissemination meetings on **bathing rules**, **safety,** and the **role of operators**.

Project: Concert "It's Christmas Time!" in support of Fondazione Foresta ONLUS

During the 2024 Christmas holidays, Cherry Bank sponsored the benefit concert **"It's Christmas Time!"** in support of **Fondazione Foresta ONLUS**, with the total proceeds from the sale of concert tickets donated to research for the **prevention of diseases related to the endocrine and reproductive systems**. To the amount collected, the Bank added **Euro 5,000** as a **donation**.

Project: Donation to AIL Padua for the "Farmacista di Reparto" (Ward Pharmacist) project

AIL Padua is always at the side of **adult and paediatric leukaemic patients**: along with promoting, developing, and disseminating scientific research on leukaemias and other malignant blood diseases, it remains dedicated to enhancing the services of the Paediatric Oncohaematology Clinics of Padua, as well as the Adult Haematology Clinics of Padua and Camposampiero, and to providing care, accommodation, and support to both young and adult haematological patients and their families.

In support of their work, in 2024, Cherry Bank decided to support the highly specialised **"Farmacista di Reparto"** project, aimed at supporting the cancer patients of the Hospital of Camposampiero at the U.O.C. of Camposampiero through a donation of **Euro 10,000** to the**AIL Section of Padua**.

Project: MitoAward branded Cherry Bank

In October 2024, the **14th edition** of the **MitoConference** took place in Padua, a conference dedicated to mitochondrial diseases and aimed at both medical personnel and patients and their families.

During the three-day Conference from 25 to 27 October, space was given to the assignment of the **MitoAwards**: 5 awards aimed at young researchers in the field of mitochondrial research.

Cherry Bank has decided to continue to support the important work of MITOCON by sponsoring the award dedicated to the **"Best scientific publication for young researchers"**.

Project: XV Sailing Regatta "Guglielmo Marconi Lions Trophy" for ADA APS

On 22 September 2024, the **XV Sailing Regatta "Guglielmo Marconi Lions Trophy"** was held in Cattolica, promoted and organized by the Lions Clubs of the 108 A, 108 Tb and 108 LA Districts, Circolo Nautico Cattolica, and Fondazione Guglielmo Marconi.

The funds raised on this occasion were **donated to the Paediatric Oncohaematology Department of the Infermi Hospital in Rimini**.

Thanks to Cherry Bank's donation of **Euro 2,500**, which was added to those of the other sponsors, an electric sub-intensive care bed worth more than Euro 10,000 was purchased.

Project: 6 red benches to say NO to violence against women

On the occasion of the **International Day for the Elimination of Violence against Women**, Cherry Bank has launched an important awareness-raising project, donating **6 red benches**, a symbol of the fight against gender violence, to the **Municipalities of Padua, Cattolica and Morciano di Romagna**.

In Padua, the benches were installed in Piazza Aldo Moro at the Net Center (opposite the Bank's headquarters), in the Cavalleggeri Playground of Corso Milano; in Parco delle Farfalle at Via Bajardi, and in the green area on Via Zize. In Morciano, the bench was installed in Piazzetta Ferri, while in Cattolica it was installed in Robinson Park.

Each bench has been equipped with a plaque showing the toll-free anti-violence and stalking number 1522, which is active 24 hours a day to offer immediate support to women who need it. In all three cities, inaugurations were held in the presence of representatives of the Bank and local municipal administrations.

The red benches project is not just a symbolic act but a concrete commitment in the fight against all forms of violence, with the aim to promote a more inclusive, equitable, and respectful society towards the rights of all women.

This initiative is part of a broader process, undertaken in 2023 and continued in 2024, which includes, among other initiatives of the Bank, adherence to the **Memorandum of**

Understanding between the Ministry for Families, Birth Rate and Equal Opportunities and ABI, as well as the creation of the **"Pink" plan**: a current account dedicated exclusively to women and not able to be jointly held. Both projects aim to prevent and combat violence – not only economic – against women.

Project: "È + DI UN GIOCO, È x TUTTI" (It's more than a game, it's for everyone): new inclusive playground ride in Morciano di Romagna

On the occasion of the participation of **Cherry Bank** at the **Ancient Fair of San Gregorio**, historic village festival of Morciano di Romagna, the Bank launched the **project "È + DI UN GIOCO, È x TUTTI"**, which had as its ultimate goal the donation of a **new inclusive playground ride** at a chosen urban park in the local community.

The Conca urban park, a green lung and landmark for the community of Morciano di Romagna, has been selected and is now equipped with the new playground.

It is a **small, inclusive village**, suitable for **children up to 12 years old**, formed by a set of different structures connected by a **path accessible also by children with disabilities**, which was officially inaugurated in September 2024 with a ceremony open to the public attended by Giovanni Bossi, CEO of Cherry Bank, and the mayor of Morciano di Romagna, Giorgio Ciotti.

The solidarity initiative not only aims to **strengthen Cherry Bank's link with the territory**, but also confirms its **ongoing commitment to improving well-being** and **promoting a more inclusive environment in the community**, as well as in the Bank's daily working life.

cherry way

Project: Cherry way to Christmas 2024

Cherry way is the **line of accessories** reserved exclusively for the *cherries*, which is refreshed and expands from season to season. Each Cherry way collection is conceived, designed and produced with the contribution of multiple **organisations engaged in the social sector** and with the **responsible use of materials**. No fabric is purchased for production: all materials come from **sample books**, **leftovers** and **small pieces of recovery**. This production model prevents waste and ensures a completely circular process, making each item unique or available in limited series.

In 2024, Cherry way created the autumn-winter collection in collaboration with **Gomito a Gomito** and **Banco Lotto N° 10**, tailoring workshops in which women detained in the **Bologna District Prison** and in the **Venice-Giudecca Women's Prison**, respectively, work. The selection of materials and creative coordination were overseen by the social cooperatives **Baumhaus** and **Il Cerchio**, with the aim of promoting the social and professional reintegration of the people involved. The collection included four items: **coin purse, placemat, apron and plaid blanket**, characterised by the use of **denim and tartan fabrics** as distinctive elements.

For the second consecutive year, the capsule collection has been associated with the Cherry way to Christmas solidarity initiative. Through this initiative, each *cherry* had the opportunity to obtain one or more pieces of the collection in exchange for a **donation intended for charitable purposes**. In 2024, the funds raised were donated to the **University of Padua** for the financing of three projects:

- the *Students at Risk* scholarships, to support international students in dangerous situations (Euro 1,906 collected);
- the *Bostrico Emergency Project*, aimed at protecting forests (Euro 1,438 collected);
- the *Inclusion and Disability Fund*, for improving access to university education (Euro 2,365 collected).

In total, the initiative has made it possible to collect and allocate **Euro 5,709** in support of these projects.

Project: Donation to ASD Amatori Atletica Chirignago

In accordance with the **Company Welfare Regulations**, in cases of termination of employment during the year, Cherry Bank retains any unused residual welfare credit and allocates it to a charity. For 2024, the total amount of **Euro 17,416.99** was donated to the fundraising #*CorriamoConAlberto*, promoted by **ASD Amatori Atletica Chirignago** through the Rete del Dono platform.

ASD Amatori Atletica Chirignago is an amateur sports club that has been active for over 25 years in the Municipality of **Venice**. The fundraising aims to support Alberto, Deputy Chair of the company and a person suffering from **ALS (Amyotrophic Lateral Sclerosis)**, a serious neurodegenerative disease. The financial contribution is intended to offer concrete help to Alberto and his family, accompanying them on this journey.

Donation to Cucine Economiche Popolari of Padua

Cherry Bank supports the communities it is present in, even with small but significant gestures. In 2024, the Bank donated **116 glasses and 17 glass bottles** to **Cucine Economiche Popolari of Padua**, a structure managed by **Fondazione Nervo Pasini** and committed to providing tangible support to people in difficult situations. The objects, personalised with the **Bank's logo**, had **slight aesthetic defects** that had precluded their internal use, but they were still **perfectly functional**.

EDUCATION AND ACCESS TO THE WORLD OF WORK

Experior project of the Management Department – Ca' Foscari University of Venice

Experior is a training project **by Ca' Foscari University of Venice** that aims to create a **connection between the University and the world of work.** The project seeks to enhance students' skills and knowledge by integrating their university education with the challenges of the economic-productive sector and societal evolution. In collaboration with firms, organisations, and specialists, teachers and students tackle real business cases, crafting effective solutions in line with the Company's vision and values. For the 2021-2022 edition, we participated with a focus dedicated to the use of artificial intelligence in the finance sector, and for the 2022-2023 edition, with a focus dedicated to the analysis and integration of sustainability risks in investment processes. In 2024-2025, the project underwent further evolution by involving university students at the Venice School of Management. The students were involved as evaluators of the applications received for the first competition organised by Cherry Bank and dedicated to Made in Italy. **The students analysed the applications received for the initiative** according to a template developed during the course "Digital Entrepreneurship: social impact and sustainability". Consequently, they have drawn up a shortlist with a proposed ranking of potential winners for the "Cherry Excellence" first prize.

Financial education project in collaboration with FEduF

As every year, also for 2024, the Bank continues to support **Fondazione per l'Educazione finanziaria e al Risparmio (FEduF)**, created by ABI to contribute concretely to the **widespread dissemination of financial education** throughout the territory.

Sustainability, civil economy and digital payments were the macro-themes on which the training projects, designed together with FEduF, were structured.

Project: RileggiamoCi

Following the merger by incorporation of **Banca Popolare Valconca**, Cherry Bank had access to the **archives** of the offices in **Morciano di Romagna (RN)**, finding inside a real **library** consisting of **more than 15,000 books**, or the remaining copies of the publications made by **local authors** with the support of BPV **between 1992 and 2020**, and linked in particular to the **history** and **culture** of the **Romagna-Marche territory**.

"**RileggiamoCi**" is the title of the first of the initiatives we have created in order to share and safeguard this invaluable literary heritage and thus help it acquire a **new social value**. On **Monday 7 and Tuesday 8 October 2024**, we allowed access to the offices of Via Bucci for **private citizens and local authorities** – schools, libraries, cultural associations, pro loco, day centres – offering them the **free collection** of books. In total, **over 2,700 books** have been donated to **60 individuals** of the Banca Popolare Valconca territory.

Overall, Cherry Bank employed **Euro 120,625**.

Metrics and objectives

OBJECTIVES FOR THE FUTURE

One of the pillars of Cherry Bank's first **2023-2025 Sustainability Plan** is **"Cherry Planet"**. This pillar, among its commitments, provides for the creation of shared value in the territory in which the Bank operates. The commitment has resulted in the implementation of more than **20 projects in favour of the social and cultural development of the communities and territories** that are part of the 4 strategic guidelines: "Urban regeneration and biodiversity", "Cultural innovation and entrepreneurship", "Care for the common good" and "Education and access to the world of work".

S4 – End users and consumers

Relevant impacts, risks and opportunities

The following table details the **impacts, risks and opportunities,** in relation to the thematic standard **S4 End users and consumers**, which emerged as **relevant** in the double relevance analysis process together with the **management methods implemented by Cherry Bank.**

Sub-theme	Sub-Sub-theme	Impacts[1]	Risks	Opportunities	Main management methods
Impacts related to information for consumers and/or end users Social inclusion of consumers and/or end users	Confidentiality Freedom of expression Access to (quality) information Access to products and services Responsible business practices	(−) Violation of customers' right to privacy due to the loss of data and confidential information **[OP; POT; BT]** (+) Protection of customers' freedom of expression thanks to reporting/complaint systems **[OP; E; MT]** (−) Customer dissatisfaction due to the absence of adequate information **[OP; POT; MT]** (+) Access to financial services through a model aimed at facilitating the needs of different types of customers (e.g. digital platforms, telephone help desk, branches, website for the blind, etc.) **[OP; E; MT]** (+) Access to financial services thanks to the promotion of initiatives that offer preferential credit for businesses **[OP; E; MT]** (+) Financial inclusion thanks to the support offered to customers in the unsecured market aimed at restructuring their credit profile **[OP; E; MT]** (−) Purchase choices that are inconsistent with the real needs of the customer, influenced by unfair, deceptive and/or aggressive business practices, including greenwashing or social washing on products **[OP; POT; MT]**	-	-	Code of Ethics Personal Data Protection Policy IT Security Policy Policy for handling disputes arising from customers Banking Transparency Policy Sustainability Policy Policy for the design, analysis and development of products and services Adequacy and appropriateness policy for MiFID purposes, MiFID Questionnaire Policy

[1] (+) = positive impact; (−) = negative impact; OP = Own Operation; DS = Downstream; E = actual impact; POT = potential impact; BT = short-term impact; MT = medium-term impact; LT = long-term impact.

All consumers and end users who may suffer significant impacts from the company **are included in the scope of the disclosure**.

Cherry Bank **identifies the customers** (corporate and retail) and **customer-debtors** as **consumers and end users**. Consequently, the Bank does not have consumers or end users of products that are inherently harmful to individuals and/or increase the risk of chronic illnesses.

Customers and customer-debtors can be affected by the impacts generated by Cherry Bank's operations. In particular:

- all customers may potentially suffer negative impacts related to their confidentiality, access to quality information, and the management of business practices;
- all customers need accurate and accessible information about products and services;
- customer-debtors are more financially vulnerable.

The **relevant negative impacts** are connected to individual potential incidents related to sustainability issues such as i) **Confidentiality** (e.g. loss of data and confidential information), ii) **Access to quality information** (e.g., lack of adequate information about a product or service), iii) **Responsible business practices** (e.g., purchase choices inconsistent with the real needs of the customer, influenced by unfair, deceptive and/or aggressive business practices).

The **relevant positive impacts** are **related to sustainability issues** such as i) **Freedom of expression** (e.g. availability of reporting/complaint channels), ii) **Access to products and services** (e.g. thanks to the response model to different customer needs), and **concern all types of customers**. Specifically, concerning sustainability issues related to Access to products and services, there are distinct positive impacts depending on the type of customer and the nature of the business or service provided.

There are no relevant risks and opportunities.

No types of customers that may be more exposed to risks are identified.

Policies

Cherry Bank has developed policies aimed at ensuring the effective management of relevant sustainability issues impacting customers. In addition to the Code of Ethics and the Sustainability Policy that recall its approach and general guidelines, the main policies for the management of impacts related to the topics "**Impacts related to information for consumers and/or end users**" and "**Social inclusion of consumers and/or end users**", are the Personal Data Protection Policy and the IT Security Policy, the Policy for handling disputes arising from customers, the Banking Transparency Policy, the Policy for the design, analysis and development of products and services, the Adequacy and appropriateness policy for MiFID purposes, MiFID Questionnaire Policy.

CODE OF ETHICS

Cherry Bank's commitment to **Impacts related to customer information** and to the **Social inclusion of its customers** is grounded in the Bank's Code of Ethics, where the rules of conduct guiding customer relations have been defined.

Relations with customers are characterised, on one hand, by **diligence, correctness, and transparency of behaviour** to increasingly consolidate the relationship of trust between the Bank and its customers, on the other hand, they are characterised by **confidentiality, professionalism, and quality of services** to protect the customer's interest. Cherry Bank pays particular attention to access by people working with the Bank to the best training and correct information, which can generate quality services available to customers to whom we transmit complete, accurate and appropriate information, avoiding elusive and incorrect policies, in compliance with external regulations in force from time to time on Product Oversight and Governance (so-called POG) for retail banking products. Cherry Bank has further enhanced its website to be more accessible to individuals with physical and cognitive disabilities by adapting its interface to allow many potential users with sensory, physical-motor, or neurological-cognitive challenges to access content, as an accessible web ensures many people have the opportunity to enjoy online content and services.

With particular reference to customer-debtors, the Bank works to find sustainable solutions aimed at promoting the **restructuring of the credit profile of customer-debtors** and is committed to listening, customisation, continuous observation and the construction of relationships based on transparency, professionalism, fairness, equity, and impartiality. Cherry Bank is committed to maintaining relationships with customer-debtors in accordance with current personal data protection regulations, while ensuring the safeguarding, discretion, and respect of their private life and home, avoiding threats, harassment, or intimidation intended to compel payment of debts. Transparency is also evident whenever the customer-debtor seeks clarifications and understanding regarding their debt status and repayment methods.

Cherry Bank is committed to ensuring the **respect** and **dignity** of every customer, recognising their fundamental rights. Cherry Bank firmly believes that respect for **Human Rights** is an indispensable principle to apply in all human interactions, and that every customer deserves to be treated with dignity and without any form of discrimination, ensuring fair access to credit and banking services, while consistently providing an accurate assessment of creditworthiness. The Bank does not engage in economic activities that might infringe on fundamental human rights, endanger health, the environment, or peaceful coexistence, and additionally avoids supporting activities that could harm fundamental rights and freedoms or impede human development, such as the exploitation of child labour or forced prostitution. Currently, the tool by which compliance with Human Rights can be monitored is the whistleblowing procedure that the Bank has adopted. This procedure indeed allows for the reporting of violations related to this matter, as specified by the Code of Ethics and the Organisation, Management and Control Model pursuant to Legislative Decree No. 231/07.

With reference to the **protection of privacy**, Cherry Bank undertakes to process any data acquired in the performance of its business in compliance with the principles of confidentiality, integrity, and availability. In this regard, the Bank implements safeguards to mitigate the level of risk arising from the processing of such data (destruction, loss, alteration, unauthorised disclosure, etc.), ensuring the confidentiality of personal and sensitive data in its possession, in accordance with the current legislation in force on the matter (EU Reg. 2016/679 "GDPR", Legislative Decree No. 196/03 and subsequent amendments).

To date, there have been no reported cases of human rights violations involving customers in Cherry Bank's direct operations. In case of reports, the Bank is ready to activate its remediation mechanisms[54].

IMPACTS RELATED TO INFORMATION FOR CONSUMERS AND/OR END USERS

Protection of privacy and IT security

Cherry Bank believes that the **protection of personal data is a strategic element and a mandatory principle**, as it is crucial to strengthen customers trust and sense of security. In a context where **services are increasingly computerised and cyberattacks are on the rise**, IT security has become an increasingly sensitive issue also from a regulatory point of view. Consequently, Cherry Bank ensures the responsible use of customer and employee data, fully adhering to the regulatory framework and the latest and most advanced security standards.

54. See ESRS G1-1, for further details on the minimum reporting requirements of the Code of Ethics.

To this end, **numerous reference documents and policies have been developed and adopted for data management and cybersecurity processes, as well as for the management of IT security incidents and data breach**[55].

Personal Data Protection Policy

The internal Personal Data Protection Policy (GDPR Policy) defines the guidelines to which the Bank adheres in carrying out any activity that involves the processing of personal data, even in the event of security incidents and data breaches. The provisions contained in the GDPR Policy are intended to ensure that the processing of personal data takes place in compliance with rights and freedoms. It is also required to sign a deed of appointment as **Data Processor** whenever a supplier of the Bank processes personal data on its behalf; this deed governs the activities that the supplier can/must carry out on the data, ensuring the lawfulness and minimisation of the processing, and it defines the aspects of the supplier's collaboration with the Bank, even in cases of suspected or actual security incidents that have an impact on personal data.

The GDPR Policy applies to all **employees** and to **collaborators and/or assimilated subjects** who are involved within the scope of their respective competencies and activities.

The Internal Policy is **approved by the Board of Directors** on the proposal of the Data Protection Officer (DPO). Internal procedures are drawn up by the Privacy & Data Protection O.U. with the support of the Organization O.U. and approved by the latter.

The GDPR Policy aims to ensure the protection of such data in line with the relevant legislation, including the GDPR Regulation (EU Reg. 2016/679), national legislation on the protection of personal data (in the first place, Legislative Decree No. 196/2003, so-called Privacy Code, as amended and supplemented, in particular, by Legislative Decree No. 101/2018), the Measures and guidelines of the Guarantor Authority on the protection of personal data, the Guidelines and the Opinions of the European Data Protection Board (EDPB), formerly a Working Group pursuant to Article 29 or WP29.

The **Bank offers all interested parties a summary of its policies** on the protection of personal data in its privacy policies, within the limits of what is relevant with respect to the provisions of **Articles 13 and 14 of the GDPR.**

55 See ESRS S4 – 1, for further details on the minimum reporting requirements for the management of IT security incidents and data breaches.

Information Security Policy

The **Information Security Policy** of Cherry Bank governs the Information Security Management System (ISMS). Its implementation is fundamental in relations with the Bank's stakeholders, including the customers. In addition to the definition of the aforementioned Policy, within its ISMS, Cherry Bank:

- issues the necessary safety regulations so that the company organisation can conduct its activities safely;
- conducts the analysis of the security risks of company processes and infrastructures and the analysis of the risks inherent in physical security and safety at work;
- defines the Business Continuity Governance System for the achievement of operational continuity objectives;
- promotes a culture of safety through personnel training and awareness-raising;
- ensures the implementation of compliance with laws and safety regulations;
- defines the roles and security assignments;
- performs monitoring and internal controls in the matter of security.

The Information Security Policy is addressed to **the entire organisational structure of the Bank** and is **approved by the Board of Directors** subject to validation by the Chief Executive Officer.

The Information Security Policy is drawn up in accordance with the provisions of **Circular No. 285 of 2013** by the Bank of Italy and the EBA Guidelines on the management of risks related to information and communication technology (ICT) and security.

FREEDOM OF EXPRESSION

For Cherry Bank, **complaint management represents an opportunity to establish a relationship of mutual satisfaction with the customer**, collecting **useful feedback to improve the quality of the services offered**. The Complaints Management Office is responsible for monitoring and evaluating the quality of services by analysing the types and number of complaints received over time regarding the Bank's products and services, as outlined in the "Policy for handling disputes arising from customers".

Policy for handling disputes arising from customers

The **Policy for handling disputes arising from customers (Disputes Policy)** defines the guidelines adopted by Cherry Bank in relation to the management of complaints and, more generally, to the out-of-court resolution of disputes that may arise with customers. The Bank believes that effective dispute management mechanisms can contribute to the achievement of **objectives** such as:

- maintaining a relationship of trust with the customer;
- identifying any critical issues in the products and services offered and in the methods of sale;
- reducing litigation.

The Disputes Policy regulates the process of handling customer complaints, identifying the **methods and timescales for handling** them and the **main interaction activities** between the structure in charge of handling complaints and the other corporate structures involved, as well as defining the main tasks assigned to the functions responsible for controls in order to verify the functionality of the Complaints Management O.U. and establishing frequency, methods, and recipients of reporting. Therefore, the criteria for handling customer disputes, the relations between the Complaints Management O.U. and the other company structures involved in handling disputes, as well as the tasks assigned to the functions responsible for controls are defined. For the purposes of **monitoring** the activity carried out, the Disputes Policy provides for the preparation of periodic reports on a quarterly, half-yearly and annual basis.

The Disputes Policy is distributed to **all the Bank's organisational units**, even if they are not directly involved in the complaints management process, and is **approved by the Board of Directors**, on the recommendation of the Chief Executive Officer.

The Policy is drawn up in accordance with the main legislation on the subject, including: Legislative Decree No. 385/1993, Article 128-bis – Dispute resolution; Supervisory provisions on out-of-court dispute resolution systems for banking and financial transactions and services, issued by the Bank of Italy on 18 June 2009 and subsequent amendments and additions; Provision of 29 July 2009 "Transparency of banking and financial transactions and services. Fairness of relations between intermediaries and customers" and subsequent amendments and additions; Legislative Decree No. 28 of 4 March 2010 "Implementation of Article 60 of Law No. 69 of 18 June 2009 on mediation aimed at the conciliation of civil and commercial disputes"; Communication of the Bank of Italy of 14 March 2016 "Controls on the functionality of the complaint offices of banks and financial intermediaries. Good practices and profiles that can be improved" and its Annex "Organization and functioning of complaint offices: good practices and critical issues identified in the control activity".

ACCESS TO QUALITY INFORMATION

In interactions with its stakeholders, including customers, Cherry Bank is committed to providing communications and information that are clear, comprehensible, and accessible. Simplicity and transparency of information are crucial elements for building effective communication, which is fundamental for establishing a trusting relationship with the customer. In 2022, the Bank created the Transparency Office with the objective of overseeing the management of obligations related to the transparency of product information for customers.

Banking Transparency Policy

The **Banking Transparency Policy** (Transparency Policy) defines the roles, responsibilities, and guidelines that Cherry Bank S.p.A. has assigned and adopted to ensure its customers receive clear and accessible information, which guarantees the accurate perception of all costs associated with the services offered, their easy comparability with offers from other intermediaries, the understanding of the rights afforded to customers, and the ways in which they can be activated and applied in practice.

The Transparency Policy is **periodically evaluated** to verify its adequacy and effectiveness and to remedy any deficiencies found. In these audits, the **Compliance & AML** function is involved, in addition to the **Internal Audit**, which carries out the third-level audits of competence, with the intervals provided for in its three-year plan, reporting the results to the Corporate Bodies through specific information flows provided for by the relevant Regulations.

The Policy is **addressed to the entire organisational structures of the Bank** and is **approved by the Board of Directors**, subject to validation by the Chief Executive Officer.

The Transparency Policy is **drawn up in accordance with the main legislation on the subject**, including: Directive 2014/92/EU (PAD) and its transposition provisions; Directive 2015/2366/EU (PSD2) and its transposition provisions; Provisions for the implementation of the EBA Guidelines on governance and control arrangements for retail banking products; Legislative Decree No. 385 of 1 September 1993 – Consolidated Law on Banking and Credit (TUB); Provision of 29 July 2009 "Transparency of banking and financial transactions and services" (and related Annexes) and subsequent amendments.

The Policy is made available to personnel through publication on the **company intranet**.

SOCIAL INCLUSION OF CONSUMERS AND/OR END USERS

Access to products and services

Sustainability Policy[56]

As part of the Cherry Core Pillar of the Sustainability Policy, Cherry Bank recognises the importance of **digitisation** as a fundamental pillar for the creation of a valuable relationship with its stakeholders, including customers and end users, capable of responding to different needs and promoting **accessibility** to the financial products and services offered by the Bank and related information. Cherry Bank, in fact, **invests in cutting-edge and secure technological tools**, with the aim of meeting customers' needs, positioning itself as an innovative banking provider on a national level, and ensuring the maximum security in all online transactions and applications. In addition, the Bank is committed to **supporting the social and economic well-being of the territories in which it operates**, by developing **tailored financial solutions aimed at promoting business support and financial inclusion**.

RESPONSIBLE BUSINESS PRACTICES

The product governance framework adopted by the Bank is structured in the **Policy for the design, analysis and development of products and services** and in specific product governance policies, in relation to the type of product developed and/or distributed by Cherry Bank, including i) the **Product Governance Policy for Investment Services (IBIPs)** and ii) the **Product Governance Policy for Insurance Products**.

56. See ESRS E1-2, for further details on the minimum reporting requirements of the Sustainability Policy.

Policy for the design, analysis and development of products and services

The Policy for the design, analysis and development of products and services aims to define the guidelines, key principles, and drivers that Cherry Bank adopts in the processes of entering new markets, approving new products and services, and starting new businesses. The Policy **applies to all proposals for new products or services, substantial changes to existing products, and variants, at least until the conception phase**. Cherry Bank particularly considers and integrates environmental, social, or governance (ESG) factors in shaping the features of new products or services, as well as in establishing their associated processes, to mitigate risks linked to these issues. This approach aims to enhance awareness and transparency regarding the necessity of developing sustainable business models that contribute to the economy and society's progression towards exemplary standards of social inclusion, environmental protection, and resilience to both external and internal shocks.

The Policy is addressed to **the entire organisational structures** of the Bank and is **approved by the Board of Directors**, on the recommendation of the Chief Executive Officer.

The Policy, drawn up in accordance with the provisions of Bank of Italy Circular No. 285 of 2013 on the subject, is made available to personnel through publication on the **company intranet**.

Adequacy and appropriateness policy for MiFID purposes, MiFID Questionnaire Policy

The **Adequacy and appropriateness policy for MiFID purposes** and the **MiFID Questionnaire Policy** define the processes and tools for assessing adequacy and appropriateness for MiFID purposes. The objective of these processes is to identify and categorise customers based on their financial knowledge and experience, investment objectives (including risk appetite), and financial situation, with a particular emphasis on their ability to sustain potential losses. The Bank uses a "multivariate" approach to assess adequacy, characterised by the comparison of numerous variables related to the customer's attributes and the financial products/services offered to them. All assessments are conducted whenever Cherry Bank provides investment advisory or portfolio management services by comparing the characteristics of the individual financial instrument with data concerning the customers' financial knowledge and experience, their synthetic risk profile, their investment objectives, and their sustainability preferences.

The Policies are addressed to **the entire organisational structures of the Bank** and are both **approved by the Board of Directors**, on the recommendation of the Chief Executive Officer.

The Policies are adopted in accordance with the MiFID II Directive and are made available to personnel through publication on the **company intranet**.

Processes to remediate negative impacts and channels to access for raising concerns

PROTECTION OF PRIVACY AND IT SECURITY

The **IT security incident management process** ensures timely management of anomalous events that could have impacts on the Bank's ICT assets and services. This process allows the recognition and management of anomalous events by the relevant structures. The **ICT Organisational Unit** manages such events in collaboration with any other organisational units involved, depending on the scale and type of the event. In line with the principle of accountability, the **Privacy & Data Protection Function**, in collaboration with the relevant organisational units, compiles and updates a Breach Register to record any personal data breaches, irrespective of whether they require notification to the Guarantor Authority.

Cherry Bank provides **appropriate channels** for stakeholders, including customers and employees, to communicate their concerns or needs. In this regard, **Certified Electronic Mail or dedicated email addresses** are provided, such as:

- reclami@cherrybank.it for Complaints via e-mail;
- reclami@pec.cherrybank.it for Complaints via Certified Electronic Mail;
- privacy@cherrybank.it for Privacy-related contacts via e-mail;
- privacy@pec.cherrybank.it for Privacy-related contacts via Certified Electronic Mail;
- cherrybank@pec.cherrybank.it for general contacts via Certified Electronic Mail;
- facetoface@cherrybank.it for Cherry Face to Face current account customer service via e-mail;
- Telephone number +39 0521 1922214 for Cherry Face to Face current account customer service via voice;
- contoonline@cherrybank.it for online current account customer service via e-mail;
- 800 098 522 for online current account customer service via voice for calls from Italy;
- +39 011 2272140 for online current account customer service via voice for calls from abroad.

The communication channels mentioned above are constantly overseen by the internal organisational structures in charge.

The availability of telephone infrastructures is ensured by the telephone providers used and contracted by Cherry Bank. Cherry Bank's mail systems ensure the availability of the e-mail infrastructure. For Certified Electronic Mail channels, the Bank relies on providers such as Aruba and Infocert, which ensure infrastructure redundancy and service levels appropriate for the organisation.

The Bank, through the privacy policies published on the institutional website, provides the **contact details of the Data Controller** that are useful to customers for making privacy requests. In the section dedicated to privacy on the Bank's website, the **form for exercising the rights of the data subject** is also made available, which can be used to support customer requests in this regard.

The channels described above **are constantly monitored** to ensure timely acceptance and management of requests that, once received, are mapped within a register used by the Privacy & Data Protection Office. All requests are handled in such a way as to provide feedback to the applicants within the time limits set out in Article 12 of GDPR.

FREEDOM OF EXPRESSION

The **Complaints Management Office** monitors and assesses the quality of the services provided by analysing the type and number of complaints received over time regarding Cherry Bank products and services.

Complaints, which may concern the NPL, Tax Credits, and Banking Services segments, are recorded and numbered in the **Register** kept by the Complaints Management Office and managed within the deadlines provided by law, which vary depending on the subject matter of the dispute.

The response provided by the Bank will acknowledge the possible validity of the claim and the consequent initiatives that the Intermediary commits to take or the possible lack of foundation of the same, indicating in this case the possibility of going to the **Financial Banking Arbitration** or the **Arbitrator for Financial Disputes** or other forms of out-of-court settlement of disputes.

Once the communication is acknowledged, the Complaints Management Office updates the Register by entering the information regarding the outcome of the dispute. Should any corrective actions fall under the responsibility of organisational units other than the Complaints Management O.U., the latter monitors its adoption.

The Complaints Management Office prepares:

- on a quarterly basis, a **disclosure** addressed to the **Compliance Function**, regarding the **complaints received** during each quarter;
- on a half-yearly basis (Half-Year Report and Annual Report), a **report on the management of the complaints received**, giving an account of the activities performed, with particular regard to the number, type, and outcome of the complaints and reports received, as well as of the appeals presented to Arbitrato Bancario Finanziario (ABF, Banking and Financial Arbitrator), the Arbitro per le Controversie Finanziarie (ACF, Arbitrator for Financial Disputes), and the notified mediations and civil negotiations; the **Half-Year Report** on the activities carried out in the first half of the year is shared with the Chief Executive Officer, submitted in advance to Compliance, and also sent for information to Risk Management, Internal Audit, and CCRS, and subsequently presented to the Board of Directors; the **Annual Report** is shared with the Chief Executive Officer and sent for information to the Board of Statutory Auditors, CCRS, Risk Management, and Internal Audit, and subsequently, presented to the Board of Directors;
- an **annual report** on the complaint management activity, complete with the relevant data, is prepared for publication on the website. This report is sent for review to the Chief Executive Officer and the Compliance function.

The Complaints Office handles **communications from customers in written form through various channels** (email, certified electronic mail, ordinary mail, registered mail and fax) that contain a specific dispute. Therefore, requests for information and/or documentation and/or simple grievances are not taken into account. In particular, the "Complaints" section of the website provides guidelines on the procedures and channels, along with the documentation and instructions necessary for submitting complaints.

Customers may lodge a complaint according to the **specific procedures set out in the "Complaints" section of the website**, which specifies the channels through which they can submit their complaints (e.g., by email, certified electronic mail, ordinary mail, registered mail, and fax).

The channels referred to in the previous point are **constantly monitored** by the Complaints Management Office to ensure the timely handling of the dispute. Disputes received are recorded in the Complaints Register used by the Office, a tool that allows the type of dispute to be monitored by identifying any critical issues related to products and processes.

The structures and processes for the submission of complaints by customers are published in the **dedicated section on the Bank's website** https://www.cherrybank.it/reclami/. Here, the contact numbers useful for the different needs of customers (for example, customer service) are also provided.

Actions

IMPACTS RELATED TO INFORMATION FOR CONSUMERS AND/OR END USERS

Protection of privacy and IT security

Protection of privacy

During 2024, Cherry Bank:

- continued to **monitor processing operations in order to prevent and detect possible violations without delay**, also by means of specific provisions in the acts appointing the Data Processors;
- carried out **training courses** aimed at spreading **a culture related to IT security and the processing of personal data** with the intention of making its commitment increasingly concrete and structural, increasing the level of attention and awareness regarding risks and potential threats in this area;
- following the in-depth study of the regulatory aspects of data protection carried out in 2023, more attention was paid to IT security and the prevention of **data breaches**, with a particular focus on **combating phishing**.

In 2025, the Bank plans to continue with personnel training and awareness efforts through targeted deep dives, aimed especially (but not only) at new recruits, in addition to implementing defined processes, such as treatment monitoring, to consistently ensure high levels of attentiveness, responsiveness, and overall compliance.

IT security

In the field of **IT security**, during 2024, Cherry Bank:

- has **strengthened the IT security supervision**, by introducing a senior resource into the team;
- has **ensured the continuity of IT security training**, with initiatives such as the interactive Escape from Cyber Palace course, the Cyber Gym programme, the Digital Culture – Defending Yourself against Cyber Risks course, and phishing and vishing simulation campaigns to test personnel responsiveness to cyberattacks, which have **allowed areas for improvement to be identified and security measures to be strengthened**; in this context, the **training** focused on **strengthening user awareness** about widespread attack scenarios and potential daily occurrences. In 2024, a total of **1,032.5 hours of IT security training**, attended by **all employees** of Cherry Bank, was provided;
- has approved the **Information Security Awareness and Training Plan**, which introduces a session on the main **scenarios of** cyber crime mandatory for Top Management and a new IT security course mandatory for all employees, available on the company intranet;
- has implemented new security measures such as the **Security Operation Centre (SOC)** for continuous monitoring of cyber-attacks, an **Identity Governance (IDM)** solution, a **platform for the secure management of Certified Electronic Mail**, and a **control system for corporate mobile devices**;
- has updated the **Strategic IT Security Plan**, in line with the DORA (Digital Operational Resilience Act) Regulation, with a focus on strengthening network and mobile security and information protection.

In 2025, more people are planned to join the team, further training is planned for the *cherries* and the regulatory adaptation plan will continue in order to ensure compliance with the new DORA requirements.

In terms of **Business Continuity,** in the course of 2024, the Bank **expanded the Business Impact Analysis (BIA)** by including the processes acquired with Banca Popolare Valconca and updating the Business Continuity document framework.

In the field of **anti-fraud**, during 2024, **communication was improved with Corporate and Retail customers to raise awareness of risks**. In 2025, the evolution of the anti-fraud solution is planned to ensure greater protection, even for SCT Instant transfers.

Resources allocated to "IT security" actions

Within the Cherry Bank organisation, the responsibilities for ensuring privacy and IT security are allocated as follows:

- the **ICT** Organisational Unit continuously oversees IT security and participates in IT risk assessment; it resides within the broader organisational area of Organisation, ICT and HR, reporting to the Body with Management Function;
- **Privacy & Data Protection** oversees the issues and requirements related to compliance with the obligations provided for by current legislation on the protection of personal data; the function is located within the broader organisational area of Legal & Corporate Affairs;
- a **Data Protection Officer** (**DPO**) has been appointed internally, who performs the tasks set out in Article 39 of Regulation (EU) 2016/679.

Freedom of expression

Complaints Management

During 2024, **the Complaints Management Office** launched a project aimed at adopting a management system to improve and optimise the **complaints management process** which will become fully operational during 2025.

Access to quality information

The Compliance function periodically carries out **checks on the transparency of banking and financial transactions and services** as required by the relevant regulations. This aims to ensure ongoing adherence to both external and internal regulatory requirements relating to the Bank's obligation to inform its customers.

The checks carried out confirmed the substantial **fairness of the operations** of Cherry Bank; a few sporadic examples of incorrect application of economic conditions were identified, for which the Bank promptly provided customers with the appropriate refunds.

SOCIAL INCLUSION OF CONSUMERS AND/OR END USERS

Access to products and services

Digitisation

Since its foundation, Cherry Bank has chosen to invest in the implementation of **innovative and secure technological tools**. It operates through a **solid and open IT architecture**, which integrates the core banking processes with specialised vertical solutions that serve the various businesses in which it operates and where customised market solutions are considered strategic. This path of implementing IT solutions and tools is crucial to:

- respond to customer needs and welcome the new ones;
- pursue the strategic goal of positioning itself in a short time as a banking operator capable of offering innovative solutions to the entire country;
- always ensure maximum security of online transactions and applications delivered to digital customers.

Cherry Bank as a "Digital Bank"

In 2024, **Cherry Bank**:

- consolidated its **Digital Bank model**, offering a fully digital current account opening process with electronic signature; the offer includes current account, Nexi debit, time deposit and deposit account in both free and recall modes. In addition, the possibility to **renew identity documents and update the due diligence form via internet banking** has been extended to Retail customers, reducing access to branches. Internet banking has been enhanced with new **payment functionalities**, allowing customers to perform more transactions remotely;
- to improve controls when opening current accounts online, has developed recognition via **SPID** (active from 2025);
- has continued to **digitising contracts**, increasing the documents integrated into the systems and optimising processes with the **advanced electronic signature (FEA)**;
- has introduced an **RPA (Robotic Process Automation) architecture** to automate repetitive processes, improving efficiency in **data entry**; the first use concerns **tax credits**, with further applications planned for 2025-2026;
- to reduce counter operations, has expanded the number of **continuous tills (TCR)**, allowing customers to make withdrawals, deposits, and payments in self-service mode;
- in the area of **credit**, has implemented processes for the **automatic renewal of revocable credit facilities**, **automatic property census** and integration with the **Eurisc engine**, improving data quality and reducing the operational workload.

AccessiWay

Also in 2024, Cherry Bank continues to collaborate with **AccessiWay**. Thanks to the implementation of their tool, the Cherry Bank website is **accessible to people with physical and cognitive disabilities**, conscious that an accessible platform ensures that everyone has the opportunity to use the content and services provided online. The integrated functionalities concern the **interface** of the website, designed to enable the usability of content by users with sensory, physical-motor, or neurological-cognitive deficits. These functionalities of the Bank's website are identifiable by an icon positioned at the bottom left of the screen and are usable both on **desktop** and from **mobile**. In the drop-down menu, several options are available that allow the desired changes to be activated automatically.

Financial inclusion

The business model related to **Non-Performing Loans** (NPLs) aims to find quick and effective solutions to solve the credit issue and restore the customer's financial situation to normal. The model combines speed, technological innovation, and a high level of consultancy expertise from the Bank's employees and its partners. In general, NPL assets are divided into:

- **acquisition of portfolios**, collaborating with banks and intermediaries, primarily focusing on unsecured, corporate, and retail segments; the Bank also offers solutions to managers of impaired loans who wish to dispose of portfolio segments already acquired from the Originators of the credit;
- **management of impaired loans**, thanks also to the contribution of the network of recovery companies and law firms specialising in impaired loans, for which the Bank is committed to getting to know its interlocutors as well as possible and to understanding their difficulties, offering a listening ear and constant support.

Moreover, Cherry Bank can notably minimise human error through its specialised technology infrastructure, aiding in the conversion of impaired loans into performing assets.

The numbers of the NPL service	2024
Amount of NPLs in portfolio (Euro)	7,152,905,253
Number of counterparties in the NPL segment	152,600
Number of customers in the NPL segment	155,743

In the course of 2024, **1,840 practices were closed by agreement between the parties**, facilitating the re-entry into the banking circuit of the debtors involved, with whom an economic agreement was reached. This represents an increase of over 10% compared to 2023, when 1,654 positions were closed.

Support for entrepreneurship

Cherry Bank supports the economic fabric by developing **financial products and services dedicated to the needs of business**. Through its business, Cherry Bank wants to **contribute to reducing the economic inequality gap that limits access to traditional financial services for businesses**, preventing them from actively participating in the real economy and limiting the development of their potential.

During 2024, Cherry Bank pursued the subsidised credit access initiatives described below.

LOANS GUARANTEED BY CONFIDI, FIDI IMPRESA & TURISMO VENETO

In November 2022, Cherry Bank signed an **agreement with Federalberghi Veneto and FIDI Impresa & Turismo Veneto** to facilitate credit access for 250 hotel sector companies in Veneto that have benefited from a non-repayable grant through the National Recovery and Resilience Plan (NRRP) for investments in energy efficiency improvements, seismic retrofitting, and the removal of architectural barriers in accommodation facilities.

The ceiling made available by the Bank amounts to Euro 10 million.

The agreement involved offering businesses the possibility of obtaining financing, guaranteed by **Confidi guarantees**, in the short and medium-long term, with the opportunity to finance **up to 100% of the investment** and to assign up to 80% of the tax credit accrued based on the expenses incurred.

The loans guaranteed by Confidi guarantees are intended for **SMEs** and are also planned for 2025.

LOANS GUARANTEED BY MCC (MEDIO CREDITO CENTRALE)

Fondo Centrale di Garanzia (FCG) grants guarantees for amounts between **55% and 80% of the financing** provided by Cherry Bank. The guarantee is transversal for different types of financing, including those with **"ESG"** purposes.

In 2024, 158 transactions amounting to a total of Euro 60,145,738 were realised.

The loans guaranteed by FCG are intended for SMEs and are also planned for 2025.

SUPPORT IN ACCESSING SIMEST 394 INCENTIVES

Cherry Bank supports its customers in benefiting from the subsidised instruments also with **SIMEST Fund**.

Throughout 2024, 7 practices amounting to Euro 4,281,000 were carried out for various purposes according to the instruments available (Digital Transition and Ecological Sustainability, Foreign Market Entry, Fairs and Exhibitions, Temporary Manager).

The incentive, which is also planned for 2025, can be accessed by **exporting companies**, companies belonging to a production chain with **foreign turnover**, companies with direct or indirect interests in the **Western Balkans** and/or in the **African continent**, **women's enterprises**, SMEs in possession of **environmental/sustainability certifications** (e.g., ISO 45001, ISO 14001, SA8000), SMEs and **innovative start-ups**, and companies with operating units or headquarters located in the **flooded territories** identified in the Annexes to Legislative Decree No. 61/2023 and Legislative Decree No. 145/2023.

FUNDING DEDICATED TO THIRD SECTOR ENTITIES (ETS)

In 2025, the Bank has **planned to provide funding** dedicated to **Third Sector Entities (ETS)**. Cherry Bank provides dedicated financial instruments, guaranteed by the State, with coverage of up to 80% of the amount for any purpose. ETSs can apply for **funding up to Euro 60,000**, through a **simplified procedure**, thus facilitating the development of innovative projects and the enhancement of their activities. The initiative aims to facilitate credit access for entities with a significant social impact, which often encounter difficulties in obtaining adequate funding.

Funding is available to Third Sector Entities (ETS) registered in the **Single National Register of the Third Sector (RUNTS)** and the **REA**.

RESPONSIBLE BUSINESS PRACTICES

In the field of **Wealth Management**, in order to **support customers in choosing the most suitable product for their needs**, Cherry Bank has defined **two distinct advisory models**: simplified and advanced. The two models differ in the different proposition of funds and asset classes available for purchase and in the pricing of the service.

In particular, the **advanced advisory** outlines a holistic approach to the investment portfolio, balancing investments across macro- and micro-asset classes. It involves a quarterly adjustment of diversified model portfolios based on the customer's characteristics and goals, including ESG considerations, using advanced artificial intelligence tools to fully capture market opportunities.

To provide these advisory services and ensure alignment between customer needs and the characteristics of the proposed products, Cherry Bank utilizes the **advanced consultancy platform WISE**, which enhances the quality and breadth of consultancy services in investments, insurance, as well as in the wider area of asset monitoring, assistance, and protection (not only financial assets but also, for example, real estate properties), while also supporting the evaluation of product suitability with respect to customer characteristics.

In the course of 2024, the Bank considered evolving the use of this platform in order to meet regulatory requirements regarding the identification of **sustainability preferences**. The Bank has, therefore, supplemented the platform with an initial question investigating **sustainability preferences** and, in case of a positive answer, proposes 4 more questions to investigate preferences on taxonomy, PAI, and the minimum percentage of ESG products desired within one's portfolio. Based on the responses to this questionnaire integration, the Bank proceeds to propose the most suitable product to the customer, also in terms of sustainable investments. This ESG evolution will be active on the Bank's systems from February 2025.

The Compliance function continuously carries out **checks on compliance with the Consumer Code** in order to prevent the Bank from adopting unfair commercial practices in the distribution of products. The scope of the controls implemented with regard to compliance with the Consumer Code concerns **all the Bank's commercial transactions.** The controls were implemented during 2024 and will continue in 2025.

Metrics and objectives

PROCESSES TO REMEDY NEGATIVE IMPACTS AND CHANNELS THAT ALLOW CONSUMERS AND END USERS TO EXPRESS CONCERNS (S4-3)

Throughout 2024, 893 complaints were registered, of which 696 were related to the **Non-Performing Loan (NPL)** business, 101 were related to the purchase and sale of tax credits, and 96 were related to the Retail Banking and Corporate Banking segments. **No complaints were detected related to third-party insurance products** or complaints having disputes **regarding privacy** as their main focus.

Compared to 2023, there was an increase of 27.21% in the number of complaints received, as detailed below.

Regarding the NPL segment, the number of complaints received and the increase of 101.74% compared to the previous year align with the Bank's acquisition of new portfolios of impaired loans during 2024 and the nature of its business. It's important to specify that in the first half of 2024 alone, purchase transactions for NPL loan portfolios characterized by a substantial number of debtors were completed. This situation, especially in the second half of the year, led to an increase in complaints due to the widespread notification to these debtors of the credit transfer. The number of complaints either fully or partially acknowledged concerning the segment is 265, which represents 38.07% of the total, and this is entirely expected given the nature of the portfolios acquired. In no instance has the full or partial acknowledgement of the complaint resulted in a financial expenditure by the Bank.

Having regard to the purchase and sale of Tax Credits, the data is in line with the average incidence of complaints for this type of business.

Complaints received from consumers and/or end users	UoM	2024
Total number of complaints	**No.**	**893**
Complaints related to the NPL business	No.	696
Complaints related to the purchase and sale of tax credits	No.	101
Complaints related to Retail Banking and Corporate Banking	No.	96
Complaints about third-party insurance products	No.	0
Complaints regarding privacy	No.	0

OBJECTIVES FOR THE FUTURE

One of the pillars of Cherry Bank's first **2023-2025 Sustainability Plan** is **"Cherry Core"**. This pillar, among its commitments, includes **responsibility and attention to customers** in terms of backing and support through the **offer of safe, efficient, and cutting-edge products and services**. This commitment has resulted, first and foremost, in actions aimed at the continuous improvement of safeguards related to **"Information for consumers and/or end users"** such as **privacy, IT security**, and **transparency of information**. In addition, in the context of the issues related to **"Social inclusion of consumers and/or end users"**, Cherry Bank's commitment has focused on **continuous investment in digital platforms** and the development of products and services aimed at responding consistently to customer needs. An example of this includes **highly customised services in the field of Wealth Management** and **solutions to facilitate access to credit**, particularly for **SMEs**. Finally, the Bank **pursues a debt recovery model** that **prioritises the agreement between the parties**. In line with these guidelines, the 2025-2027 Strategic Plan aims to continue to provide support to private and small business customers with a 360° offering and **to strengthen its territorial presence while maintaining and evolving the digital channel**. In line with this path, the Bank will identify the objectives and targets it intends to pursue.

Governance reporting

G1 – Business conduct

Relevant impacts, risks and opportunities

The following table details the **impacts, risks and opportunities,** in relation to the thematic standard **G1 Business conduct**, emerged as **relevant** within the double relevance analysis process together with the **management methods implemented by Cherry Bank.**

Sub-theme	Sub-Sub-theme	Impacts[1]	Risks	Opportunities	Main management methods
Business culture Protection of whistleblowers Management of relations with suppliers, including payment practices Active and passive corruption	Prevention and detection including training Accidents	⊕ Dissemination of fairness and ethics among employees and towards the market **OP; E; MT** ⊕ Use of ethical and fair practices for debt collection **OP; E; BT** ⊖ Exposure to retaliation and discrimination against whistleblowers **OP; POT; BT** ⊕ Improvement of suppliers' ESG performance by virtue of selection criteria that consider social and environmental aspects **OP; E; LT** ⊖ Occurrence of corrupt incidents related to the disbursement of tax credits **OP; POT; MT** ⊕ Dissemination of culture towards the market and the community related to the prevention of corruption episodes **OP; POT; MT** ⊖ Incidents related to corruption **OP; POT; MT**	-	-	Code of Ethics Sustainability Policy MOG 231[57] Money laundering and terrorist financing risk management policy Whistleblowing Regulation Policy for the management of the purchase of goods and services

[1] ⊕ = positive impact; ⊖ = negative impact; OP = Own Operation; DS = Downstream; E = actual impact; POT = potential impact; BT = short-term impact; MT = medium-term impact; LT = long-term impact.

57. Organisation and Management Model pursuant to Legislative Decree No. 231/01.

Policies

CORPORATE CULTURE, WHISTLEBLOWER PROTECTION, AND PREVENTION AND DETECTION OF ACTIVE AND PASSIVE CORRUPTION

Cherry Bank is committed to ensuring the **highest standards of ethics**, integrity, and transparency, adopting both a **management and control model** inspired by the principles of regulatory compliance and the prevention of corruption, and a **Code of Ethics** that places corporate culture at the centre. The corporate governance system is supported by a **Supervisory Body**, tasked with monitoring **the implementation of the rules**, analysing any reports, conducting periodic checks on sensitive activities and regularly reporting to the Top Management. The promotion of a corporate culture founded on ethical values is strengthened through awareness and training activities targeting every level of the organisation, from executives to employees. Furthermore, to ensure that the Bank's high ethical standards are also respected by the **suppliers in charge of debt collection**, the latter are required to **sign the Code of Ethics** of the Bank. These initiatives aim to disseminate knowledge of anti-corruption policies and procedures, fostering an environment where transparency and respect for rules are integral to daily operations.

Cherry Bank has developed Policies to ensure the management of the aforementioned pertinent sustainability issues. In addition to the Code of Ethics and the Sustainability Policy that recall the general approach and guidelines, the **main policies** for the **management of Impacts** related to the topics "Corporate culture", "Whistleblower protection", "Active and passive corruption", and "Incidents" are the MOG 231, the **Anti-Money Laundering Policy**, the **Whistleblowing Regulation** and the **Policy for the management of gifts and donations**[58].

CODE OF ETHICS

The **Cherry Bank Code of Ethics (Code)** represents the basis of the values and guidelines that guide the company's activities. It defines principles of **loyalty, transparency, fairness and sustainability**, with the aim of preventing illegal behaviour and strengthening the confidence of stakeholders. It establishes rules of conduct for employees, collaborators, and partners, addressing operational, reputational, and regulatory risks. To ensure compliance with the provisions, Cherry Bank has introduced control mechanisms, including **periodic monitoring and Whistleblowing**, a tool that allows violations to be reported safely and confidentially. The Code **applies to all of Cherry Bank's business activities** and covers the entire value chain, both upstream and downstream. **It involves all stakeholders**, including shareholders, employees, customers, suppliers, and business partners, without geographical or operational exclusions. The Code requires that suppliers and external collaborators adhere to the company's ethical principles, promoting a shared approach to transparency and integrity. To ensure the dissemination and understanding of the Code, Cherry Bank adopts **training and internal communication initiatives**, while externally the document is accessible on the company website and is shared with suppliers and partners before the establishment of

58. See ESRS S3-1, for further details on the minimum reporting requirements of the Policy for the management of gifts and donations.

commercial relations, who commit to respect it. This approach fosters collaboration and adherence to the company's ethical guidelines, engaging all stakeholders in the promotion of a responsible and sustainable environment.

The ultimate responsibility for the implementation of the Code lies with the Board of Directors, which approves its contents and monitors compliance. The Supervisory Body ensures compliance with the provisions, carries out periodic checks and reports to the management. The Organization O.U., with the support of the Brand & Communication Area, deals with the drafting, publication and dissemination of the Code, ensuring its updating and integration into business processes.

Cherry Bank's Code of Ethics **is inspired by regulations and initiatives of international and national significance**. Among these are the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the UN Global Compact. At the national level, the Code transposes Legislative Decree No. 231/01, the Code of Equal Opportunities and standards such as UNI/PdR 125:2022 for gender certification. Adherence to initiatives such as the ABI "Donne in Banca" Charter strengthens the commitment to inclusivity and sustainability, consolidating the company's role as a model of integrity. At the basis of the drafting of the Code of Ethics is the commitment made by the company towards all stakeholders, to provide an ethical foundation for the strategy and economic objectives aimed at making Cherry Bank increasingly **responsible and reliable**, consolidating its corporate reputation profile.

SUSTAINABILITY POLICY[59]

Cherry Bank's Sustainability Policy, within its **"Cherry Core" pillar, includes a constant commitment to upholding the principles of ethics and integrity**, aiming to generate shared value and ensuring transparency in the benefits for all stakeholders, including shareholders, customers, suppliers, and business partners. This principle is pursued through the **ethical system**, consisting of **policies and regulations**, which are continuously updated, aligned with best practices and compliant with the current legal framework, including the Code of Ethics and the Organisational, Management and Control Model pursuant to Legislative Decree No. 231/01. These tools are complemented by a comprehensive set of internal policies and procedures, designed to provide clear and specific guidance to Board members, employees, and all those who contribute to Cherry Bank's success, strengthening its commitment to excellence and transparency.

MOG 231

The **Organisation, Management and Control Model (MOG)** of Cherry Bank is an essential tool for preventing unlawful behaviour and ensuring regulatory compliance in accordance with Legislative Decree No. 231/2001. It defines a structured system of procedures and controls aimed at reducing the risks of crime, based on principles of fairness, transparency, and integrity. The document includes specific protocols for sensitive activities and a disciplinary

59. See ESRS E1-2, for further details on the minimum reporting requirements of the Sustainability Policy.

system. The supervision of the Model is assigned to the **Supervisory Body**, which verifies its effectiveness and ensures compliance with company rules, contributing to responsible management.

The MOG applies to **all company activities**, covering every organisational level and operational area, both in Italy and abroad. It ensures compliance at all stages of the value chain and involves employees, managers, external collaborators, and business partners. It identifies sensitive activities and processes, providing guidance to prevent crime risks. In addition, it regulates relations with public bodies and third parties, ensuring transparent and responsible management.

The adoption and implementation of the MOG are the responsibility of the **Board of Directors**, which approves its contents and updates. The Supervisory Body, endowed with autonomy and control powers, monitors the enforcement of the MOG and delivers periodic updates to the Board.

Cherry Bank's MOG **is inspired by national and international standards**, such as Legislative Decree No. 231/2001, transposing into Italian law the principles of the UN Convention against Corruption and the OECD Convention dated 17 December 1997, which addresses the prevention of corruption involving foreign public officials in economic and international engagements, along with the Guidelines from Confindustria and ABI (Italian Banking Association). These regulatory references ensure that the Model is consistent with industry best practices and the highest standards of accountability. The Bank also promotes adherence to universal ethical principles, incorporated in the Code of Ethics, which constitutes an integral part of the MOG and reinforces the commitment to transparency and integrity.

The MOG is accessible to stakeholders through corporate channels, such as **the intranet** for employees and the **website** for the external public. The Bank guarantees maximum transparency by communicating the Model's contents to all stakeholders, including suppliers and collaborators, who are obliged to follow its principles. Moreover, Cherry Bank promotes understanding of the Model through regular training and refresher courses, ensuring that the recipients fully understand their obligations and responsibilities.

MONEY LAUNDERING AND TERRORIST FINANCING RISK MANAGEMENT POLICY

The **Money laundering and terrorist financing risk management policy (AML Policy)** of Cherry Bank defines the organisational and operational framework to prevent such risks, in accordance with Legislative Decree No. 231/2007 and international regulations. It establishes fundamental principles such as **customer identification and profiling,** verification of ongoing relationships, reporting of suspicious transactions, and document retention. Monitoring is ensured by a structured model with roles defined for the **Board of Directors, the Chief Executive Officer and the Supervisory Body**. The approach taken is proportional, considering the size of the company, the operational complexity, and the level of risk.

Cherry Bank's AML Policy **applies to all organizational units and operations carried out,** involving employees, collaborators and third parties. It is designed to embrace the entire value chain, including cross-border operations and digital activities. The provisions cover risk identification, due diligence, and transaction controls. Stakeholders, such as customers and suppliers, are informed and must comply with the established directives, contributing to ensuring transparent and responsible management.

The adoption of the Policy is entrusted to the Board of Directors, which approves the related updates. The Chief Executive Officer is responsible for the implementation of operational safeguards, whereas the Anti-Money Laundering Function is tasked with preventing and combating money laundering operations. The Anti-Money Laundering Function is independent and equipped with resources that are both qualitatively and quantitatively adequate for the tasks to be performed, which can also be activated autonomously. The Board of Statutory Auditors verifies the effectiveness of internal controls, and the Supervisory Body pursuant to Legislative Decree No. 231/01 plays an autonomous control role. These bodies collaborate to ensure the effectiveness of the Policy, promptly identifying any anomalies and implementing corrective measures.

The Policy **is based on national and international regulations,** including Legislative Decree No. 231/2007, the EU Anti-Money Laundering Directives (IV and V Directives) and the FATF recommendations. It also includes Regulation (EU) 2015/847 on transfers of funds and Regulation (EU) 2021/821 on the control of dual-use items, as well as the Bank of Italy's provisions on organisation and due diligence. Adherence to these references ensures compliance with high standards and strengthens the effectiveness of the anti-money laundering system.

Internal provisions are accessible via the **intranet** for employees and communicated through mandatory training sessions. Partners and suppliers are involved through contracts that provide for adherence to anti-money laundering principles. Internal regulations are constantly updated and disseminated, ensuring full compliance with regulatory obligations.

WHISTLEBLOWING REGULATION

The **Whistleblowing Regulation** of Cherry Bank provides guidelines for reporting unlawful behaviour or regulatory violations. Reports may concern fraud, conflicts of interest, violations of EU rules, and offences pursuant to Legislative Decree No. 231/01. The internal and external reporting channels guarantee confidentiality and traceability. Reports are handled through structured processes and independent controls, ensuring the whistleblower's identity is protected, retaliation is prevented, and effective corrective measures are taken, involving the Head of Internal Reporting Systems and other Functions/Bodies as defined by the Regulation.

The Regulation applies to all Bank personnel, including employees, external collaborators, consultants, and shareholders. Reports can relate to: violations of internal and external regulations governing banking, financial, or insurance distribution activities, including associated and instrumental activities, as well as potential anti-money laundering violations; predicate offences referred to in Legislative Decree No. 231/2001 and breaches of the Organisation and Management Models provided for in the aforementioned Legislative Decree No. 231/2001; offences committed in breach of the Whistleblowing Decree (Legislative Decree No. 24/2023), which transposes the EU Directive 2019/1937 on the protection of persons who report violations of Union law, with particular reference to Part 1 of Annex 1, which lists the EU regulations whose violation may be subject to reporting, benefiting from the protections provided by the Decree; acts or omissions that harm the financial interests of the European Union; acts or omissions concerning the internal market, which compromise the free movement of goods, people, services, and capital; threatening or violent behaviour with the purpose or effect of violating the dignity of the person, creating an intimidating, hostile, degrading, humiliating, and offensive climate contrary to inclusiveness, of which the reporting entity has become aware during the performance of its professional duties, in order to contribute to the emergence and prevention of risks and situations prejudicial to the Bank and all its stakeholders, allowing them to act effectively in this regard.

The Board of Directors approves the Regulation and monitors its implementation. The Head of Internal Reporting Systems, appointed by the Board of Directors, supervises the reporting management process. The Supervisory Body and the Compliance & AML Function provide technical and regulatory support. Key roles also include the Diversity Manager for reports related to personal dignity and HR for the dissemination of the regulations. Each violation is handled independently, with corrective actions determined by the appropriate corporate bodies.

The Regulation **complies with Legislative Decree No. 231/01, Legislative Decree No. 24/2023** (Whistleblowing Decree) and other national and international regulations, including the **GDPR for data protection**. It integrates the guidelines of ANAC and the Bank of Italy, guaranteeing high standards in the management of reports. Moreover, it draws inspiration from the banking sector's best practices and initiatives, such as the Confindustria guidelines on whistleblowing, thereby reinforcing the culture of transparency and legality.

It is **accessible to all personnel and stakeholders through the company website and company intranet**. It is distributed at the time of hiring or signing contracts. The Bank has provided training and awareness-raising activities to spread knowledge of the reporting procedures.

The **"Whistleblowing Regulation" is the mechanism that the Bank has established to identify and report concerns regarding unlawful acts**, in contrast with the Code of Ethics or violations of regulations. The mechanism is accessible to all the Bank's stakeholders, as well as to those to whom the Regulation directly applies.

Cherry Bank provides the Whistleblower with a platform that allows **reports to be sent** to the Head of Reporting or to alternative channels (in the cases provided for by the Whistleblowing Regulation), ensuring rapid, effective, and confidential communication[60]. The platform is accessible through the specific page on the company website.

This platform allows the Whistleblower to choose whether to send a **report in written or oral form**, through a recorded messaging system. If the Whistleblower opts for oral reporting, they must give their consent to the recording.

60. See "Prevention and detection of active and passive corruption", for further details on anti-corruption training.

The report must provide all the useful and appropriate elements to enable an appropriate verification of its validity. These reports are gathered via a dedicated IT process that implements specific prescriptions to protect the confidentiality of the Whistleblower's identity. From the point of view:

- of the entering of the report, **the Whistleblower has two channels available**, one of which is reserved for **AML violations** (which also guarantees, at the Whistleblower's choice, their anonymity), while the other can be used for the reporting of **all other relevant cases**;
- of the handling of the report, in order to avoid conflicts of interest, they can follow two channels:
  - **ordinary channel**, where the Head of Internal Reporting Systems (Head of the Internal Audit Function) who is in charge of receiving and managing the report, and the subjects to whom the report is transmitted, based on the matter, are allocated in the Structure responsible for managing the report;
  - **alternative channels**, which will be activated only in the event that the alleged person responsible for the violation is the Head of Internal Reporting Systems or in the other cases provided for in this Regulation (reports concerning members of the Board of Directors, Board of Statutory Auditors and SB 231/01).

The defined process guarantees respect for the **confidentiality of the Whistleblower**, as well as of the subjects mentioned in the report and other involved parties. It further ensures the confidentiality and **privacy of the information** in the reports, including any annexed documents and those received from all parties involved in the procedure, as well as adherence to the methods and purposes of processing the personal data of the Whistleblower and other involved parties in accordance with the GDPR and the Privacy Code.

The internal regulation requires that when a report is submitted by a Whistleblower, comprehensive investigative activities are carried out. These include verifying the facts through an examination of the reported events and acquiring further information crucial for a complete verification. Furthermore, it involves assessing the report's merits to establish whether the requirements of substantiation are met, ensuring the confidentiality of the Whistleblower's identity. In the first instance, **the person handling the reports provides the Whistleblower with a notice of receipt of the report** within 7 days from the date of its receipt. It is expected that the **Head of Reporting will then provide a response to the Whistleblower** within 3 months from the notice of receipt of the report or, failing that, from the expiry date of the 7-day deadline for such notice. It is important to point out that this feedback does not necessarily imply the conclusion of the verification activities, which, depending on the case, might require more time. Consequently, after the 3-month period, the Head will inform the Whistleblower of: the filing of the report, providing the reasons; the assessment of the report's validity and its forwarding to the appropriate internal bodies; the activities undertaken so far and/or the activities planned.

As at 31/12/2024, no reports have been received. **Cherry Bank's conduct training policy**, summarised in the table below, in relation to the topics of the Code of Ethics, Anti-Money Laundering (AML), Organisation and Management Model (MOG 231) and Whistleblowing Regulation, is essential to **ensure that employees and collaborators understand and comply with regulations** and good business practices.

Subject of training	Recipients	Objectives	Frequency	Modalities of use
Code of Ethics	All employees	Raising personnel awareness about the importance of integrity, transparency, and accountability in their actions, and introduce them to company values, expected behaviours, conflict of interest management, and accountability to both customers and the community	Annual	• Training presentation on the platform • E-learning course on platform[1] • Presentation during on-boarding • Focus groups in classroom with selected people[2]
Anti-Money Laundering (AML)	All employees	Prevention of unlawful activities by training personnel to recognise and address risks related to money laundering and terrorist financing, along with steps to take if suspicions arise	Annual	• E-learning course in 3 modules: ◦ Due diligence and monitoring of customers ◦ The report of a suspicious operation ◦ The limitations on the use of cash and bearer securities[3]
MOG 231	All employees	Illustrating the MOG 231, the crimes to be prevented, the individual and company responsibilities, and the control measures adopted by the Bank	Annual	E-learning course on platform
The administrative liability of the entity, deriving from criminal offence – Legislative Decree No. 231/01 and subsequent amendments	All employees and, in particular, New Hires	Ensure that all personnel is informed about internal policies to prevent crimes such as corruption, financial fraud, and abuse of power	Annual	E-learning course on platform
Whistleblowing Regulation	All employees	Presenting the appropriate use of reporting channels, guarantees of confidentiality and protection from possible retaliation, and the importance of a culture of transparency within the Bank	Annual	E-learning course on platform

[1] Training was scheduled in 2024 and will be delivered in 2025.

[2] This mode will be envisaged in 2025.

[3] This module is reserved exclusively for network personnel: Retail Banking, Corporate Banking, Wealth Management.

Cherry Bank conducted **specific assessments** on its processes as part of the preparation of the MOG 231 in order to **identify the functions/processes** of Cherry Bank **most exposed to the risk of** active and passive **corruption**. Among the "at-risk" processes that have been evaluated, the most significant are:

- sponsorships, gifts, and donations;
- personnel management;
- management of financial resources and purchases;
- contact management processes with customers.

PREVENTION AND DETECTION OF ACTIVE AND PASSIVE CORRUPTION

Cherry Bank adopts a **structured system to prevent and manage incidents of active and passive corruption**. This system includes the **Code of Ethics**, **operational protocols**, **risk mappings, and continuous training activities to raise awareness among employees and collaborators**. The Supervisory Body (SB), which operates independently and possesses powers of initiative, monitors compliance with the MOG, carrying out its own investigations into any breaches. At-risk processes are identified and subjected to strict controls to reduce the likelihood of offences.

Regarding the risk of offences in the **Ecobonus market,** Cherry Bank has implemented **anti-money laundering controls and continuous monitoring, applying checks on master records, financial transactions, and documentation, in compliance with AML regulations and regulatory updates on the transfers of credits**. Moreover, it conducts preventive and follow-up controls on contracts, with the support of IT systems and third-party suppliers to ensure compliance and prevent fraud. Reports of misconduct can be made through dedicated and confidential channels, such as Whistleblowing.

Investigations into incidents of corruption are conducted independently by the Supervisory Body, which operates outside the management chain and without interference from potentially involved parties. The SB has full autonomy and reports directly to the Board of Directors, ensuring transparency and impartiality. This approach guarantees that investigations are carried out objectively and that there are no conflicts of interest, preserving the process's credibility and stakeholder confidence.

The results of investigations into incidents of corruption **are communicated to the Board of Directors and the Board of Statutory Auditors** through **detailed reports prepared by the SB and/or the Corporate Control Functions**. These information flows allow effective supervision and the adoption of any corrective or sanctioning measures. Furthermore, the Board of Directors receives regular updates on control activities and reports, playing an active role in ensuring compliance with the MOG and in promoting a corporate culture based on ethics and transparency.

Cherry Bank communicates its policies to all stakeholders through a structured and transparent approach. **The Code of Ethics, the MOG and internal policies** are **publicly accessible** via the company **website** and **dedicated internal platforms for employees**, such as the intranet. The Bank integrates these communications with awareness-raising and training activities to ensure that all stakeholders fully understand the applicable ethical and regulatory principles. Specific training sessions are organised for internal personnel, and clear information is provided to suppliers and business partners to promote adherence to company policies.

Below is the training on business conduct implemented by Cherry Bank in 2024.

Subject of training	Functions at risk	Executives	Board of Directors and Board of Statutory Auditors	Other own workers
Extension of training				
Number	6[1]	29	12	485
Quota	100%	100%	100%	100%
Delivery method and duration				
Classroom training hours	642.5	314.25	82	0
E-learning training hours	665.5	360.72	0	3,613.50
Frequency				
Training frequency	Once a year	Once a year	Once a year	Once a year
Topics covered				
Code of Ethics	X	X	X	X
Anti-Money Laundering Policy	X	X	X	X
MOG 231	X	X	X	X
Whistleblowing Regulation	X	X	X	X

[1] The functions at risk are 6 and the people involved in the training 47.

In addition, **a bespoke training course was created for the members of the Board of Directors, the Board of Statutory Auditors, and the Executives**. The plan included the provision of 8 training modules, each lasting 2 hours, covering essential banking sector areas such as the Supervisory priorities for the period 2024-2026, the integration of ESG factors and climate and environmental risks into management strategies and risk management systems, AML governance, ICT risk management in view of the Digital Operational Resilience Act (DORA), the utilisation of financial technology (fintech), risk culture, the ICAAP/ILAAP process, changes in the credit market, and the MiFID II regulatory framework.

MANAGEMENT OF RELATIONS WITH SUPPLIERS

The Cherry Bank Code of Ethics[61] is based on the principle of "Business and relationship ethics", that is, through its work, the Bank wants to promote a virtuous circle in which the pursuit of the interests of stakeholders, including suppliers, consolidates the bond between the parties generating shared value, both for the Bank and for the System. Cherry Bank is dedicated to collaborating with selected operators to build and strengthen stable relationships to create a virtuous value chain, based on trust and the enhancement of the territory. Suppliers play a key role within the value chain as, thanks to their collaboration, we contribute to the daily execution of business activities. For this reason, **Cherry Bank applies to its relationships with**

61. See ESRS G1-1, for further details on the minimum reporting requirements of the Code of Ethics.

its suppliers the same principles of diligence, fairness, and transparency of conduct that characterise its commercial relations with customers.

Cherry Bank has a **specific Policy and related operating procedure for the management of the purchase of goods and services** that applies to all suppliers, including small/medium-sized ones (SMEs). The Policy and the procedure outline the principles, guidelines, and associated processes, including responsibilities, roles, tasks, IT procedures, and controls, applicable to the Bank's main categories of goods and services. **The Policy and procedure also include measures to ensure the regularity and punctuality of payments**. These measures include registering invoices in an SAP system and checking their compliance with approved purchase orders. The invoices are paid only after the applicant confirms the correctness of the service received. Moreover, the Policy requires adherence to criteria of transparency, traceability, and regulatory compliance in all stages of the purchasing process, including payment. These actions are supported by periodic checks to ensure the reliability and compliance of suppliers, minimising the risk of delayed payments.

In order to manage possible risks to the company, Cherry Bank has adopted the **Policy for the outsourcing of corporate functions**[62]. This Policy defines a structured and proportional approach to the **management of supplier relationships, ensuring compliance with regulations, data protection, and risk monitoring**. Cherry Bank adopts a rigorous **selection** procedure, which **includes assessments of the financial strength, ethics, legal compliance, and operational performance of suppliers**, with particular attention to suppliers located in third countries. For essential or important functions, continuous oversight and risk assessment regarding sub-outsourcing is implemented. In addition, the Bank ensures clear communication flows with suppliers to monitor the quality of outsourced activities and minimise the impact of potential disruptions, thereby preserving operational continuity and compliance with its standards.

The selection of suppliers is conducted through transparent and non-discriminatory procedures, based on objective parameters in terms of product and service quality and cost-efficiency, including the supplier's alignment with the ethical values expressed in the Code of Ethics. It is expected that suppliers receive appropriate information on the Code of Ethics before finalising the assignment and commit to adhering to its guiding principles.

62. For example, among the activities that Cherry Bank outsources are IT services.

Debt collection partners

To ensure the ethical and proper conduct of its debt collection partners, Cherry Bank has established the following safeguards:

- all debt collection companies are required to review the Code of Ethics, and during inspection visits, the Bank verifies that it is reviewed and comprehended by all operators and individuals acting on behalf of Cherry Bank;
- in the case of phone collections, all calls are recorded. During inspection visits, random checks are conducted to ensure that the manner in which these are carried out aligns with the Bank's values. Furthermore, specific investigations are initiated in the event of reports from customers;
- in the case of home collection, where a recovery company official meets the customer monthly, the Bank conducts "welcome calls" through a Cherry Bank asset manager, aimed at recording the visit's outcome and gauging customer satisfaction, so actions can be taken if any irregularities are detected. In 2024, 59 "welcome calls" were made for each customer who settled a position using the home collection method. The evaluations returned a positive assessment regarding the level of customer satisfaction.

The Board of Directors is informed quarterly about the progress of the activity.

Cherry Bank firmly believes that in order to build valuable and sustainable partnerships, it is essential to collaborate with suppliers who operate in respect of human rights, environmental regulations, occupational safety, and who actively strive to reduce the negative impacts resulting from their activities. **The Bank**, aware of its responsibility towards society and the environment, **selects its suppliers according to clear, fair, ethical, transparent, and sustainable practices that respect social well-being**.

Actions

CORPORATE CULTURE, WHISTLEBLOWER PROTECTION, AND PREVENTION AND DETECTION OF CORRUPTION

Information and training

To promote corporate culture and guarantee the understanding and compliance with regulations and exemplary corporate practices during 2024, information and training initiatives were put into place. These were designed for the entire corporate workforce, including the administration and control bodies, as outlined below.

- **Code of Ethics**: in light of the update of the Code of Ethics at the end of 2024, training material has been made available on the company platform. A specific and compulsory course on Cherry Bank's Code of Ethics will be made available in 2025 for all employees.
- **Organisation and Management Model (MOG 231):** the course "The administrative liability of entities pursuant to Legislative Decree No. 231/01" (duration 2 hours) has been made available within the Res Cognosco portal, for all new recruits and those who had not used it in 2023. As at 31/12/2024, 265 colleagues had taken the course, i.e., 94% of the recipients.
- **AML Regulation**: Anti-Money Laundering (AML) training has been broken down into specific modules, shown below:
  - "Due diligence and monitoring of customers" (3 hours), which was assigned to all personnel and completed by 31/12/2024 by 496 employees, i.e. 88% of the company workforce;
  - "The report of a suspicious operation" (2.50 hours), which was assigned to all personnel and completed by 31/12/2024 by 504 employees, i.e. 90% of the company workforce;
  - "The limitations on the use of cash and bearer securities" (1 hour) assigned only to network personnel and completed by 31/12/2024 by 208 employees, i.e. 90% of the recipients.

  The entire corporate workforce was invited to complete the Anti-Money Laundering training by 31/12/2024. Only for those hired in the second half of 2024, the deadline was extended to 2025.

- **Whistleblowing:** in November 2024, a dedicated course was made available on the corporate training platform regarding the internal whistleblowing framework, which also covered whistleblower protection mechanisms. The course "The Whistleblowing reporting system" (duration 37 minutes) has a deadline of 31/03/2025, and by 31/12/2024, it had been completed by 326 employees, representing 58% of the company workforce.

Metrics and objectives

INCIDENTS OF ACTIVE AND PASSIVE CORRUPTION (G1-4)

In 2024, **Cherry Bank had no convictions for violations of the laws against active and passive corruption**, nor any fines imposed for violations of laws against active and passive corruption.

OBJECTIVES FOR THE FUTURE

As part of the first **2023-2025 Sustainability Plan** of Cherry Bank one of the 3 pillars is **"Cherry Core"** which, among its commitments, includes **translating into practice what it means to do business responsibly, through the day-to-day pursuit in the application of policies and monitoring processes related to the issues of corporate culture, whistleblower protection, prevention, and detection of corruption**. For these reasons, no specific objectives and targets were formalised. The 2025-2027 Plan confirms this commitment and introduces the intention to strengthen the procurement model by **incorporating ESG evaluation criteria** for suppliers and enhancing the workflow of the passive cycle, which may also involve identifying specific targets and objectives.

Additional sustainability information

IRO-2 – ESRS disclosure requirements pertaining to the company's Sustainability Report

Disclosure requirement		Sections in Sustainability Report
ESRS 2 – General information		
BP-1	General criteria for drafting sustainability statements	Criteria for drafting
BP-2	Disclosure in relation to specific circumstances	Criteria for drafting
GOV-1	Role of administration, management, and control bodies	Governance
GOV-2	Information provided to the company's administrative, management, and control bodies and sustainability issues addressed by them	Governance
GOV-3	Integration of sustainability performance in incentive systems	Governance
GOV-4	Statement on due diligence	Governance
GOV-5	Risk management and internal controls on Sustainability Report	Governance
SBM-1	Strategy, business model and value chain	Strategy
SBM-2	Interests and opinions of stakeholders	Strategy
SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	Management of impacts, risks, and opportunities: Double relevance analysis
IRO-1	Description of the processes to identify and evaluate relevant impacts, risks and opportunities	Management of impacts, risks, and opportunities: Double relevance analysis
IRO-2	ESRS disclosure requirements pertaining to the company's Sustainability Report	Additional sustainability information
ESRS E1 – Climate Change		
ESRS 2, GOV-3	Integration of sustainability performance in incentive systems	Governance
E1-1	Transition plan for climate change mitigation	Metrics and objectives (Objectives for the future)
ESRS 2, SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	Relevant impacts, risks and opportunities
ESRS 2, IRO-1	Description of the processes to identify and evaluate relevant impacts, risks and opportunities	Management of impacts, risks, and opportunities: Double relevance analysis
E1-2	Policies on climate change mitigation and adaptation	Policies
E1-3	Actions and resources related to climate change policies	Actions
E1-4	Objectives related to climate change mitigation and adaptation	Metrics and objectives (Objectives for the future)
E1-5	Energy consumption and energy mix	Metrics and objectives (Energy consumption and energy mix (E1-5))
E1-6	Gross GHG emissions of Scope 1, 2, 3 and total GHG emissions	Metrics and objectives (Gross GHG emissions of Scope 1, 2, 3 and total GHG emissions (E1-6))

Disclosure requirement		Sections in Sustainability Report
ESRS S1 – Own workforce		
ESRS 2, SBM-2	Interests and opinions of stakeholders	Strategy
ESRS 2, SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	Relevant impacts, risks and opportunities
S1-1	Policies related to the own workforce	Policies
S1-2	Processes for engaging own workers and workers' representatives regarding impacts	Engagement processes
S1-3	Processes to remedy negative impacts and channels that allow own workers to express concerns	Processes to remediate negative impacts and channels to access for raising concerns
S1-4	Interventions on relevant impacts on own workforce and approaches to mitigating relevant risks and pursuing relevant opportunities in relation to the own workforce, as well as the effectiveness of such actions	Actions
S1-6	Characteristics of the company's employees	Metrics and objectives (Characteristics of the company's employees (S1-6))
S1-8	Coverage of collective bargaining and social dialogue	Metrics and objectives (Coverage of collective bargaining and social dialogue (S1-8))
S1-9	Diversity metrics	Metrics and objectives (Diversity metrics (S1-9))
S1-12	People with disabilities	Metrics and objectives (Persons with disabilities (S1-12))
S1-13	Training and skills development metrics	Metrics and objectives (Training and skills development metrics (S1-13))
S1-14	Health and safety metrics	Metrics and objectives (Health and safety metrics (S1-14))
S1-15	Metrics of work-life balance	Metrics and objectives (Metrics of work-life balance (S1-15))
S1-16	Pay metrics (pay gap and total remuneration)	Metrics and objectives (Pay metrics (pay gap and total remuneration) (S1-16))
S1-17	Incidents, complaints and serious impacts on human rights	Metrics and objectives (Incidents, complaints and serious impacts on human rights (S1-17))
ESRS S3 – Communities concerned		
ESRS 2, SBM-2	Interests and opinions of stakeholders	Strategy
ESRS 2, SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	Relevant impacts, risks and opportunities
S3-1	Policies on communities concerned	Policies
S3-4	Interventions on significant impacts on the communities concerned and approaches to manage significant risks and achieve significant opportunities for the communities concerned, as well as the effectiveness of such actions	Actions
ESRS S4 – Consumers and end users		
ESRS 2, SBM-2	Interests and opinions of stakeholders	Strategy
ESRS 2, SBM-3	Relevant impacts, risks and opportunities and their interaction with the strategy and business model	Relevant impacts, risks and opportunities
S4-1	Policies related to consumers and end users	Policies
S4-3	Processes to remediate negative impacts and channels to access for raising concerns	Processes to remediate negative impacts and channels to access for raising concerns

Disclosure requirement		Sections in Sustainability Report
S4-4	Interventions on relevant impacts on consumers and end users and approaches for the mitigation of relevant risks and the achievement of relevant opportunities in relation to consumers and end users, as well as the effectiveness of such actions	Actions
ESRS G1 – Business conduct		
ESRS 2, GOV-1	Role of administration, management, and control bodies	Governance
ESRS 2, IRO-1	Description of the processes to identify and evaluate relevant impacts, risks and opportunities	Management of impacts, risks, and opportunities: Double relevance analysis
G1-1	Policies on corporate culture and business conduct	Policies
G1-2	Management of relations with suppliers	Policies
G1-3	Prevention and detection of active and passive corruption	Policies
G1-4	Confirmed incidents of active and passive corruption	Metrics and objectives

Disclosure requirement and corresponding information element	SFDR reference [1]	Third pillar reference [2]	Reference regulation on benchmarks [3]	EU climate regulation reference [4]	Sections in Sustainability Report
ESRS 2 GOV-1 Gender diversity on the Board of Directors, paragraph 21, letter d)	X		X		Governance
ESRS 2 GOV-1 Percentage of independent members of the Board of Directors, paragraph 21, letter e)			X		Governance
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	X				Governance
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40, letter d), point i)	X	X	X		Not relevant
ESRS 2 SBM-1 Involvement in activities related to the production of chemicals, paragraph 40, letter d), point ii)	X		X		Not relevant
ESRS 2 SBM-1 Participation in activities related to controversial weapons, paragraph 40, letter d), point iii)	X		X		Not relevant
ESRS 2 SBM-1 Involvement in activities related to tobacco cultivation and production, paragraph 40, letter d), point iv)			X		Not relevant
ESRS E1-1 Transition plan to achieve climate neutrality by 2050, paragraph 14				X	Metrics and objectives (Objectives for the future)
ESRS E1-1 Companies excluded from the benchmarks aligned with the Paris Agreement, paragraph 16, letter g)		X	X		Not relevant
ESRS E1-4 GHG emission reduction targets, paragraph 34	X	X	X		Metrics and objectives (Objectives for the future)
ESRS E1-5 Energy consumption from fossil fuels disaggregated by source (only high climate impact sectors), paragraph 38	X				Not relevant

Disclosure requirement and corresponding information element	SFDR reference [1]	Third pillar reference [2]	Reference regulation on benchmarks [3]	EU climate regulation reference [4]	Sections in Sustainability Report
ESRS E1-5 Energy consumption and energy mix, paragraph 37	X				Metrics and objectives (Energy consumption and energy mix (E1-5))
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	X				Not relevant
ESRS E1-6 Gross emissions of Scope 1, 2, 3 and total GHG emissions, paragraph 44	X	X	X		Metrics and objectives (Gross GHG emissions of Scope 1, 2, 3 and total GHG emissions (E1-6))
ESRS E1-6 Intensity of gross GHG emissions, paragraphs 53 to 55	X	X	X		Phase-in
ESRS E1-7 GHG absorption and carbon credits, paragraph 56				X	Not relevant
ESRS E1-9 Exposure of the benchmark index portfolio to physical climate-related risks, paragraph 66			X		Phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66, letter a) ESRS E1-9 Position of significant assets at relevant physical risk, paragraph 66, letter c)		X			Phase-in
ESRS E1-9 Breakdown of the book value of its real estate assets by energy efficiency classes, paragraph 67, letter c)		X			Phase-in
ESRS E1-9 Portfolio exposure to climate-related opportunities, paragraph 69			X		Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II to the E-PRTR (European Pollutant Release and Transfer Register) emitted to air, water, and soil, paragraph 28	X				Not relevant
ESRS E3-1 Water and marine resources, paragraph 9	X				Not relevant
ESRS E3-1 Dedicated policy, paragraph 13	X				Not relevant
ESRS E3-1 Sustainability of oceans and seas, paragraph 14	X				Not relevant
ESRS E3-4 Total recycled and reused water, paragraph 28, letter c)	X				Not relevant
ESRS E3-4 Total water consumption in m^3 with respect to net revenues from own operations, paragraph 29	X				Not relevant
ESRS 2 SBM-3 – E4 paragraph 16, letter a), point i)	X				Not relevant
ESRS 2 SBM-3 – E4 paragraph 16, letter b)	X				Not relevant

Disclosure requirement and corresponding information element	SFDR reference [1]	Third pillar reference [2]	Reference regulation on benchmarks [3]	EU climate regulation reference [4]	Sections in Sustainability Report
ESRS 2 SBM-3 – E4 paragraph 16, letter c)	X				Not relevant
ESRS E4-2 Sustainable agricultural/land use policies or practices, paragraph 24, letter b)	X				Not relevant
ESRS E4-2 Sustainable sea/ocean use practices or policies, paragraph 24, letter c)	X				Not relevant
ESRS E4-2 Policies to address deforestation, paragraph 24, letter d)	X				Not relevant
ESRS E5-5 Non-recycled waste, paragraph 37, letter d)	X				Not relevant
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	X				Not relevant
ESRS 2 – SBM3 – S1 Risk of forced labour, paragraph 14, letter f)	X				Relevant impacts, risks and opportunities
ESRS 2 – SBM3 – S1 Risk of child labour, paragraph 14, letter g)	X				Relevant impacts, risks and opportunities
ESRS S1-1 Political commitments on human rights, paragraph 20	X				Policies
ESRS S1-1 Due diligence policies on matters addressed by core Conventions 1 to 8 of the International Labour Organization, paragraph 21			X		Policies
ESRS S1-1 Procedures and measures to prevent trafficking in human beings, paragraph 22	X				Policies
ESRS S1-1 Accident prevention policy or occupational injury management system, paragraph 23	X				Policies
ESRS S1-3 Complaint/Report handling mechanisms, paragraph 32, letter c)	X				Processes to remediate negative impacts and channels to access for raising concerns
ESRS S1-14 Number of deaths and number and rate of work-related injuries, paragraph 88, letters b) and c)	X		X		Metrics and objectives (Health and safety metrics (S1-14))
ESRS S1-14 Number of days lost due to injuries, accidents, fatal accidents or illnesses, paragraph 88, letter e)	X				Metrics and objectives (Health and safety metrics (S1-14))
ESRS S1-16 Uncorrected gender pay gap, paragraph 97, letter a)	X		X		Metrics and objectives (Pay metrics (pay gap and total remuneration) (S1-16))
ESRS S1-16 Excess pay gap in favour of the CEO, paragraph 97, letter b)	X				Metrics and objectives (Pay metrics (pay gap and total remuneration) (S1-16))

Disclosure requirement and corresponding information element	SFDR reference [1]	Third pillar reference [2]	Reference regulation on benchmarks [3]	EU climate regulation reference [4]	Sections in Sustainability Report
ESRS S1-17 Incidents related to discrimination, paragraph 103, letter a)	X				Metrics and objectives (Incidents, complaints and serious impacts on human rights (S1-17))
ESRS S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 104, letter a)	X		X		Metrics and objectives (Incidents, complaints and serious impacts on human rights (S1-17))
ESRS 2 SBM-3 – S2 Serious risk of child labour or forced labour in the labour supply chain, paragraph 11, letter b)	X				Not relevant
ESRS S2-1 Political commitments on human rights, paragraph 17	X				Not relevant
ESRS S2-1 Policies related to workers in the value chain, paragraph 18	X				Not relevant
ESRS S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	X		X		Not relevant
ESRS S2-1 Due diligence policies on matters addressed by core Conventions 1 to 8 of the International Labour Organization, paragraph 19			X		Not relevant
ESRS S2-4 Issues and incidents related to human rights in its upstream and downstream value chain, paragraph 36	X				Not relevant
ESRS S3-1 Political commitments on human rights, paragraph 16	X				Policies
ESRS S3-1 Non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO principles, or the OECD Guidelines, paragraph 17	X		X		Policies
ESRS S3-4 Issues and incidents in the field of human rights, paragraph 36	X				Phase-in
ESRS S4-1 Policies related to consumers and end users, paragraph 16	X				Policies
ESRS S4-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17	X		X		Policies
ESRS S4-4 Issues and incidents in the field of human rights, paragraph 35	X				Phase-in

Disclosure requirement and corresponding information element	SFDR reference [1]	Third pillar reference [2]	Reference regulation on benchmarks [3]	EU climate regulation reference [4]	Sections in Sustainability Report
ESRS G1-1 United Nations Convention against Corruption, paragraph 10, letter b)	X				Not relevant
ESRS G1-1 Protection of whistleblowers, paragraph 10, letter d)	X				Not relevant
ESRS G1-4 Fines imposed for violations of the laws against active and passive corruption, paragraph 24, letter a)	X		X		Policies
ESRS G1-4 Rules for combating active and passive corruption, paragraph 24, letter b)	X				Policies

[1] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) (OJ L 317, 9 December 2019, p. 1).

[2] Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No. 648/2012 (Capital Requirements Regulation) (OJ L 176, 27 June 2013, p. 1).

[3] Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (OJ L 171, 29 June 2016, p. 1).

[4] Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulation (EC) No. 401/2009 and Regulation (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9 July 2021, p. 1).

In the context of the double relevance analysis, Cherry Bank identified the themes, sub-themes, and sub-sub-themes established by the thematic ESRS, starting from the impacts, risks, and opportunities associated with them. The specific data and Data Points (DPs) were then selected and disclosed for reporting. Moreover, for each relevant IRO, the Bank provides, where possible, information on significant DPs and material PATMs (Policies adopted, Actions taken, Metrics used, and Targets set) in accordance with the reporting obligations related to specific sustainability topics.

Annex VI Model for key performance indicators (KPIs) of credit institutions[63]

Model 1. Assets for GAR calculation – Capex weighting [FY 2024]

		a	b	c	d	e	f	g	h	i	j
		31/12/2024									
			Climate change mitigation (CCM)					Climate change adaptation (CCA)			
			Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)					Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)			
	in millions of Euro	Total (gross) book value		Of which environmentally sustainable (aligned with Taxonomy)					Of which environmentally sustainable (aligned with Taxonomy)		
					Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR – Assets covered in both the numerator and the denominator										
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**172.35**	**130.08**	**4.44**	**3.28**	**0.01**	**0.05**	**0.03**	**0.01**	**-**	**0.00**
2	**Financial companies**	**47.23**	**5.01**	**1.16**	**0.05**	**0.01**	**0.03**	**0.02**	**0.00**	**-**	**0.00**
3	**Credit institutions**	**9.06**	**1.13**	**0.11**	**0.05**	**0.01**	**0.02**	**0.02**	**0.00**	**-**	**0.00**
4	Loans and advances	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	7.83	1.06	0.11	0.05	0.01	0.02	0.02	0.00	-	0.00
6	Equity instruments	0.30	0.08	0.00		-	-	-	-		-
7	Other financial companies	38.18	3.88	1.05	-	-	0.01	0.00	-	-	-
8	of which: investment companies	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-
12	of which: management companies	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-
16	of which: insurance companies	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-
20	**Non-financial companies**	**0.10**	**0.05**	**0.04**	**-**	**-**	**0.02**	**0.01**	**0.01**	**-**	**0.00**

63. All values shown in the models below are expressed in millions of Euro.

		a	b	c	d	e	f	g	h	i	j
		31/12/2024									
			Climate change mitigation (CCM)					Climate change adaptation (CCA)			
			Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)					Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)			
	in millions of Euro	**Total (gross) book value**		Of which environmentally sustainable (aligned with Taxonomy)					Of which environmentally sustainable (aligned with Taxonomy)		
					Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
21	Loans and advances	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	0.10	0.05	0.04	-	-	0.02	0.01	0.01	-	0.00
23	Equity instruments	-	-	-		-	-	-	-		-
24	**Households**	**125.02**	**125.02**	**3.24**	**3.24**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans secured by residential real estate	125.02	125.02	3.24	3.24	-	-	-	-	-	-
26	of which loans for building renovation	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-				
28	**Local administrations financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Financing of construction	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-	-
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Other assets excluded from the numerator for the calculation of the GAR (included in the denominator)**	**2,411.61**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and non-financial companies**	700.45									
34	SMEs and non-financial companies (other than SMEs) not subject to NFRD disclosure requirements	700.45									
35	Loans and advances	696.81									
36	of which loans secured by non-residential real estate	205.54									
37	of which loans for building renovation	-									
38	Debt securities	3.39									
39	Equity instruments	0.25									
40	Third country counterparties not subject to NFRD disclosure requirements	-									
41	Loans and advances	-									
42	Debt securities	-									
43	Equity instruments	-									
44	**Derivatives**	-									

	in millions of Euro	a	b	c	d	e	f	g	h	i	j
		31/12/2024									
		Total (gross) book value	Climate change mitigation (CCM)					Climate change adaptation (CCA)			
			Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)					Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)			
				Of which environmentally sustainable (aligned with Taxonomy)					Of which environmentally sustainable (aligned with Taxonomy)		
					Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
45	**Interbank loans on demand**	28.92									
46	**Liquid assets and cash**	7.34									
47	**Other assets (e.g., goodwill, goods, etc.)**	1,674.90									
48	**Total GAR assets**	**2,583.96**									
49	**Assets not included for the calculation of GAR**	1,882.79									
50	Central administrations and supranational issuers	1,779.73									
51	Exposure to Central Banks	103.05									
52	Trading portfolio	0.01									
53	**Total assets**	**4,466.75**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
OFF-BALANCE SHEET EXPOSURES – Companies subject to the disclosure requirements of the Directive on non-financial reporting (NFRD)											
54	**Financial guarantees**	29.38	-	-	-	-	-	-	-	-	-
55	**Financial assets under management**	15.30	3.20	1.21	-	0.11	0.61	0.10	0.04	-	0.01
56	Of which debt securities	6.90	1.01	0.37	-	0.04	0.13	0.04	0.02	-	0.00
57	Of which equity instruments	4.89	1.22	0.43	-	0.05	0.29	0.00	0.00	-	-

		k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				**Circular economy (CE)**				**Pollution (PPC)**			
		Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)			
in millions of Euro			Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR – Assets covered in both the numerator and the denominator												
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**0.00**	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2	**Financial companies**	**0.00**	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3	**Credit institutions**	**0.00**	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	0.00	-	-	-	0.00	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-		-	-	-		-
7	Other financial companies	-	-	-	-	-	-	-	-	-	-	-	-
8	of which: investment companies	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-	-		-
12	of which: management companies	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-	-	-		-
16	of which: insurance companies	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-	-		-
20	**Non-financial companies**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-

	in millions of Euro	k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)			
			Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-	-	-		-
24	**Households**					-	-	-	-				
25	of which loans secured by residential real estate					-	-	-	-				
26	of which loans for building renovation					-	-	-	-				
27	of which motor vehicle loans												
28	**Local administrations financing**	-	-	-	-	-	-	-	-	-	-	-	-
29	Financing of construction	-	-	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-	-	-	-
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	-	-	-	-	-	-	-	-	-	-	-	-
32	**Other assets excluded from the numerator for the calculation of the GAR (included in the denominator)**	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and non-financial companies**												
34	SMEs and non-financial companies (other than SMEs) not subject to NFRD disclosure requirements												
35	Loans and advances												
36	of which loans secured by non-residential real estate												
37	of which loans for building renovation												

	in millions of Euro	k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)			
			Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
38	Debt securities												
39	Equity instruments												
40	Third country counterparties not subject to NFRD disclosure requirements												
41	Loans and advances												
42	Debt securities												
43	Equity instruments												
44	**Derivatives**												
45	**Interbank loans on demand**												
46	**Liquid assets and cash**												
47	**Other assets (e.g., goodwill, goods, etc.)**												
48	**Total GAR assets**	**0.00**	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
49	**Assets not included for the calculation of GAR**												
50	Central administrations and supranational issuers												
51	Exposure to Central Banks												
52	Trading portfolio												
53	**Total assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
OFF-BALANCE SHEET EXPOSURES – Companies subject to the disclosure requirements of the Directive on non-financial reporting (NFRD)													
54	**Financial guarantees**	-	-	-	-	-	-	-	-	-	-	-	-
55	**Financial assets under management**	0.01	-	-	-	0.14	0.00	-	0.00	0.07	-	-	-
56	Of which debt securities	-	-	-	-	0.00	-	-	-	0.01	-	-	-
57	Of which equity instruments	0.00	-	-	-	0.10	0.00	-	0.00	0.00	-	-	-

in millions of Euro	w	x	y	z	aa	ab	ac	ad	ae
	31/12/2024								
	Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
	Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				
		Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)			
			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
GAR – Assets covered in both the numerator and the denominator									
1 Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation	**-**	**-**	**-**	**-**	**130.11**	**4.44**	**3.28**	**0.01**	**0.05**
2 Financial companies	**-**	**-**	**-**	**-**	**5.03**	**1.16**	**0.05**	**0.01**	**0.03**
3 Credit institutions	**-**	**-**	**-**	**-**	**1.15**	**0.11**	**0.05**	**0.01**	**0.02**
4 Loans and advances	-	-	-	-	**-**	**-**	**-**	**-**	**-**
5 Debt securities, including UoP	-	-	-	-	**1.07**	**0.11**	**-**	**0.01**	**0.02**
6 Equity instruments	-	-		-	**0.08**	**0.00**		**-**	**-**
7 Other financial companies	-	-	-	-	**3.88**	**1.05**	**-**	**-**	**0.01**
8 of which: investment companies	-	-	-	-	**-**	**-**	**-**	**-**	**-**
9 Loans and advances	-	-	-	-	**-**	**-**	**-**	**-**	**-**
10 Debt securities, including UoP	-	-	-	-	**-**	**-**	**-**	**-**	**-**
11 Equity instruments	-	-		-	**-**	**-**		**-**	**-**
12 of which: management companies	-	-	-	-	**-**	**-**	**-**	**-**	**-**
13 Loans and advances	-	-	-	-	**-**	**-**	**-**	**-**	**-**
14 Debt securities, including UoP	-	-	-	-	**-**	**-**	**-**	**-**	**-**
15 Equity instruments	-	-		-	**-**	**-**		**-**	**-**
16 of which: insurance companies	-	-	-	-	**-**	**-**	**-**	**-**	**-**
17 Loans and advances	-	-	-	-	**-**	**-**	**-**	**-**	**-**
18 Debt securities, including UoP	-	-	-	-	**-**	**-**	**-**	**-**	**-**
19 Equity instruments	-	-		-	**-**	**-**		**-**	**-**
20 Non-financial companies	**-**	**-**	**-**	**-**	**0.06**	**0.05**	**-**	**-**	**0.02**
21 Loans and advances	-	-	-	-	**-**	**-**	**-**	**-**	**-**
22 Debt securities, including UoP	-	-	-	-	**0.06**	**0.05**	**-**	**-**	**0.02**
23 Equity instruments	-	-		-	**-**	**-**		**-**	**-**
24 Households					**125.02**	**3.24**	**3.24**	**-**	**-**
25 of which loans secured by residential real estate					**125.02**	**3.24**	**3.24**	**-**	**-**
26 of which loans for building renovation					**-**	**-**	**-**	**-**	**-**
27 of which motor vehicle loans					**-**	**-**	**-**	**-**	**-**
28 Local administrations financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29 Financing of construction	-	-	-	-	**-**	**-**	**-**	**-**	**-**
30 Financing of other local public administrations	-	-	-	-	**-**	**-**	**-**	**-**	**-**
31 Real collateral obtained by taking possession: residential and non-residential real estate	-	-	-	-	**-**	**-**	**-**	**-**	**-**

		w	x	y	z	aa	ab	ac	ad	ae
		31/12/2024								
		Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				
	in millions of Euro		Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
32	**Other assets excluded from the numerator for the calculation of the GAR (included in the denominator)**	-	-	-	-	-	-	-	-	-
33	**Financial and non-financial companies**									
34	SMEs and non-financial companies (other than SMEs) not subject to NFRD disclosure requirements									
35	Loans and advances									
36	of which loans secured by non-residential real estate									
37	of which loans for building renovation									
38	Debt securities									
39	Equity instruments									
40	Third country counterparties not subject to NFRD disclosure requirements									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	**Derivatives**									
45	**Interbank loans on demand**									
46	**Liquid assets and cash**									
47	**Other assets (e.g., goodwill, goods, etc.)**									
48	**Total GAR assets**	**-**	**-**	**-**	**-**	**130.11**	**4.44**	**3.28**	**0.01**	**0.05**
49	**Assets not included for the calculation of GAR**									
50	Central administrations and supranational issuers									
51	Exposure to Central Banks									
52	Trading portfolio									
53	**Total assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	OFF-BALANCE SHEET EXPOSURES – Companies subject to the disclosure requirements of the Directive on non-financial reporting (NFRD)									
54	**Financial guarantees**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
55	**Financial assets under management**	**0.00**	**-**	**-**	**-**	**3.52**	**1.25**	**-**	**0.11**	**0.62**
56	Of which debt securities	-	-	-	-	**1.07**	**0.39**	**-**	**0.04**	**0.14**
57	Of which equity instruments	-	-	-	-	**1.32**	**0.44**	**-**	**0.05**	**0.30**

Model 1. Assets for GAR calculation – Turnover weighting [FY 2024]

	in millions of Euro	a	b	c	d	e	f	g	h	i	j
		31/12/2024									
		Total (gross) book value	Climate change mitigation (CCM)					Climate change adaptation (CCA)			
			Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)					Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)			
				Of which environmentally sustainable (aligned with Taxonomy)					Of which environmentally sustainable (aligned with Taxonomy)		
					Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR – Assets covered in both the numerator and the denominator										
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**172.35**	**128.43**	**3.88**	**3.28**	**0.01**	**0.03**	**0.02**	**0.00**	**-**	**0.00**
2	**Financial companies**	**47.23**	**3.34**	**0.62**	**0.05**	**0.01**	**0.02**	**0.01**	**0.00**	**-**	**0.00**
3	**Credit institutions**	**9.06**	**1.60**	**0.13**	**0.05**	**0.01**	**0.01**	**0.01**	**0.00**	**-**	**0.00**
4	Loans and advances	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	7.83	1.53	0.13	0.05	0.01	0.01	0.01	0.00	-	0.00
6	Equity instruments	0.30	0.08	-		-	-	-	-		-
7	Other financial companies	38.18	1.74	0.49	-	-	0.01	0.00	-	-	-
8	of which: investment companies	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-
12	of which: management companies	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-
16	of which: insurance companies	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-
20	**Non-financial companies**	**0.10**	**0.06**	**0.03**	**-**	**-**	**0.01**	**0.00**	**0.00**	**-**	**0.00**
21	Loans and advances	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	0.10	0.06	0.03	-	-	0.01	0.00	0.00	-	0.00
23	Equity instruments	-	-	-		-	-	-	-		-
24	**Households**	**125.02**	**125.02**	**3.24**	**3.24**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans secured by residential real estate	125.02	125.02	3.24	3.24	-	-	-	-	-	-

	in millions of Euro	a	b	c	d	e	f	g	h	i	j
		31/12/2024									
		Total (gross) book value	Climate change mitigation (CCM)					Climate change adaptation (CCA)			
			Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)					Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)			
				Of which environmentally sustainable (aligned with Taxonomy)					Of which environmentally sustainable (aligned with Taxonomy)		
					Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
26	of which loans for building renovation	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-				
28	**Local administrations financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Financing of construction	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-	-
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	-	-	-	-	-	-	-	-	-	-
32	**Other assets excluded from the numerator for the calculation of the GAR (included in the denominator)**	2,411.61	-	-	-	-	-	-	-	-	-
33	**Financial and non-financial companies**	**700.45**									
34	SMEs and non-financial companies (other than SMEs) not subject to NFRD disclosure requirements	700.45									
35	Loans and advances	696.81									
36	of which loans secured by non-residential real estate	205.54									
37	of which loans for building renovation	-									
38	Debt securities	3.39									
39	Equity instruments	0.25									
40	Third country counterparties not subject to NFRD disclosure requirements	-									
41	Loans and advances	-									
42	Debt securities	-									
43	Equity instruments	-									
44	**Derivatives**	**-**									
45	**Interbank loans on demand**	**28.92**									
46	**Liquid assets and cash**	**7.34**									
47	**Other assets (e.g., goodwill, goods, etc.)**	**1,674.90**									
48	**Total GAR assets**	**2,583.96**	**128.43**	**3.88**	**3.28**	**0.01**	**0.03**	**0.02**	**0.00**	**-**	**0.00**

		a	b	c	d	e	f	g	h	i	j
		31/12/2024									
in millions of Euro		Total (gross) book value	Climate change mitigation (CCM)					Climate change adaptation (CCA)			
			Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)					Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)			
				Of which environmentally sustainable (aligned with Taxonomy)					Of which environmentally sustainable (aligned with Taxonomy)		
					Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
49	**Assets not included for the calculation of GAR**	**1,882.79**									
50	Central administrations and supranational issuers	**1,779.73**									
51	Exposure to Central Banks	**103.05**									
52	Trading portfolio	**0.01**									
53	**Total assets**	**4,466.75**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
OFF-BALANCE SHEET EXPOSURES – Companies subject to the disclosure requirements of the Directive on non-financial reporting (NFRD)											
54	**Financial guarantees**	**29.38**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
55	**Financial assets under management**	**15.30**	**2.75**	**0.78**	**-**	**0.06**	**0.44**	**0.16**	**0.01**	**-**	**0.01**
56	Of which debt securities	6.90	1.00	0.19	-	0.00	0.06	0.10	0.00	-	0.00
57	Of which equity instruments	4.89	0.95	0.34	-	0.04	0.26	0.00	0.00	-	-

	in millions of Euro	k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)			
			Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR – Assets covered in both the numerator and the denominator												
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**0.00**	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**
2	**Financial companies**	**0.00**	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**
3	**Credit institutions**	**0.00**	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	0.00	-	-	-	0.00	-	-	-	0.00	-	-	-
6	Equity instruments	-	-		-	-	-		-	-	-		-
7	Other financial companies	-	-	-	-	-	-	-	-	-	-	-	-
8	of which: investment companies	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-	-		-
12	of which: management companies	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-	-	-		-
16	of which: insurance companies	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-	-		-
20	**Non-financial companies**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-		-	-	-		-
24	**Households**					-	-	-	-				

	in millions of Euro	k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)			
			Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
25	of which loans secured by residential real estate					-	-	-	-				
26	of which loans for building renovation					-	-	-	-				
27	of which motor vehicle loans												
28	**Local administrations financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Financing of construction	-	-	-	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-	-	-	-
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
32	**Other assets excluded from the numerator for the calculation of the GAR (included in the denominator)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
33	**Financial and non-financial companies**												
34	SMEs and non-financial companies (other than SMEs) not subject to NFRD disclosure requirements												
35	Loans and advances												
36	of which loans secured by non-residential real estate												
37	of which loans for building renovation												
38	Debt securities												
39	Equity instruments												
40	Third country counterparties not subject to NFRD disclosure requirements												
41	Loans and advances												

	in millions of Euro	k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)			
			Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
42	Debt securities												
43	Equity instruments												
44	**Derivatives**												
45	**Interbank loans on demand**												
46	**Liquid assets and cash**												
47	**Other assets (e.g., goodwill, goods, etc.)**												
48	**Total GAR assets**	**0.00**				**0.00**				**0.00**			
49	**Assets not included for the calculation of GAR**												
50	Central administrations and supranational issuers												
51	Exposure to Central Banks												
52	Trading portfolio												
53	**Total assets**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
OFF-BALANCE SHEET EXPOSURES – Companies subject to the disclosure requirements of the Directive on non-financial reporting (NFRD)													
54	**Financial guarantees**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
55	**Financial assets under management**	**0.01**	**-**	**-**	**-**	**0.06**	**0.02**	**-**	**0.01**	**0.11**	**-**	**-**	**-**
56	Of which debt securities	-	-	-	-	0.02	-	-	-	0.04	-	-	-
57	Of which equity instruments	0.00	-	-	-	0.20	0.02	-	0.01	0.01	-	-	-

	in millions of Euro	w	x	y	z	aa	ab	ac	ad	ae
		31/12/2024								
		Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				
			Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
	GAR – Assets covered in both the numerator and the denominator									
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**-**	**-**	**-**	**-**	**128.44**	**3.89**	**3.28**	**0.01**	**0.03**
2	**Financial companies**	**-**	**-**	**-**	**-**	**3.36**	**0.62**	**0.05**	**0.01**	**0.02**
3	**Credit institutions**	**-**	**-**	**-**	**-**	**1.61**	**0.13**	**0.05**	**0.01**	**0.01**
4	Loans and advances	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	1.57	0.13	0.48	0.01	0.01
6	Equity instruments	-	-		-	0.08	-		-	-
7	Other financial companies	-	-	-	-	1.74	0.49	-	-	0.01
8	of which: investment companies	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-
12	of which: management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-	-
16	of which: insurance companies	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-
20	**Non-financial companies**	**-**	**-**	**-**	**-**	**0.06**	**0.03**	**-**	**-**	**0.01**
21	Loans and advances	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	0.06	0.03	-	-	0.01
23	Equity instruments	-	-		-	-	-		-	-
24	**Households**					**125.02**	**3.24**	**3.24**	**-**	**-**
25	of which loans secured by residential real estate					125.02	3.24	3.24	-	-
26	of which loans for building renovation					-	-	-	-	-
27	of which motor vehicle loans					-	-	-	-	-
28	**Local administrations financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Financing of construction	-	-	-	-	-	-	-	-	-
30	Financing of other local public administrations	-	-	-	-	-	-	-	-	-

	in millions of Euro	w	x	y	z	aa	ab	ac	ad	ae
		31/12/2024								
		Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				Of which towards sectors relevant to Taxonomy (eligible for Taxonomy)				
			Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	-	-	-	-	-	-	-	-	-
32	**Other assets excluded from the numerator for the calculation of the GAR (included in the denominator)**	-	-	-	-	-	-	-	-	-
33	**Financial and non-financial companies**									
34	SMEs and non-financial companies (other than SMEs) not subject to NFRD disclosure requirements									
35	Loans and advances									
36	of which loans secured by non-residential real estate									
37	of which loans for building renovation									
38	Debt securities									
39	Equity instruments									
40	Third country counterparties not subject to NFRD disclosure requirements									
41	Loans and advances									
42	Debt securities									
43	Equity instruments									
44	**Derivatives**									
45	**Interbank loans on demand**									
46	**Liquid assets and cash**									
47	**Other assets (e.g., goodwill, goods, etc.)**									
48	**Total GAR assets**					**128.44**	**3.89**	**3.28**	**0.01**	**0.03**
49	**Assets not included for the calculation of GAR**									
50	Central administrations and supranational issuers									
51	Exposure to Central Banks									
52	Trading portfolio									
53	**Total assets**	-	-	-	-	-	-	-	-	-
OFF-BALANCE SHEET EXPOSURES – Companies subject to the disclosure requirements of the Directive on non-financial reporting (NFRD)										
54	**Financial guarantees**	-	-	-	-	-	-	-	-	-
55	**Financial assets under management**	**0.00**	-	-	-	**3.10**	**0.81**	-	**0.06**	**0.46**
56	Of which debt securities	-	-	-	-	**1.16**	**0.19**	-	**0.00**	**0.06**
57	Of which equity instruments	-	-	-	-	**1.17**	**0.36**	-	**0.04**	**0.27**

Model 2. GAR – Sector information – Capex weighting [FY 2024]

		a	b	c	d	e	f	g	h
Breakdown by sector – 4-digit NACE level (trademark code)		**Climate change mitigation (CCM)**				**Climate change adaptation (CCA)**			
		Non-financial companies (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross book value		Gross book value		Gross book value		Gross book value	
		in millions of Euro	Of which environmentally sustainable (CCM)	in millions of Euro	Of which environmentally sustainable (CCM)	in millions of Euro	Of which environmentally sustainable (CCM)	in millions of Euro	Of which environmentally sustainable (CCM)
1	42.12-Construction of railway and underground lines	0.10	0.04			0.10	0.01		

		i	j	k	L	m	n	o	p	q	r	s	t
Breakdown by sector – 4-digit NACE level (trademark code)		**Water and marine resources (WTR)**				**Circular economy (CE)**				**Pollution (PPC)**			
		Non-financial companies (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross book value		Gross book value		Gross book value		Gross book value		Gross book value		Gross book value	
		in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)
1	42.12-Construction of railway and underground lines	0.10	-			0.10	-			0.10	-		

		u	v	w	x	y	z	aa	ab
Breakdown by sector – 4-digit NACE level (trademark code)		**Biodiversity and ecosystems (BIO)**				**Total (CCM + CCA + WTR + CE + PPC + BIO)**			
		Non-financial companies (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other companies not subject to NFRD	
		Gross book value		Gross book value		Gross book value		Gross book value	
		in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)
1	42.12-Construction of railway and underground lines	0.10	-			**0.10**	**0.05**		

Model 2. GAR – Sector information [Turnover – FY 2024]

		a	b	c	d	e	f	g	h
		Climate change mitigation (CCM)				Climate change adaptation (CCA)			
		Non-financial companies (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other companies not subject to NFRD	
Breakdown by sector – 4-digit NACE level (trademark code)		Gross book value		Gross book value		Gross book value		Gross book value	
		in millions of Euro	Of which environmentally sustainable (CCM)	in millions of Euro	Of which environmentally sustainable (CCM)	in millions of Euro	Of which environmentally sustainable (CCM)	in millions of Euro	Of which environmentally sustainable (CCM)
1	42.12-Construction of railway and underground lines	0.10	0.03			0.10	0.00		

		i	j	k	L	m	n	o	p	q	r	s	t
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Non-financial companies (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other companies not subject to NFRD	
Breakdown by sector – 4-digit NACE level (trademark code)		Gross book value		Gross book value		Gross book value		Gross book value		Gross book value		Gross book value	
		in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)
1	42.12-Construction of railway and underground lines	0.10	-			0.10	-			0.10	-		

		u	v	w	x	y	z	aa	ab
		Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-financial companies (subject to NFRD)		SMEs and other companies not subject to NFRD		Non-financial companies (subject to NFRD)		SMEs and other companies not subject to NFRD	
Breakdown by sector – 4-digit NACE level (trademark code)		Gross book value		Gross book value		Gross book value		Gross book value	
		in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)	in millions of Euro	Of which environmentally sustainable (WTR)
1	42.12-Construction of railway and underground lines	0.10	-			**0.10**	**0.03**		

Model 3. KPI GAR (Stock) [Capex – FY 2024]

	% (compared to total assets covered in the denominator)	a	b	c	d	e	f	g	h	i
		31/12/2024								
		Climate change mitigation (CCM)					Climate change adaptation (CCA)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR – Assets covered in both the numerator and the denominator									
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**5.03%**	**0.17%**	**0.13%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
2	**Financial companies**	**0.19%**	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	**Credit institutions**	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
7	Other financial companies	0.15%	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which: investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which: management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which: insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
20	**Non-financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
24	**Households**	**4.84%**	**0.13%**	**0.13%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
25	of which loans secured by residential real estate	4.84%	0.13%	0.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which loans for building renovation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				

		a	b	c	d	e	f	g	h	i
		31/12/2024								
% (compared to total assets covered in the denominator)		Climate change mitigation (CCM)					Climate change adaptation (CCA)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
28	**Local administrations financing**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Financing of construction	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**5.03%**	**0.17%**	**0.13%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

% (compared to total assets covered in the denominator)		k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR – Assets covered in both the numerator and the denominator												
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
2	**Financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	**Credit institutions**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which: investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which: management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which: insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%

	% (compared to total assets covered in the denominator)	k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
24	**Households**					**0.00%**	**0.00%**	**0.00%**	**0.00%**				
25	of which loans secured by residential real estate					0.00%	0.00%	0.00%	0.00%				
26	of which loans for building renovation					0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans												
28	**Local administrations financing**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Financing of construction	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

	% (compared to total assets covered in the denominator)	v	w	x	y	z	aa	ab	ac	ad	ae
		31/12/2024									
		Biodiversity and ecosystems (BIO)				**Total (CCM + CCA + WTR + CE + PPC + BIO)**					Share of total covered assets
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying	
	GAR – Assets covered in both the numerator and the denominator										
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**5.04%**	**0.17%**	**0.13%**	**0.00%**	**0.00%**	**3.86%**
2	**Financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.19%**	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**1.06%**
3	**Credit institutions**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.20%**
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.00%	0.18%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.01%
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	0.15%	0.04%	0.00%	0.00%	0.00%	0.85%
8	of which: investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which: management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which: insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**					4.84%	0.13%	0.13%	0.00%	0.00%	2.80%
25	of which loans secured by residential real estate					4.84%	0.13%	0.13%	0.00%	0.00%	2.80%
26	of which loans for building renovation					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

% (compared to total assets covered in the denominator)		v	w	x	y	z	aa	ab	ac	ad	ae
		31/12/2024									
		Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					Share of total covered assets
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying	
28	**Local administrations financing**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Financing of construction	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**5.04%**	**0.17%**	**0.13%**	**0.00%**	**0.00%**	**57.85%**

Model 3. KPI GAR (Stock) [Turnover – FY 2024]

	% (compared to total assets covered in the denominator)	a	b	c	d	e	f	g	h	i
		31/12/2024								
		Climate change mitigation (CCM)					Climate change adaptation (CCA)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR – Assets covered in both the numerator and the denominator									
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**4.97%**	**0.15%**	**0.13%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
2	**Financial companies**	**0.13%**	**0.02%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	**Credit institutions**	**0.06%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.06%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
7	Other financial companies	0.07%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which: investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which: management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which: insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
20	**Non-financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
24	**Households**	**4.84%**	**0.13%**	**0.13%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
25	of which loans secured by residential real estate	4.84%	0.13%	0.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which loans for building renovation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				

% (compared to total assets covered in the denominator)		a	b	c	d	e	f	g	h	i
		31/12/2024								
		Climate change mitigation (CCM)					Climate change adaptation (CCA)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
28	**Local administrations financing**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Financing of construction	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**4.97%**	**0.15%**	**0.13%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

	% (compared to total assets covered in the denominator)	k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				**Circular economy (CE)**				**Pollution (PPC)**			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR – Assets covered in both the numerator and the denominator												
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
2	**Financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	**Credit institutions**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which: investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which: management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which: insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%

	% (compared to total assets covered in the denominator)	k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
24	**Households**					**0.00%**	**0.00%**	**0.00%**	**0.00%**				
25	of which loans secured by residential real estate					0.00%	0.00%	0.00%	0.00%				
26	of which loans for building renovation					0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans												
28	**Local administrations financing**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Financing of construction	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

% (compared to total assets covered in the denominator)		v	w	x	y	z	aa	ab	ac	ad	ae
		31/12/2024									
		Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					Share of total covered assets
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying	
	GAR – Assets covered in both the numerator and the denominator										
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**4.97%**	**0.15%**	**0.13%**	**0.00%**	**0.00%**	**3.86%**
2	**Financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.13%**	**0.02%**	**0.00%**	**0.00%**	**0.00%**	**1.06%**
3	**Credit institutions**	0.00%	0.00%	0.00%	0.00%	**0.06%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.20%**
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.06%**	**0.01%**	**0.02%**	**0.00%**	**0.00%**	**0.18%**
6	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.01%**
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	**0.07%**	**0.02%**	**0.00%**	**0.00%**	**0.00%**	**0.85%**
8	of which: investment companies	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
11	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**
12	of which: management companies	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
15	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**
16	of which: insurance companies	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
19	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**
20	**Non-financial companies**	***0.00%***	***0.00%***	***0.00%***	***0.00%***	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
23	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**
24	**Households**					**4.84%**	**0.13%**	**0.13%**	**0.00%**	**0.00%**	**2.80%**
25	of which loans secured by residential real estate					**4.84%**	**0.13%**	**0.13%**	**0.00%**	**0.00%**	**2.80%**
26	of which loans for building renovation					**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
27	of which motor vehicle loans					**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

		v	w	x	y	z	aa	ab	ac	ad	ae
		31/12/2024									
		Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					
% (compared to total assets covered in the denominator)			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying	
28	**Local administrations financing**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Financing of construction	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**4.97%**	**0.15%**	**0.13%**	**0.00%**	**0.00%**	**57.85%**

Model 4. KPI GAR (Flow) [Capex – FY 2024]

	% (compared to the flow of total eligible assets)	a	b	c	d	e	f	g	h	i
		31/12/2024								
		Climate change mitigation (CCM)					Climate change adaptation (CCA)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR – Assets covered in both the numerator and the denominator									
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
2	**Financial companies**	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	**Credit institutions**	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which: investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which: management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which: insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
20	**Non-financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
24	**Households**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
25	of which loans secured by residential real estate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which loans for building renovation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				

% (compared to the flow of total eligible assets)		a	b	c	d	e	f	g	h	i
		31/12/2024								
		Climate change mitigation (CCM)					Climate change adaptation (CCA)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
28	**Local administrations financing**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Financing of construction	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

	% (compared to the flow of total eligible assets)	k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR – Assets covered in both the numerator and the denominator												
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
2	**Financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	**Credit institutions**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which: investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which: management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which: insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%

% (compared to the flow of total eligible assets)		k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
24	**Households**					**0.00%**	**0.00%**	**0.00%**	**0.00%**				
25	of which loans secured by residential real estate					0.00%	0.00%	0.00%	0.00%				
26	of which loans for building renovation					0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans												
28	**Local administrations financing**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Financing of construction	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

	% (compared to the flow of total eligible assets)	v	w	x	y	z	aa	ab	ac	ad	ae
		31/12/2024									
		Biodiversity and ecosystems (BIO)				**Total (CCM + CCA + WTR + CE + PPC + BIO)**					Share of total covered assets
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying	
	GAR – Assets covered in both the numerator and the denominator										
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.18%**
2	**Financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.18%**
3	**Credit institutions**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.18%**
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.18%**
6	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
8	of which: investment companies	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
11	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**
12	of which: management companies	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
15	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**
16	of which: insurance companies	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
19	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**
20	**Non-financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
23	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**
24	**Households**					**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
25	of which loans secured by residential real estate					**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
26	of which loans for building renovation					**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
27	of which motor vehicle loans					**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

% (compared to the flow of total eligible assets)		v	w	x	y	z	aa	ab	ac	ad	ae
		31/12/2024									
		Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					Share of total covered assets
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying	
28	**Local administrations financing**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Financing of construction	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**57.85%**

Model 4. KPI GAR (Flow) [Turnover – FY 2024]

	% (compared to the flow of total eligible assets)	a	b	c	d	e	f	g	h	i
		31/12/2024								
		Climate change mitigation (CCM)					Climate change adaptation (CCA)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR – Assets covered in both the numerator and the denominator									
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**0.06%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
2	**Financial companies**	**0.06%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	**Credit institutions**	**0.06%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.06%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which: investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which: management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which: insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
20	**Non-financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
24	**Households**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
25	of which loans secured by residential real estate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which loans for building renovation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				

% (compared to the flow of total eligible assets)		a	b	c	d	e	f	g	h	i
		31/12/2024								
		Climate change mitigation (CCM)					Climate change adaptation (CCA)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
28	**Local administrations financing**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Financing of construction	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**0.06%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

% (compared to the flow of total eligible assets)		k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
	GAR – Assets covered in both the numerator and the denominator												
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
2	**Financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
3	**Credit institutions**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which: investment companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which: management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which: insurance companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%

% (compared to the flow of total eligible assets)		k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				**Circular economy (CE)**				**Pollution (PPC)**			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)				Of which environmentally sustainable (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
24	**Households**					**0.00%**	**0.00%**	**0.00%**	**0.00%**				
25	of which loans secured by residential real estate					0.00%	0.00%	0.00%	0.00%				
26	of which loans for building renovation					0.00%	0.00%	0.00%	0.00%				
27	of which motor vehicle loans												
28	**Local administrations financing**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Financing of construction	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

	% (compared to the flow of total eligible assets)	v	w	x	y	z	aa	ab	ac	ad	ae
		31/12/2024									
		Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					Share of total covered assets
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying	
	GAR – Assets covered in both the numerator and the denominator										
1	**Loans and advances, debt securities and equity instruments not held for trading eligible for GAR calculation**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.06%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.18%**
2	**Financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.06%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.18%**
3	**Credit institutions**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.06%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.18%**
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.06%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**0.18%**
6	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**
7	Other financial companies	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
8	of which: investment companies	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
11	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**
12	of which: management companies	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
15	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**
16	of which: insurance companies	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
19	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**
20	**Non-financial companies**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
23	Equity instruments	0.00%	0.00%		0.00%	**0.00%**	**0.00%**		**0.00%**	**0.00%**	**0.00%**
24	**Households**					**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
25	of which loans secured by residential real estate					**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
26	of which loans for building renovation					**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
27	of which motor vehicle loans					**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**

% (compared to the flow of total eligible assets)		v	w	x	y	z	aa	ab	ac	ad	ae
		31/12/2024									
		Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)					Share of total covered assets
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying	
28	**Local administrations financing**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
29	Financing of construction	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
30	Financing of other local public administrations	0.00%	0.00%	0.00%	0.00%	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
31	**Real collateral obtained by taking possession: residential and non-residential real estate**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
32	**Total GAR assets**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.06%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**	**57.85%**

Model 5. KPIs for off-balance sheet exposures [Stock – Capex]

		a	b	c	d	e	f	g	h	i
		31/12/2024								
		Climate change mitigation (CCM)					Climate change adaptation (CCA)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
% (compared to the total eligible off-balance sheet assets)			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)									
2	Financial assets under management (KPI related to financial assets under management)	12.46%	4.69%	0.00%	0.42%	2.36%	0.39%	0.15%	0.00%	0.04%

		j	k	l	m	n	o	p	q	r	s	t	u
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
% (compared to the total eligible off-balance sheet assets)			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)												
2	Financial assets under management (KPI related to financial assets under management)	0.05%	0.00%	0.00%	0.00%	0.55%	0.02%	0.00%	0.02%	0.26%	0.00%	0.00%	0.00%

% (compared to the total eligible off-balance sheet assets)		v	w	x	y	z	aa	ab	ac	ad
		31/12/2024								
		Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)									
2	Financial assets under management (KPI related to financial assets under management)	0.00%	0.00%	0.00%	0.00%	**13.71%**	**4.87%**	**0.00%**	**0.42%**	**2.42%**

Model 5. KPIs for off-balance sheet exposures [Stock – Turnover]

		a	b	c	d	e	f	g	h	i
		31/12/2024								
		Climate change mitigation (CCM)					Climate change adaptation (CCA)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
% (compared to the total eligible off-balance sheet assets)			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)									
2	Financial assets under management (KPI related to financial assets under management)	10.70%	3.05%	0.00%	0.23%	1.73%	0.62%	0.04%	0.00%	0.02%

		k	l	m	n	o	p	q	r	s	t	u	v
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
% (compared to the total eligible off-balance sheet assets)			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)												
2	Financial assets under management (KPI related to financial assets under management)	0.04%	0.00%	0.00%	0.00%	0.25%	0.07%	0.00%	0.05%	0.43%	0.00%	0.00%	0.00%

% (compared to the total eligible off-balance sheet assets)		v	w	x	y	z	aa	ab	ac	ad
		31/12/2024								
		Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)									
2	Financial assets under management (KPI related to financial assets under management)	0.01%	0.00%	0.00%	0.00%	**12.06%**	**3.16%**	**0.00%**	**0.23%**	**1.81%**

Model 5. KPIs for off-balance sheet exposures [Flow – Capex]

% (compared to the total eligible off-balance sheet assets)		a	b	c	d	e	f	g	h	i
		31/12/2024								
		Climate change mitigation (CCM)					Climate change adaptation (CCA)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)									
2	Financial assets under management (KPI related to financial assets under management)	23.79%	7.85%	0.00%	0.34%	2.86%	2.14%	0.57%	0.00%	0.47%

% (compared to the total eligible off-balance sheet assets)		j	k	l	m	n	o	p	q	r	s	t	u
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)												
2	Financial assets under management (KPI related to financial assets under management)	0.00%	0.00%	0.00%	0.00%	1.14%	0.00%	0.00%	0.00%	4.14%	0.00%	0.00%	0.00%

% (compared to the total eligible off-balance sheet assets)		v	w	x	y	z	aa	ab	ac	ad
		31/12/2024								
		Biodiversity and ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)				
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)									
2	Financial assets under management (KPI related to financial assets under management)	0.06%	0.00%	0.00%	0.00%	**31.26%**	**8.42%**	**0.00%**	**0.34%**	**3.33%**

Model 5. KPIs for off-balance sheet exposures [Flow – Turnover]

	% (compared to the total eligible off-balance sheet assets)	a	b	c	d	e	f	g	h	i
		31/12/2024								
		Climate change mitigation (CCM)					Climate change adaptation (CCA)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)					Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which transitional	Of which qualifying			Of which use of proceeds	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)									
2	Financial assets under management (KPI related to financial assets under management)	16.62%	3.50%	0.00%	0.18%	1.84%	0.72%	0.13%	0.00%	0.14%

	% (compared to the total eligible off-balance sheet assets)	j	k	l	m	n	o	p	q	r	s	t	u
		31/12/2024											
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)			
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)			
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)		
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)												
2	Financial assets under management (KPI related to financial assets under management)	0.00%	0.00%	0.00%	0.00%	0.86%	0.00%	0.00%	0.00%	4.54%	0.00%	0.00%	0.00%

	% (compared to the total eligible off-balance sheet assets)	v	w	x	y	z	aa	ab	ac	ad
		31/12/2024								
		Biodiversity and ecosystems (BIO)				**Total (CCM + CCA + WTR + CE + PPC + BIO)**				
		Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (eligible for Taxonomy)				
			Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)				Share of total covered assets that finance sectors relevant to the Taxonomy (aligned with Taxonomy)			
				Of which use of proceeds	Of which qualifying			Of which use of proceeds	Of which transitional	Of which qualifying
1	Financial guarantees (KPI related to financial guarantees)									
2	Financial assets under management (KPI related to financial assets under management)	0.01%	0.00%	0.00%	0.00%	**22.75%**	**3.63%**	**0.00%**	**0.18%**	**1.98%**

Annex XII Standard models for the communication to the public of information referred to in Article 8, paragraphs 6 and 7 of Delegated Regulation No. 2178/2021[64]

KPI applicable to on-balance sheet assets: GAR Stock

Model 1. Nuclear and fossil gas-related activities [GAR Stock]

Row	Activities related to nuclear energy	YES/NO
1	The company engages in, funds, or is involved in research, development, demonstration, and implementation of innovative power generation plants that produce energy from nuclear processes with a minimal amount of fuel cycle waste.	Yes
2	The company is involved in, funds, or has exposures towards the construction and safe operation of new nuclear plants for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, and improvements to their safety with the assistance of the best available technologies.	No
3	The company carries out, funds, or has exposures towards the safe operation of existing nuclear plants for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, and improvements to their safety.	Yes
	Activities related to fossil gases	
4	The company engages in, funds, or has exposures towards the construction or management of plants for the production of electricity using fossil gas fuels.	Yes
5	The company engages in, funds, or has exposures towards the construction, upgrading, and management of combined heat/cool and power generation plants that use fossil gas fuels.	Yes
6	The company engages in, funds, or has exposures towards the construction, upgrading, and management of heat generation plants that produce heat/cool using fossil gas fuels.	Yes

64. All values shown in the models below are expressed in millions of Euro.

Model 2. Economic activities aligned with Taxonomy (denominator) [GAR Stock – Capex]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**4.44**	**0.17%**	**4.44**	**0.17%**	**0.01**	**0.00%**
8.	**Total applicable KPI**	**4.44**	**0.17%**	**4.44**	**0.17%**	**0.01**	**0.00%**

Model 2. Economic activities aligned with Taxonomy (denominator) [GAR Stock – Turnover]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	-	0.00%	0.00	0.00%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**3.89**	**0.15%**	**3.88**	**0.15%**	**0.00**	**0.00%**
8.	**Total applicable KPI**	**3.89**	**0.15%**	**3.88**	**0.15%**	**0.00**	**0.00%**

Model 3. Economic activities aligned with Taxonomy (numerator) [GAR Stock – Capex]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the numerator of the applicable KPI**	**4.44**	**100.00%**	**4.44**	**99.82%**	**0.01**	**0.18%**
8.	**Amount and share of economic activities aligned with the Taxonomy in the numerator of the applicable KPI**	**4.44**	**100.00%**	**4.44**	**99.82%**	**0.01**	**0.18%**

Model 3. Economic activities aligned with Taxonomy (numerator) [GAR Stock – Turnover]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	-	0.00%	0.00	0.00%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the numerator of the applicable KPI**	**3.89**	**100.00%**	**3.88**	**99.98%**	**0.00**	**0.02%**
8.	**Amount and share of economic activities aligned with the Taxonomy in the numerator of the applicable KPI**	**3.89**	**100.00%**	**3.88**	**99.98%**	**0.00**	**0.02%**

Model 4. Economic activities eligible for but not aligned with Taxonomy [GAR Stock – Capex]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.01	0.00%	0.01	0.00%	-	0.00%
5.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
6.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
7.	**Amount and share of other economic activities eligible for Taxonomy but not aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**125.65**	**4.86%**	**125.63**	**4.86%**	**0.01**	**0.00%**
8.	**Total amount and share of economic activities eligible for Taxonomy but not aligned with the Taxonomy in the denominator of the applicable KPI**	**125.65**	**4.86%**	**125.64**	**4.86%**	**0.01**	**0.00%**

Model 4. Economic activities eligible for but not aligned with Taxonomy [GAR Stock – Turnover]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
5.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
6.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
7.	**Amount and share of other economic activities eligible for Taxonomy but not aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**124.57**	**4.82%**	**124.55**	**4.82%**	**0.01**	**0.00%**
8.	**Total amount and share of economic activities eligible for Taxonomy but not aligned with the Taxonomy in the denominator of the applicable KPI**	**124.56**	**4.82%**	**124.54**	**4.82%**	**0.01**	**0.00%**

Model 5. Economic activities not eligible for Taxonomy [GAR Stock – Capex]

Row	Economic activities	Amount	Percentage
1.	Amount and share of economic activity from row 1 of model 1 that is not eligible for Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
2.	Amount and share of economic activity from row 2 of model 1 that is not eligible for Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and share of economic activity from row 3 of model 1 that is not eligible for Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
4.	Amount and share of economic activity from row 4 of model 1 that is not eligible for Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and share of economic activity from row 5 of model 1 that is not eligible for Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
6.	Amount and share of economic activity from row 6 of model 1 that is not eligible for Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
7.	**Amount and share of other economic activities not eligible for Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**2,455.52**	**95.03%**
8.	**Total amount and share of economic activities not eligible for Taxonomy in the denominator of the applicable KPI**	**2,455.52**	**95.03%**

Model 5. Economic activities not eligible for Taxonomy [GAR Stock – Turnover]

Row	Economic activities	Amount	Percentage
1.	Amount and share of economic activity from row 1 of model 1 that is not eligible for Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
2.	Amount and share of economic activity from row 2 of model 1 that is not eligible for Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and share of economic activity from row 3 of model 1 that is not eligible for Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
4.	Amount and share of economic activity from row 4 of model 1 that is not eligible for Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and share of economic activity from row 5 of model 1 that is not eligible for Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
6.	Amount and share of economic activity from row 6 of model 1 that is not eligible for Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
7.	**Amount and share of other economic activities not eligible for Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**2,455.52**	**95.03%**
8.	**Total amount and share of economic activities not eligible for Taxonomy in the denominator of the applicable KPI**	**2,455.52**	**95.03%**

KPI applicable to on-balance sheet assets: GAR Flow

Model 1. Nuclear and fossil gas-related activities [GAR Flow]

Row	Activities related to nuclear energy	YES/NO
1	The company engages in, funds, or is involved in research, development, demonstration, and implementation of innovative power generation plants that produce energy from nuclear processes with a minimal amount of fuel cycle waste.	Yes
2	The company is involved in, funds, or has exposures towards the construction and safe operation of new nuclear plants for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, and improvements to their safety with the assistance of the best available technologies.	No
3	The company carries out, funds, or has exposures towards the safe operation of existing nuclear plants for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, and improvements to their safety.	Yes
	Activities related to fossil gases	
4	The company engages in, funds, or has exposures towards the construction or management of plants for the production of electricity using fossil gas fuels.	Yes
5	The company engages in, funds, or has exposures towards the construction, upgrading, and management of combined heat/cool and power generation plants that use fossil gas fuels.	Yes
6	The company engages in, funds, or has exposures towards the construction, upgrading, and management of heat generation plants that produce heat/cool using fossil gas fuels.	Yes

Model 2. Economic activities aligned with Taxonomy (denominator) [GAR Flow – Capex]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**0.11**	**0.00%**	**0.11**	**0.00%**	**0.00**	**0.00%**
8.	**Total applicable KPI**	**0.11**	**0.00%**	**0.11**	**0.00%**	**0.00**	**0.00%**

Model 2. Economic activities aligned with Taxonomy (denominator) [GAR Flow – Turnover]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	-	0.00%	0.00	0.00%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**0.16**	**0.01%**	**0.16**	**0.01%**	**0.00**	**0.00%**
8.	**Total applicable KPI**	**0.16**	**0.01%**	**0.16**	**0.01%**	**0.00**	**0.00%**

Model 3. Economic activities aligned with Taxonomy (numerator) [GAR Flow – Capex]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.06%	0.00	0.06%	-	0.00%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the numerator of the applicable KPI**	**0.11**	**99.94%**	**0.11**	**99.18%**	**0.00**	**0.77%**
8.	**Amount and share of economic activities aligned with the Taxonomy in the numerator of the applicable KPI**	**0.11**	**100.00%**	**0.11**	**99.23%**	**0.00**	**0.77%**

Model 3. Economic activities aligned with Taxonomy (numerator) [GAR Flow – Turnover]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.01%	0.00	0.01%	-	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.05%	-	0.00%	0.00	0.05%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.03%	0.00	0.03%	-	0.00%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the numerator of the applicable KPI**	**0.16**	**99.91%**	**0.16**	**99.51%**	**0.00**	**0.41%**
8.	**Amount and share of economic activities aligned with the Taxonomy in the numerator of the applicable KPI**	**0.16**	**100.00%**	**0.16**	**99.54%**	**0.00**	**0.46%**

Model 4. Economic activities eligible for but not aligned with Taxonomy [GAR Flow – Capex]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
5.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
6.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
7.	**Amount and share of other economic activities eligible for Taxonomy but not aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**1.00**	**0.04%**	**0.99**	**0.04%**	**0.02**	**0.00%**
8.	**Total amount and share of economic activities eligible for Taxonomy but not aligned with the Taxonomy in the denominator of the applicable KPI**	**1.01**	**0.04%**	**0.99**	**0.04%**	**0.02**	**0.00%**

Model 4. Economic activities eligible for but not aligned with Taxonomy [GAR Flow – Turnover]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
5.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
6.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
7.	**Amount and share of other economic activities eligible for Taxonomy but not aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**1.45**	**0.06%**	**1.44**	**0.06%**	**0.01**	**0.00%**
8.	**Total amount and share of economic activities eligible for Taxonomy but not aligned with the Taxonomy in the denominator of the applicable KPI**	**1.44**	**0.06%**	**1.43**	**0.06%**	**0.01**	**0.00%**

Model 5. Economic activities not eligible for Taxonomy [GAR Flow – Capex]

Row	Economic activities	Amount	Percentage
1.	Amount and share of economic activity from row 1 of model 1 that is not eligible for Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
2.	Amount and share of economic activity from row 2 of model 1 that is not eligible for Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and share of economic activity from row 3 of model 1 that is not eligible for Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
4.	Amount and share of economic activity from row 4 of model 1 that is not eligible for Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and share of economic activity from row 5 of model 1 that is not eligible for Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
6.	Amount and share of economic activity from row 6 of model 1 that is not eligible for Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
7.	**Amount and share of other economic activities not eligible for Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	2,582.85	99.96%
8.	**Total amount and share of economic activities not eligible for Taxonomy in the denominator of the applicable KPI**	2,582.85	99.96%

Model 5. Economic activities not eligible for Taxonomy [GAR Flow – Turnover]

Row	Economic activities	Amount	Percentage
1.	Amount and share of economic activity from row 1 of model 1 that is not eligible for Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
2.	Amount and share of economic activity from row 2 of model 1 that is not eligible for Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
3.	Amount and share of economic activity from row 3 of model 1 that is not eligible for Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
4.	Amount and share of economic activity from row 4 of model 1 that is not eligible for Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%
5.	Amount and share of economic activity from row 5 of model 1 that is not eligible for Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
6.	Amount and share of economic activity from row 6 of model 1 that is not eligible for Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
7.	**Amount and share of other economic activities not eligible for Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**2,582.36**	**99.94%**
8.	**Total amount and share of economic activities not eligible for Taxonomy in the denominator of the applicable KPI**	**2,582.36**	**99.94%**

KPI applicable to off-balance-sheet assets: AuM KPI Stock

Model 1. Nuclear and fossil gas-related activities [AuM KPI Stock]

Row	Activities related to nuclear energy	YES/NO
1	The company engages in, funds, or is involved in research, development, demonstration, and implementation of innovative power generation plants that produce energy from nuclear processes with a minimal amount of fuel cycle waste.	YES
2	The company is involved in, funds, or has exposures towards the construction and safe operation of new nuclear plants for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, and improvements to their safety with the assistance of the best available technologies.	YES
3	The company carries out, funds, or has exposures towards the safe operation of existing nuclear plants for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, and improvements to their safety.	YES
	Activities related to fossil gases	
4	The company engages in, funds, or has exposures towards the construction or management of plants for the production of electricity using fossil gas fuels.	YES
5	The company engages in, funds, or has exposures towards the construction, upgrading, and management of combined heat/cool and power generation plants that use fossil gas fuels.	YES
6	The company engages in, funds, or has exposures towards the construction, upgrading, and management of heat generation plants that produce heat/cool using fossil gas fuels.	YES

Model 2. Economic activities aligned with Taxonomy (denominator) [AuM KPI Stock – Capex]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.02	0.06%	0.02	0.06%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.01	0.03%	0.01	0.03%	-	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.04	0.17%	0.04	0.17%	-	0.00%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.01%	0.00	0.01%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**1.17**	**4.57%**	**1.13**	**4.41%**	**0.04**	**0.15%**
8.	**Total applicable KPI**	**1.24**	**4.85%**	**1.21**	**4.69%**	**0.04**	**0.15%**

Model 2. Economic activities aligned with Taxonomy (denominator) [AuM KPI Stock – Turnover]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.02%	0.00	0.02%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.01	0.02%	0.01	0.02%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.03	0.11%	0.03	0.11%	0.00	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.04	0.15%	0.03	0.12%	0.01	0.03%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**0.71**	**2.78%**	**0.71**	**2.77%**	**0.00**	**0.01%**
8.	**Total applicable KPI**	**0.79**	**3.09%**	**0.78**	**3.05%**	**0.01**	**0.04%**

Model 3. Economic activities aligned with Taxonomy (numerator) [AuM KPI Stock – Capex]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.02%	0.00	0.02%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.02	1.33%	0.02	1.33%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.01	0.58%	0.01	0.58%	-	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.07%	0.00	0.07%	-	0.00%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.04	3.53%	0.04	3.53%	-	0.00%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.28%	0.00	0.28%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the numerator of the applicable KPI**	**1.17**	**94.19%**	**1.13**	**91.03%**	**0.04**	**3.16%**
8.	**Amount and share of economic activities aligned with the Taxonomy in the numerator of the applicable KPI**	**1.24**	**100.00%**	**1.21**	**96.84%**	**0.04**	**3.16%**

Model 3. Economic activities aligned with Taxonomy (numerator) [AuM KPI Stock – Turnover]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.55%	0.00	0.55%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.01	0.78%	0.01	0.78%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.03	3.67%	0.03	3.67%	0.00	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.11%	0.00	0.11%	-	0.00%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.04	4.86%	0.03	4.03%	0.01	0.83%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.05%	0.00	0.05%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the numerator of the applicable KPI**	**0.71**	**89.98%**	**0.71**	**89.53%**	**0.00**	**0.45%**
8.	**Amount and share of economic activities aligned with the Taxonomy in the numerator of the applicable KPI**	**0.79**	**100.00%**	**0.78**	**98.72%**	**0.01**	**1.28%**

Model 4. Economic activities eligible for but not aligned with Taxonomy [AuM KPI Stock – Capex]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
2.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
4.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.02	0.07%	0.02	0.07%	0.00	0.00%
5.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.07	0.27%	0.07	0.27%	-	0.00%
6.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.02%	0.00	0.02%	-	0.00%
7.	**Amount and share of other economic activities eligible for Taxonomy but not aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**1.96**	**7.63%**	**1.90**	**7.40%**	**0.06**	**0.23%**
8.	**Total amount and share of economic activities eligible for Taxonomy but not aligned with the Taxonomy in the denominator of the applicable KPI**	**2.05**	**8.00%**	**1.99**	**7.76%**	**0.06**	**0.23%**

Model 4. Economic activities eligible for but not aligned with Taxonomy [AuM KPI Stock – Turnover]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.01%	0.00	0.01%	-	0.00%
2.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.01%	0.00	0.01%	-	0.00%
3.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.01%	0.00	0.01%	-	0.00%
4.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.08	0.31%	0.08	0.31%	0.00	0.00%
5.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.08	0.32%	0.08	0.30%	0.01	0.03%
6.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.01%	0.00	0.01%	-	0.00%
7.	**Amount and share of other economic activities eligible for Taxonomy but not aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**1.94**	**7.56%**	**1.80**	**7.00%**	**0.14**	**0.56%**
8.	**Total amount and share of economic activities eligible for Taxonomy but not aligned with the Taxonomy in the denominator of the applicable KPI**	**2.11**	**8.23%**	**1.96**	**7.65%**	**0.15**	**0.58%**

Model 5. Economic activities not eligible for Taxonomy [AuM KPI Stock – Capex]

Row	Economic activities	Amount	Percentage
1.	Amount and share of economic activity from row 1 of model 1 that is not eligible for Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
2.	Amount and share of economic activity from row 2 of model 1 that is not eligible for Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
3.	Amount and share of economic activity from row 3 of model 1 that is not eligible for Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.01%
4.	Amount and share of economic activity from row 4 of model 1 that is not eligible for Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
5.	Amount and share of economic activity from row 5 of model 1 that is not eligible for Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.04	0.17%
6.	Amount and share of economic activity from row 6 of model 1 that is not eligible for Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
7.	**Amount and share of other economic activities not eligible for Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**22.33**	**86.97%**
8.	**Total amount and share of economic activities not eligible for Taxonomy in the denominator of the applicable KPI**	**22.37**	**87.16%**

Model 5. Economic activities not eligible for Taxonomy [AuM KPI Stock – Turnover]

Row	Economic activities	Amount	Percentage
1.	Amount and share of economic activity from row 1 of model 1 that is not eligible for Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
2.	Amount and share of economic activity from row 2 of model 1 that is not eligible for Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.02%
3.	Amount and share of economic activity from row 3 of model 1 that is not eligible for Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.01%
4.	Amount and share of economic activity from row 4 of model 1 that is not eligible for Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
5.	Amount and share of economic activity from row 5 of model 1 that is not eligible for Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.04	0.17%
6.	Amount and share of economic activity from row 6 of model 1 that is not eligible for Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%
7.	**Amount and share of other economic activities not eligible for Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**22.71**	**88.47%**
8.	**Total amount and share of economic activities not eligible for Taxonomy in the denominator of the applicable KPI**	**22.76**	**88.68%**

KPI applicable to off-balance-sheet assets: AuM KPI Flow

Model 1. Nuclear and fossil gas-related activities [AuM KPI Flow]

Row	Activities related to nuclear energy	YES/NO
1	The company engages in, funds, or is involved in research, development, demonstration, and implementation of innovative power generation plants that produce energy from nuclear processes with a minimal amount of fuel cycle waste.	YES
2	The company is involved in, funds, or has exposures towards the construction and safe operation of new nuclear plants for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, and improvements to their safety with the assistance of the best available technologies.	YES
3	The company carries out, funds, or has exposures towards the safe operation of existing nuclear plants for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, and improvements to their safety.	YES
	Activities related to fossil gases	
4	The company engages in, funds, or has exposures towards the construction or management of plants for the production of electricity using fossil gas fuels.	YES
5	The company engages in, funds, or has exposures towards the construction, upgrading, and management of combined heat/cool and power generation plants that use fossil gas fuels.	YES
6	The company engages in, funds, or has exposures towards the construction, upgrading, and management of heat generation plants that produce heat/cool using fossil gas fuels.	YES

Model 2. Economic activities aligned with Taxonomy (denominator) [AuM KPI Flow – Capex]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		**Climate change mitigation (CCM)**		**Climate change adaptation (CCA)**	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.15	0.45%	0.15	0.45%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.01	0.04%	0.01	0.04%	-	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.10	0.30%	0.10	0.30%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**2.49**	**7.63%**	**2.30**	**7.06%**	**0.19**	**0.57%**
8.	**Total applicable KPI**	**2.75**	**8.42%**	**2.56**	**7.85%**	**0.19**	**0.57%**

Model 2. Economic activities aligned with Taxonomy (denominator) [AuM KPI Flow – Turnover]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.01	0.04%	0.01	0.04%	0.00	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.04	0.12%	0.04	0.12%	0.00	0.00%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.01	0.02%	0.01	0.02%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**1.12**	**3.44%**	**1.08**	**3.31%**	**0.04**	**0.13%**
8.	**Total applicable KPI**	**1.18**	**3.63%**	**1.14**	**3.50%**	**0.04**	**0.13%**

Model 3. Economic activities aligned with Taxonomy (numerator) [AuM KPI Flow – Capex]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	-
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.15	5.36%	0.15	5.36%	-	-
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.01	0.48%	0.01	0.48%	-	-
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	-	-	-
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.05%	0.00	0.05%	-	-
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.10	3.56%	0.10	3.56%	-	-
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the numerator of the applicable KPI**	**2.49**	**90.55%**	**2.30**	**83.78%**	**0.19**	**6.77%**
8.	**Amount and share of economic activities aligned with the Taxonomy in the numerator of the applicable KPI**	**2.75**	**100.00%**	**2.56**	**93.23%**	**0.19**	**6.77%**

Model 3. Economic activities aligned with Taxonomy (numerator) [AuM KPI Flow – Turnover]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.01%	0.00	0.01%	-	0.00%
2.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.00	0.01%	0.00	0.01%	-	0.00%
3.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.01	1.10%	0.01	1.09%	0.00	0.00%
4.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.04	3.43%	0.04	3.42%	0.00	0.01%
6.	Amount and share of economic activity aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.01	0.67%	0.01	0.67%	-	0.00%
7.	**Amount and share of other economic activities aligned with the Taxonomy not included in rows 1 to 6 in the numerator of the applicable KPI**	**1.12**	**94.78%**	**1.08**	**91.19%**	**0.04**	**3.59%**
8.	**Amount and share of economic activities aligned with the Taxonomy in the numerator of the applicable KPI**	**1.18**	**100.00%**	**1.14**	**96.40%**	**0.04**	**3.60%**

Model 4. Economic activities eligible for but not aligned with Taxonomy [AuM KPI Flow – Capex]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
2.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
3.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.02	0.05%	0.02	0.05%	-	0.00%
4.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.01	0.04%	0.01	0.04%	-	0.00%
5.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.01	0.02%	0.01	0.02%	-	0.00%
6.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
7.	**Amount and share of other economic activities eligible for Taxonomy but not aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**5.67**	**17.39%**	**5.16**	**15.83%**	**0.51**	**1.56%**
8.	**Total amount and share of economic activities eligible for Taxonomy but not aligned with the Taxonomy in the denominator of the applicable KPI**	**5.70**	**17.50%**	**5.19**	**15.93%**	**0.51**	**1.56%**

Model 4. Economic activities eligible for but not aligned with Taxonomy [AuM KPI Flow – Turnover]

Row	Economic activities	Amount and share (present information in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
2.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
3.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
4.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.08	0.25%	0.08	0.25%	-	0.00%
5.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.01	0.02%	0.01	0.02%	0.00	0.00%
6.	Amount and share of economic activity eligible for Taxonomy but not aligned with the Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00	0.00%	0.00	0.00%	-	0.00%
7.	**Amount and share of other economic activities eligible for Taxonomy but not aligned with the Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**4.38**	**13.43%**	**4.19**	**12.85%**	**0.19**	**0.59%**
8.	**Total amount and share of economic activities eligible for Taxonomy but not aligned with the Taxonomy in the denominator of the applicable KPI**	**4.47**	**13.71%**	**4.28**	**13.12%**	**0.19**	**0.59%**

Model 5. Economic activities not eligible for Taxonomy [AuM KPI Flow – Capex]

Row	Economic activities	Amount	Percentage
1.	Amount and share of economic activity from row 1 of model 1 that is not eligible for Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	- €	0.00%
2.	Amount and share of economic activity from row 2 of model 1 that is not eligible for Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00 €	0.00%
3.	Amount and share of economic activity from row 3 of model 1 that is not eligible for Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.01 €	0.03%
4.	Amount and share of economic activity from row 4 of model 1 that is not eligible for Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00 €	0.00%
5.	Amount and share of economic activity from row 5 of model 1 that is not eligible for Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00 €	0.00%
6.	Amount and share of economic activity from row 6 of model 1 that is not eligible for Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	- €	0.00%
7.	**Amount and share of other economic activities not eligible for Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**24.13 €**	**74.04%**
8.	**Total amount and share of economic activities not eligible for Taxonomy in the denominator of the applicable KPI**	**24.14 €**	**74.08%**

Model 5. Economic activities not eligible for Taxonomy [AuM KPI Flow – Turnover]

Row	Economic activities	Amount	Percentage
1.	Amount and share of economic activity from row 1 of model 1 that is not eligible for Taxonomy as per Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00 €	0.00%
2.	Amount and share of economic activity from row 2 of model 1 that is not eligible for Taxonomy as per Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00 €	0.00%
3.	Amount and share of economic activity from row 3 of model 1 that is not eligible for Taxonomy as per Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.03 €	0.08%
4.	Amount and share of economic activity from row 4 of model 1 that is not eligible for Taxonomy as per Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00 €	0.00%
5.	Amount and share of economic activity from row 5 of model 1 that is not eligible for Taxonomy as per Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00 €	0.00%
6.	Amount and share of economic activity from row 6 of model 1 that is not eligible for Taxonomy as per Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.00 €	0.00%
7.	**Amount and share of other economic activities not eligible for Taxonomy not included in rows 1 to 6 in the denominator of the applicable KPI**	**26.91 €**	**82.57%**
8.	**Total amount and share of economic activities not eligible for Taxonomy in the denominator of the applicable KPI**	**26.94 €**	**82.66%**

Main risks and uncertainties

The main risks and uncertainties to which the Bank is exposed, in view of its activities as well as its balance sheet and financial situation, are described in more detail in Part A and Part E of the Notes to the Financial Statements.
In this Report on Operations, in the paragraphs on the Macroeconomic scenario and the Market context, a description is also provided of the current context, which is marked, in particular, by the continuation of the armed conflict between Russia and Ukraine and by the more recent conflict that broke out in Israel. The situation of uncertainty and the related risks are therefore difficult to estimate; however, on the basis of the information currently available, the Bank does not consider there to be any particular critical elements for the Bank's economic-financial equilibrium.

Significant events during the year

Qualification as issuer of financial instruments distributed to the public in a significant measure

Pursuant to Article 2325-*ter* of the Italian Civil Code, as introduced by the Capital Bill (Law No. 21 of 5 March 2024), following the finalised merger by incorporation of Banca Popolare Valconca S.p.A. in Amministrazione Straordinaria (under Extraordinary Administration) into Cherry Bank S.p.A., an operation whose legal effects took place as of 30 December 2023, Cherry Bank S.p.A. took on the role of "*issuer of financial instruments distributed to the public in a significant measure*".

Entry into the share capital of Banca Macerata S.p.A.

In execution of the Board resolution of 12 February 2024, the Bank acquired a 9.6% stake in the share capital of Banca Macerata S.p.A. on 10 April 2024. The investment transaction, which is a new step in the direction of supporting territories where the banking presence has been reduced in recent years, is part of Cherry Bank's programme to expand its operations through commercial agreements with banks with strong territorial roots. As a result of the transaction, Cherry Bank became the largest shareholder of Banca Macerata, but it does not exercise any significant influence over the company nor has it appointed any representatives in the bodies of the Marche-based bank.

Integration operation of Banca Popolare Valconca S.p.A. in A.S. (under Extraordinary Administration) – Information services migration

On 24 May 2024, the merger of Banca Popolare Valconca S.p.A. in A.S. (under Extraordinary Administration) into Cherry Bank was finalised also from an IT systems point of view, with the migration of BPV's systems into the Bank's systems.

Cherry Blossom – structuring a securitisation vehicle

Cherry Bank structured a securitisation vehicle entirely dedicated to the purchase of loans from specialised financing originated and structured by the Bank's Special Situations department. In the context of the transaction, the Bank is the exclusive servicer and co-investor of the vehicle with a target share of 10% of the issue value of the loans. The vehicle, named "Cherry Blossom" and aimed at institutional investors, placed the first Euro 26.6 million portfolio of loans of companies in reversible crisis to support their revitalisation. The vehicle is the first investment project of Cherry Bank's Alternative Investments department.

Significant events after year-end

2025-2027 Strategic Plan

On 27 January 2025, the Board of Directors approved the 2025-2027 Strategic Plan, a document that identifies the main strategic guidelines of the Bank as a whole for the next three years, broken down for each individual Business Unit.
The Plan introduces the Bank's new internal organisational structure aimed at creating a full-service banking hub serving businesses and households, with the creation and strengthening of the following three segments:

- **Relationship Bank** whose focus is on customer relations and territorial proximity and includes the BUs Corporate Banking, Retail Banking, Wealth Management, and Factoring;
- **Corporate & Investment Banking** focused mainly on the research of high-yield, even complex transactions, which includes the Structured Finance, Special Situation and Green Evolution and Advisory BUs;
- **NPL Investment and Management**, the Bank's historic specialised segment, focused on the purchase and management of mainly unsecured impaired loans.

Unwinding of the Magnolia SPV and Valconca SPV securitisation transactions

On 20 January 2025, the securitisation transactions relating to the special purpose vehicles Magnolia SPV and Valconca SPV were terminated early, with the Bank repurchasing the respective loan portfolios that had originally been sold to these vehicles by Banco delle Tre Venezie S.p.A. and Banca Popolare Valconca S.p.A., respectively. The aforementioned repurchase transactions were publicized by means of a notice of transfer published in the Official Journal of the Italian Republic, Part II, No. 18 of 11 February 2025. The transaction was carried out with a view to reconstituting a larger portfolio on which a securitisation could possibly be structured with a size more consistent with the Bank's size, as well as allowing for greater cost efficiency. The unwinding had entirely immaterial impacts on liquidity indicators.

Business outlook

The climate of uncertainty that characterised the post-Covid years, with the effects of public subsidies having mostly worn off, is confirmed as a constant also in the expectations for 2025. It could be said that the cyclical factors at the root of the uncertainty are changing – sometimes very significantly – but the overall scenario remains difficult to decipher.
Consider the events that have materialized in the second half of 2024 and whose effect is bound to extend to 2025 and in the following years: the expectations of an end to the conflict in Ukraine; the hopes for peace in Palestine; the substantially structured decline of inflation close to the target; Trump's rise to the US presidency; the expectations for an organic European response to tariff threats; up to the fall of certain totems, for now only hoped for, in terms of rules on common debt in the EU.
In this climate, the forecasts developed by the main macroeconomic analysis institutes indicate that Italy's GDP will still moderately grow in 2025 (0.7% - 1%); Europe is also expected to see a development that could exceed 1%, although not uniformly among member countries and with Germany under special scrutiny, which in weighted terms is significant, and could present some difficulties. In reality, these estimates, which appear relatively good for both our country and Europe, cannot factor in the still unknown effects of the hoped-for end to the war in Ukraine; of the financial wars triggered by the tariff policy pursued by the new US administration; of the responses of European policies.
The external environment is therefore still, perhaps more than ever, affected by multiple uncertainty factors. The cost of raw materials has relatively stabilised, although elements of instability and uncertainty about availability remain. Oil has substantially stable costs, even if they penalise the European economy compared to the US; natural gas, also as a result of actions implemented in particular in Italy, has prices that are substantially compatible with an orderly development of the real economy. More worrying from a geopolitical perspective is the effect of structural changes in the supply chain of the global economy. A possible gradual disengagement of the international supply system – also as a result of disruptions due to local clashes that affect them – could lead to the relocation of certain productions to more neighbouring areas with supply chain facilitation; however, at the same time with an increase in prices and an investment requirement on the one hand desirable, but on the other hand, not without financial consequences that have yet to be assessed. The trade-off between the availability of raw materials and semi-finished products and security of supply sees the expected balance shifting towards the latter, even at a higher cost.
The response to inflationary scenarios induced mainly by supply-side constraints was – in 2023 – swift and vigorous on the part of the ECB. During 2024, inflation ***came back***, even if it is legitimate to doubt the reasons for returning to the territory now close to the 2% target. Current expectations are for a continuation – but with a slowdown – of the phase of monetary policy rate cuts, starting from the current levels of 2.50% for deposits and 2.65% for refinancing operations. Markets are pricing in a further 40-45 basis point reduction by the end of 2025, which could translate into two 25-bp cuts in monetary policy down to 2% for the deposit rate: the ECB, however, declares that it will monitor the data from time to time, also

to take into account any, currently unforeseeable, reversals in the trend of price variations.
Most qualified observers now believe that the landing point for monetary policy may be the neutral rate in the 2%-2.25% territory, even if there is no open stance from ECB members.
The decline in monetary policy rates did not significantly affect the financial margin for more traditional banking business with reference to 2024, while some downward effects will most likely be felt starting in 2025. Declining but still relatively high rates compared to last decade's experience will help contain the price of the impaired loan portfolios in which the Bank is interested and make lending to companies, including those in turnaround, more selective, facilitating the Bank's presence. The dynamics in rates also led to an increase in margins from the pricing of tax credits (introduced by Decreto Rilancio [Relaunch Decree]), which, however, were substantially decimated in terms of volume. The sector is in a substantial run-off.
Generally speaking, in a context of credit risk that is under control overall, even if it is on the rise compared to recent years, the economic situation of households and businesses will continue to be affected by the dynamics of interest rates and GDP, despite the easing resulting from the Central Bank's dovish shift.
The Bank's actions, during 2025, will be characterised: by careful management of regulatory capital, already reported today largely above the indications that the Bank was invited to maintain by the Supervisory Authorities following the outcome of the latest SREP process and awaiting the next indications; by maintaining liquidity levels adequate for the Bank's strategies, reducing concentration and preferring more stable funding; by attention to the profitability of loans, adjusted for risk. Particular attention will be paid to the control of credit quality, which is still affected by the dynamics of the legacy portfolio but is expected to improve.
In January 2025, the Board of Directors, as planned, completed the process of forming and approving the new 2025-2027 Strategic Plan, which evolved from what was presented with reference to 2024-2026.
Against this backdrop, expectations for the year 2025 are positive, even though there must be a clear awareness that 2025 will be the most difficult year of the three-year Plan period due to the start-up phase of multiple initiatives that will need time to materialise significant economic effects and fully replace the operations that have ceased.
The need to strengthen the regulatory capital and the Bank's perimeter in general precludes the distribution of dividends until the completion of this path is fully visible; nevertheless, the vigorous growth and development are elements that we hope will be welcomed.

Other information

Shareholders structure

At 31 December 2024, the Bank's share capital amounted to Euro 49,597,778 divided into 105,752,055 shares with no nominal value, held by 4,639 shareholders.
The Bank's main shareholders are listed below, with an indication of their relative share in the capital, with voting rights at 31 December 2024.

Shareholder	No. of Shares	Share Capital (%)
Bossi Giovanni[^]	48,315,276	45.68%
Maderna Francesca	9,161,970	8.66%
Veniero Investments Limited	8,706,419	8.23%
HPT Sinergy S.r.l.	3,646,248	3.45%
Other Shareholders	35,922,142	33.98%
Total	**105,752,055**	**100.00%**

[^]shareholding held directly and indirectly through the company Cofigest S.r.l.

Transactions on treasury shares

The Bank has not held and does not hold in its portfolio, directly or indirectly, any of its own units or treasury shares, or units or shares in parent companies.

Corporate Governance

Within the three alternative systems of governance, the Bank has chosen and confirmed over time the traditional one, i.e. ordinary, system with the Board of Directors performing the strategic supervision function, the CEO performing the management function and the Board of Statutory Auditors performing the control function.
The Board of Directors and the Board of Statutory Auditors are appointed by the Shareholders' Meeting. Among the Bodies, the Control, Risk and Sustainability Committee (which performs support functions to the Body with strategy supervision function in the area of risks and the internal control system), as well as the Supervisory and Control Body pursuant to

Legislative Decree No. 231/2001, were established.
As part of the internal control system, the Bank identifies the following functions within the levels provided for by the supervisory regulations in force:

- First-level or line controls, aimed at ensuring the proper conduct of operations, carried out by the production facilities themselves or incorporated into procedures, performed as part of back office activities;
- Second-level controls, carried out by the Risk Management Function and the Compliance and Anti-Money Laundering Function;
- Third-level controls, carried out by the Internal Audit Function.

The heads of the second and third-level control functions are placed directly under the Board of Directors. They have direct access to the Board of Statutory Auditors and communicate with it without restriction or intermediation.
Please refer to the more detailed description in the Corporate Governance Report on the Bank's institutional website.

Transactions with related parties

Please refer to Part H of the Notes to the Financial Statements for information on transactions conducted with related parties during the year.

Atypical or unusual transactions

No atypical or unusual transactions took place during the year.

Research and development activities

The Bank did not carry out any research and development activities during the year.

Proposal for allocation of the year's result

Shareholders,
We submit for your approval the 2024 Financial Statements of Cherry Bank S.p.A. and the related proposed allocation of the profit for the year.

In view of the necessary path to strengthen the Bank's capital and the capital levels achieved, the Board of Directors proposes, also for 2024, the preservation of profit for the benefit of the Bank's assets.

We propose to allocate the Net profit for the year of Euro 30,110,239 as follows:
- to Legal reserve pursuant to Article 2430 of the Italian Civil Code in the amount of Euro 1,505,512;
- to Extraordinary reserve for the residual.

After the allocation of the 2024 operating profit, the profit reserves will be allocated to:
- Reserve pursuant to Article 26, paragraph 5-bis of Decree-Law No. 104 of 10 August 2023, converted with amendments by Law No. 136 of 9 October 2023 in the amount of Euro 5,627,010;
- Unavailable reserve pursuant to Article 6, paragraph 2 of Legislative Decree No. 38 of 28 February 2005 in the amount of Euro 98,283,852.

Padua, 24 March 2025

For the Board of Directors

The Chief Executive Officer
Giovanni Bossi

2 Statements

Balance Sheet

(amounts in Euro units)

Asset items	31/12/2024	31/12/2023
10. Cash and cash equivalents	139,145,245	105,746,542
20. Financial assets measured at fair value through profit or loss	35,606,467	34,351,291
a) financial assets held for trading	5,087	169,358
b) other financial assets obligatorily measured at FV	35,601,380	34,181,933
30. Financial assets measured at fair value through other comprehensive income	74,986,554	122,019,623
40. Financial assets measured at amortised cost	2,805,301,362	2,081,481,382
a) receivables from banks	31,868,595	16,459,946
b) receivables from customers	2,773,432,767	2,065,021,436
70. Investments	100	100
80. Tangible assets	44,018,370	37,918,767
90. Intangible assets	10,312,776	10,265,458
of which goodwill	-	-
100. Tax assets	21,117,401	32,344,829
a) current	3,361,342	2,271,231
b) deferred tax assets	17,756,059	30,073,598
120. Other assets	1,288,769,444	810,419,594
Total assets	**4,419,257,719**	**3,234,547,586**

(amounts in Euro units)

Liability and equity items	31/12/2024	31/12/2023
10. Financial liabilities measured at amortised cost	4,152,789,455	2,996,414,466
a) payables to banks	1,098,839,992	491,669,551
b) payables to customers	3,053,949,463	2,504,714,640
c) securities issued	-	30,275
20. Financial liabilities held for trading	10,734	44,163
60. Tax liabilities	9,534,717	7,352,774
a) current	4,182,455	1,521,673
b) deferred	5,352,262	5,831,101
80. Other liabilities	59,972,130	62,905,204
90. Employee severance indemnity (TFR)	543,673	426,634
100. Provisions for risks and charges	1,902,505	2,354,339
a) commitments and guarantees given	756,708	1,088,586
b) other provisions	1,145,797	1,265,753
110. Valuation reserves	9,862,846	9,503,586
130. Capital instruments	10,000,000	10,000,000
140. Reserves	94,217,636	15,736,239
150. Share premium	716,006	716,006
160. Capital	49,597,778	49,597,778
180. Profit (Loss) for the year	30,110,239	79,496,397
Total liabilities and shareholders' equity	**4,419,257,719**	**3,234,547,586**

Income Statement

(amounts in Euro units)

	31/12/2024	31/12/2023
10. Interest and similar income	127,704,243	45,508,182
of which: interest income calculated using the effective interest method	*127,661,723*	*45,126,307*
20. Interest and similar expense	(111,355,016)	(28,531,323)
30. Interest margin	**16,349,227**	**16,976,859**
40. Commission income	24,115,623	22,180,708
50. Commission expenses	(13,105,303)	(11,343,234)
60. Net commissions	**11,010,320**	**10,837,474**
70. Dividends and similar income	598,883	-
80. Net trading result	150,261,936	63,693,618
100. Gains (Losses) on disposal or repurchase of	2,467,640	(1,354,045)
a) financial assets measured at amortised cost	2,085,944	(2,002,735)
b) financial assets measured at fair value through other comprehensive income	381,696	648,690
110. Net result of other financial assets and liabilities measured at fair value through profit or loss	(2,178,470)	(184,088)
b) other financial assets obligatorily measured at FV	(2,178,470)	(184,088)
120. Intermediation margin	**178,509,536**	**89,969,818**
130. Net impairment/reversal of impairment of:	(9,772,889)	1,321,008
a) financial assets measured at amortised cost	(2,647,306)	2,334,230
b) financial assets measured at fair value through other comprehensive income	(7,125,583)	(1,013,222)
140. Gains (Losses) from contractual changes without derecognition	53,812	-
150. Net result from financial operations	**168,790,459**	**91,290,826**
160. Administrative expenses	(120,621,546)	(61,913,098)
a) personnel expenses	(51,072,527)	(26,160,603)
b) other administrative expenses	(69,549,019)	(35,752,495)
170. Net allocations to provisions for risks and charges	179,571	(46,680)
180. Net impairment/reversal of impairment of tangible assets	(3,554,373)	(1,432,977)
190. Net impairment/reversal of impairment of intangible assets	(1,575,331)	(877,084)
200. Other operating expenses/income	1,974,427	47,187,868
210. Operating costs	**(123,597,252)**	**(17,081,971)**
220. Gains (Losses) on investments	-	13,775,370
250. Gains (Losses) on disposal of investments	(1,025)	35,670
260. Gains (Losses) on continuing operations, gross of taxes	**45,192,182**	**88,019,895**
270. Income taxes for the year on continuing operations	(15,081,943)	(8,523,498)
280. Gains (Losses) on continuing operations net of taxes	**30,110,239**	**79,496,397**
300. Profit (Loss) for the year	**30,110,239**	**79,496,397**

Statement of Other Comprehensive Income

(amounts in Euro units)

	31/12/2024	31/12/2023
10. Profit (Loss) for the year	**30,110,239**	**79,496,397**
Other income components net of taxes, without reversal to the income statement	**550,213**	**3,904**
20. Capital securities designated at fair value through other comprehensive income	552,830	-
70. Defined benefit plans	(2,617)	3,904
Other income components net of taxes, with reversal to the income statement	**(190,953)**	**18,474**
140. Financial assets (other than capital securities) measured at fair value through other comprehensive income	(190,953)	18,474
170. Total other income components net of taxes	**359,260**	**22,378**
180. Other comprehensive income (items 10+170)	**30,469,499**	**79,518,775**

Statement of Changes
in Equity at 31.12.2024

Items	Balance at 31.12.2023	Change opening balance	Balance at 1.1.2024	Allocation of previous year result		Changes in reserves
				Reserves	Dividends and other allocations	
Share capital	**49,597,778**	**-**	**49,597,778**	**-**	**-**	**-**
a) ordinary shares	*49,597,778*	-	*49,597,778*	-	-	-
b) other shares	-	-	-	-	-	-
Share premium	716,006	-	716,006	-	-	-
Reserves:	**15,736,239**	**-**	**15,736,239**	**79,496,397**	**-**	**(1,015,000)**
a) of profits	*7,716,721*	-	7,716,721	*79,496,397*	-	(1,015,000)
b) other reserves	*8,019,518*	-	8,019,518	-	-	-
Valuation reserves	9,503,586	-	9,503,586	-	-	-
Capital instruments	10,000,000	-	10,000,000	-	-	-
Treasury shares	-	-	-	-	-	-
Profit (Loss) for the year	79,496,397	-	79,496,397	(79,496,397)	-	-
Shareholders' Equity	**165,050,006**	**-**	**165,050,006**	**-**	**-**	**(1,015,000)**

Continued on next page

(amounts in Euro units)

Changes in the year							
Equity transactions						Other comprehensive income 2024	Shareholders' Equity at 31.12.2024
Issue of new shares	Purchase of treasury shares	Extraord. distribution of dividends	Changes in capital instruments	Derivatives on treasury shares	Stock options		
-	**-**	**-**	**-**	**-**	**-**	**-**	**49,597,778**
-	-	-	-	-	-	-	*49,597,778*
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	716,006
-	**-**	**-**	**-**	**-**	**-**	**-**	**94,217,636**
-	-	-	-	-	-	-	*86,198,118*
-	-	-	-	-	-	-	*8,019,518*
-	-	-	-	-	-	359,260	9,862,846
-	-	-	-	-	-	-	10,000,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	30,110,239	30,110,239
-	**-**	**-**	**-**	**-**	**-**	**30,469,499**	194,504,505

Statement of Changes
in Equity at 31.12.2023

Items	Balance at 31.12.2022	Change opening balance	Balance at 1.1.2021	Allocation of period result: Reserves	Allocation of period result: Dividends and other allocations	Changes in reserves
Share capital	**44,638,000**	**-**	**44,638,000**	**-**	**-**	**-**
a) ordinary shares	44,638,000	-	44,638,000	-	-	-
b) other shares	-	-	-	-	-	-
Share premium	716,006	-	716,006	-	-	-
Reserves:	**(3,204,335)**	**-**	**(3,204,335)**	**10,921,056**	**-**	**8,019,518**
a) of profits	(3,204,335)	-	(3,204,335)	10,921,056	-	-
b) other reserves	-	-	-	-	-	8,019,518
Valuation reserves	1,204,337	-	1,204,337	-	-	8,276,871
Capital instruments	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-
Profit (Loss) for the year	10,921,056	-	10,921,056	(10,921,056)	-	-
Shareholders' Equity	**54,275,064**	**-**	**54,275,064**	**-**	**-**	**16,296,389**

Continued on next page

(amounts in Euro units)

Changes in the year							
Equity transactions							Shareholders' Equity at 31.12.2023
Issue of new shares	Purchase of treasury shares	Extraord. distribution of dividends	Changes in capital instruments	Derivatives on treasury shares	Stock options	Other comprehensive income 31.12.2023	
4,959,778	**-**	**-**	**-**	**-**	**-**	**-**	49,597,778
4,959,778	-	-	-	-	-	-	49,597,778
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	716,006
-	**-**	**-**	**-**	**-**	**-**	**-**	**15,736,239**
-	-	-	-	-	-	-	7,716,721
-	-	-	-	-	-	-	8,019,518
-	-	-	-	-	-	22,378	9,503,586
-	-	-	10,000,000	-	-	-	10,000,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	79,496,397	79,496,397
4,959,778	**-**	**-**	**10,000,000**	**-**	**-**	**79,518,775**	**165,050,006**

Cash Flow Statement
(indirect method)

(amounts in Euro units)

	31/12/2023	31/12/2023
1. Operations	**(39,086,216)**	**56,877,900**
- profit (loss) for the year (+/-)	30,110,239	79,496,397
- gains/losses on financial assets held for trading and on other assets/liabilities measured at fair value through profit or loss (-/+)	(101,468,355)	1,448,935
- gains/losses on hedging activities (-/+)	-	-
- net impairment/reversal of impairment for credit risk (+/-)	11,455,445	(1,539,213)
- net impairment/reversal of impairment for tangible and intangible assets (+/-)	5,129,704	2,310,061
- net allocations to provisions for risks and charges and other costs/revenues (+/-)	(179,571)	(46,680)
- net premiums not collected (-)	-	-
- other insurance income/charges not collected (-/+)	-	-
- taxes, duties and unpaid tax credits (+/-)	14,978,321	(23,995,526)
- net impairment/reversal of impairment of discontinued operations, net of tax effect (-/+)	-	-
- other adjustments (+/-)	888,001	(796,074)
2. Liquidity generated/absorbed by financial assets	**(1,070,123,474)**	**(2,003,158,366)**
- financial assets held for trading	(130,081)	(1,446,103)
- financial assets designated at fair value	-	-
- other assets obligatorily measured at FV	(3,597,917)	(32,700,949)
- financial assets measured at FV through other comprehensive income	39,667,863	56,758,944
- financial assets measured at amortised cost:	(728,149,842)	(1,365,542,650)
- other assets	(377,913,497)	(660,227,608)
3. Liquidity generated/absorbed by financial liabilities	**1,153,286,135**	**2,031,459,968**
- liabilities measured at amortised cost	1,156,374,989	2,009,119,730
- financial liabilities held for trading	(556)	(246,581)
- financial liabilities designated at fair value	-	-
- other liabilities	(3,088,298)	22,586,819
Net liquidity generated/absorbed by operations	**44,076,445**	**85,179,502**
B. Investments		
1. Liquidity generated by	**614,753**	**15,111,102**
- sales of investments	-	14,775,370
- dividends collected on investments	598,883	-
- sales/redemptions of financial assets held to maturity	-	-
- sales of tangible assets	15,870	335,733
- sales of intangible assets	-	-
- sales of Business Units	-	-
2. Liquidity absorbed by	**(11,292,495)**	**(37,213,348)**
- purchases of investments	-	-
- purchases of tangible assets	(9,669,846)	(28,481,123)
- purchases of intangible assets	(1,622,649)	(8,732,225)
- purchases of Business Units	-	-
Net liquidity generated/absorbed by investments	**(10,677,742)**	**(35,877,615)**

	31/12/2023	31/12/2023
C. Financing		
- issues/purchases of treasury shares	-	-
- issues/purchases of equity instruments	-	10,000,000
- convertendo bond issues	-	-
- dividend distribution and other purposes	-	-
Net liquidity generated/absorbed by financing	**-**	**10,000,000**
NET LIQUIDITY GENERATED/ABSORBED DURING THE YEAR	**33,398,703**	**73,077,257**
Financial Statement items	**31/12/2024**	**31/12/2023**
Cash and cash equivalents at the beginning of the year	**105,746,542**	**32,669,285**
Total net liquidity generated/absorbed during the year	**33,398,703**	**73,077,257**
Cash and cash equivalents at the end of the year	**139,145,245**	**105,746,542**

3 Notes to the **Financial Statements**


cherry
bank

Part A –
Accounting Policies

A.1 – GENERAL PART

Section 1. Declaration of compliance with international accounting standards

The Financial Statements at 31 December 2024 of Cherry Bank, a joint-stock company, pursuant to Art. 4 of Legislative Decree No. 38 of 28 February 2005, are prepared in accordance with the accounting standards issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and endorsed by the European Commission, as set forth in EU Regulation No. 1606 of 19 July 2002.
The accounting standards adopted for the preparation of the 2024 Financial Statements are those in force at 31 December 2024 (including SIC and IFRIC interpretative documents).

The criteria for the classification, recognition, measurement and derecognition of assets and liabilities, as well as for the recognition of revenues and expenses, remained unchanged from the 2023 Financial Statements.

Cherry Bank's Financial Statements are audited by EY S.p.A. in execution of the resolution of the Shareholders' Meeting of 28 April 2022, which awarded this company a nine-year mandate for the financial years 2022 to 2030 inclusive.

The Bank also adopted certain new accounting standards or amendments to accounting standards already in force as of 1 January 2024.
The Bank has not early adopted any new standards, interpretations or amendments issued but not yet in force.

During 2024, the following accounting standards, amendments or interpretations of existing accounting standards came into force:

Document title	Entry into force	EU Regulation
IAS 1 – Presentation of Financial Statements: Classification of liabilities as current or non-current and classification of liabilities as current or non-current – Deferral of effective date and Non-current liabilities with covenants	01/01/2024	No. 2822/2023
IFRS16 – Leases: lease liability arising from a sale and leaseback transaction	01/01/2024	No. 2579/2023
IAS7 Cash Flow Statements and IFRS7 Financial Instruments: Disclosures: Reverse Factoring Arrangements	01/01/2024	No. 1317/2024

The entry into force of these new standards, amendments or interpretations did not have a significant impact on the balances recognised in the Balance Sheet and Income Statement.

Below are the standards and interpretations that had already been issued at the date of preparation of this Financial Report, but which will come into force after 31 December 2024:

Document title	Entry into force	EU Regulation
IAS21 The effects of changes in foreign exchange rates: no exchangeability	01/01/2025	NO. 2862/2024

The Bank intends to adopt these standards and interpretations, if applicable, when they come into force.
No material impacts are expected for the Bank in relation to these standards and amendments.

Finally, as at 31 December 2024, the following accounting standards, interpretations or amendments to existing accounting standards had been issued by the IASB, the application of which is, however, subject to completion of the endorsement process by the competent bodies of the European Union:

Document title	Entry into force	IASB ISSUANCE
IFRS18 Presentation and disclosure of Financial Statements	01/01/2027	09/04/2024
IFRS19 Non-publicly accountable subsidiaries: Information	01/01/2027	09/05/2024
IFRS9 and IFRS7 Contracts for electricity from natural sources – Amendments	01/01/2026	18/12/2024
IFRS9 and IFRS7 Classification and measurement of financial instruments – Amendments	01/01/2026	30/05/2024
IFRS – annual improvements – Volume 11	01/01/2026	18/07/2024

Section 2. General drafting principles

These Financial Statements comprise the Balance Sheet, the Income Statement, the Statement of Other Comprehensive Income, the Statement of Changes in Equity, the Cash Flow Statement, the Notes to the Financial Statements and the related comparative information. They are also accompanied by a Report on Operations during the year.
The Financial Statements are drawn up in Euro units, with the exception of the tables in the Notes to the Financial Statements, which are drawn up in thousands of Euro, except where otherwise indicated.

The Financial Statements have been drawn up with the application of the general principles of IAS 1, also referring to the IASB "Framework for the preparation and presentation of Financial Statements", with particular attention to the fundamental principles of substance over legal form, the concepts of relevance and materiality of information, and the accruals and going concern accounting concepts.

They are prepared in accordance with the provisions set forth in Circular No. 262 of 22 December 2005 "Banks' Financial Statements: formats and compilation rules" published in Official Journal No. 11 of 14 January 2006 and subsequent additions and updates. The eighth update, issued on 17 November 2022, is currently in force. The Circular contains the administrative provisions issued by the Bank of Italy pursuant to Article 43 of Legislative Decree No. 136/15, which regulate, in accordance with the provisions of IAS/IFRS, the format of the Financial Statements and Notes. Intermediaries are required to provide the information required by IAS/IFRS not referred to in these provisions in the Notes to the Financial Statements, in compliance with those standards.

Offsets between assets and liabilities and between expenses and revenues are only made if required or permitted by a standard or an interpretation thereof.

The classification criteria used for the Financial Statement items are the same as those used in the previous financial year.

The extraordinary merger by incorporation on 30 December 2023 makes the comparison of economic results particularly complex. Please refer to the Report on Operations for further details.

CONTENT OF STATEMENTS

BALANCE SHEET AND INCOME STATEMENT

The Balance Sheet and Income Statement consist of items and sub-items. Non-valued items for the current and previous years are not shown in the tables.
In the Income Statement, revenues are indicated without a sign while costs are enclosed in round brackets.

STATEMENTS OF CHANGES IN EQUITY

The Statement of Changes in Equity reflects the provisions of Bank of Italy Circular No. 262/2005 and shows the composition of and changes in Equity items during the financial year covered by the Financial Statements and the previous year.

CASH FLOW STATEMENT

The Cash Flow Statement for the reporting year was prepared using the indirect method and shows the net liquidity generated by operations, investments and financing.
In the table, flows generated during the year are indicated without a sign, while those absorbed are enclosed in round brackets.

STATEMENT OF OTHER COMPREHENSIVE INCOME

The Statement of Other Comprehensive Income shows the profit/loss for the year and the changes in assets recognised during the year against valuation reserves.

NOTES TO THE FINANCIAL STATEMENTS

The Notes to the Financial Statements include the information required by international accounting standards and Bank of Italy Circular No. 262 issued on 22 December 2005 and subsequent updates applicable to the preparation of these Financial Statements.
Each part of the Notes is divided into sections, each illustrating a single aspect of company operations.
The sections contain both qualitative and quantitative information.
Quantitative information usually consists of items and tables. Sections and tables that have no amounts or are not applicable to the business reality are not presented.
For each disclosure in Parts A, B, C, D, reference should be made to the corresponding items in the Balance Sheet, Income Statement, Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement.

Section 3. Events after the reporting date

No significant events occurred in the period between the end of the financial year and the date on which the Financial Statements were drawn up that were not taken into account for the purposes of drawing them up.

Please refer to the specific information in the Report on Operations on events occurring after the end of the financial year and up to the date of approval of these Financial Statements.

Section 4. Other aspects

USE OF ESTIMATES AND ASSUMPTIONS IN PREPARING THE FINANCIAL STATEMENTS

The preparation of Financial Statements, in accordance with the IFRS framework, requires the use of estimates and assumptions that may affect the amounts reported in the Balance Sheet and Income Statement, as well as the disclosure of contingent assets and liabilities in the Financial Statements.
Estimates and related assumptions are based on the use of any available information and/or factors deemed reasonable for that purpose at the time of preparation of these Financial Statements.

The following are the components in which the use of estimates and assumptions is substantially inherent in the determination of Financial Statement values:

- the quantification of impairment of loans and other financial assets;
- the use of internal valuation models to record the fair value of financial instruments not listed in active markets;
- the use of internal valuation models for fair value recognition of tax credits held for trading;
- estimates and assumptions on the recoverability of tax assets;
- the quantification of the employee severance indemnity fund and provisions for risks and charges.

By their nature, the estimates and assumptions used may vary from period to period and, therefore, it is possible that the values recorded in the Financial Statements may differ significantly in the future from those currently estimated. Any change in the estimate is applied prospectively and thus has an impact on the Income Statement of the year in which the change occurs and, possibly, on that of future years.

IAS 8 – CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

No circumstances have been identified that require the disclosure required for the purposes of IAS 8, paragraphs 28, 29, 30, 31, 39, 40, 42, 43 and 49. No substantial changes have been made to the estimation methods and models resulting from the introduction of a new standard or a new interpretation of the accounting standards used in the preparation of the Financial Statements.

BUSINESS MODEL CHANGES

Changes in the business model are deemed to be related to a decision of the company's top management as an effect resulting from internal or external changes that are significant to the company's business and must be demonstrable to third parties. The change of target must be effective before the date of reclassification.
In certain rare circumstances, financial assets must be reclassified from the "amortised cost" category to the "fair value through other comprehensive income" or "fair value through profit or loss" categories.
According to IFRS 9, reclassification of all affected financial assets is only required in rare cases, following material and documentable changes, especially when and only when the entity changes its business model for managing financial assets (IFRS 9 – B4.4.1).
The reclassification should be applied prospectively from the "reclassification date" thus defined: "*First day of the first financial year after the change in business model that resulted in the reclassification of financial assets*".

BUSINESS CONTINUITY

These Financial Statements have been prepared on the assumption that the company is a going concern.
In assessing this assumption, the Directors have (i) conducted a thorough analysis of the elements underlying the assessment of Cherry Bank S.p.A.'s ability to continue to operate as a going concern, taking into account all available information on the future – which is relative to at least, but not limited to, twelve months after the closing date of the financial year as required by the reference accounting standards (IAS 1 par. 25, 26) –, and (ii) considered the provisions of the joint coordination table between the Bank of Italy, Consob and Isvap regarding the application of IAS/IFRSs, in document No. 2 of 6 February 2009 "Information to be provided in financial reports on the going concern assumption, financial risks, impairment testing of assets and uncertainties in the use of estimates", as well as in the subsequent document No. 4 of 4 March 2010, which requires the Directors to make particularly accurate assessments of the existence of the going concern assumption.
The results achieved as at 31 December 2024 confirm the Bank's ability to quickly achieve its objectives in an ever-changing market environment.

The macroeconomic context continues to be marked by strong geopolitical tensions with the inevitable economic and social consequences as well as the persistence of uncertainties for the markets. The rate hike phase appears to be over and the ECB seems to be moving towards further cuts with a consequent prospect of a reduction in interest margins. The context with which we will have to deal will certainly be very different from that which has characterised recent years, but we do not believe, however, that there are any particular critical elements for the Bank's economic-financial equilibrium.
In view of the above, the Directors deemed it appropriate to prepare the Financial Statements at 31 December 2024 on a going concern basis.

A.2 – PART RELATED TO THE MAIN ITEMS OF THE FINANCIAL STATEMENTS

This chapter sets out the accounting standards adopted for the preparation of the Financial Statements as at 31 December 2024. The presentation of the accounting standards adopted by Cherry Bank is made with reference to the recognition, classification, measurement and derecognition of the various asset and liability items. For each of the above steps, a description of their economic effects is also given, where relevant.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

RECOGNITION CRITERIA

Initial recognition of financial assets is by settlement date for debt and capital securities and by subscription date for derivative contracts. Upon initial recognition, financial assets measured at fair value through profit or loss are recognised at fair value without considering transaction costs or income directly attributable to the instrument.

CLASSIFICATION CRITERIA

Financial assets other than those classified as financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost are classified in this category.

This item, in particular, includes:

- Financial assets held for trading, mainly consisting of debt and capital securities and the positive value of derivative contracts held for trading purposes;
- Financial assets designated at fair value, i.e., financial assets so defined at the time of their recognition and where the conditions exist. An entity may irrevocably designate a financial asset as measured at fair value through profit or loss if, and only if, it thereby eliminates or significantly reduces a measurement inconsistency;

- Financial assets obligatorily measured at fair value, represented by financial assets that do not meet the requirements for measurement at amortised cost or fair value through other comprehensive income. These are:
  - Debt instruments, securities and loans that do not have cash flows consisting solely of the repayment of principal and interest payments on the amount of principal to be repaid (so-called “SPPI Test” not passed);
  - Debt instruments, securities and loans whose business model is neither "Held to Collect" (whose objective is the holding of assets for the purpose of collecting contractual cash flows) nor "Held to Collect and Sell" (whose objective is achieved by both the collection of contractual cash flows and the sale of financial assets);
  - UCITS units;
  - Equity instruments for which no designation at fair value through other comprehensive income was opted for upon initial recognition.

Derivatives also include those embedded in complex financial contracts, where the host contract is not a financial asset falling within the scope of IFRS 9, which have been subject to separate recognition if:
- their economic characteristics and risks are not closely related to the characteristics of the underlying contract;
- embedded instruments, even if separate, meet the definition of a derivative;
- the hybrid instruments to which they belong are not measured at fair value with the related changes recognised in the Income Statement.

Reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be highly infrequent, the financial assets may be reclassified from the category measured at fair value through profit or loss into one of the other two categories under IFRS 9 (financial assets measured at amortised cost or financial assets measured at fair value through other comprehensive income). The transfer value is the fair value at the time of reclassification and the effects of reclassification operate prospectively from the date of reclassification. In this case, the effective interest rate of the reclassified financial asset is calculated based on its fair value at the date of reclassification and this date is considered as the initial recognition date for the allocation to the different credit risk stages (stage allocation) for impairment purposes.

MEASUREMENT CRITERIA

After initial recognition, financial assets held for trading are measured at fair value. The effects of applying this measurement criterion are attributed to the Income Statement.
Market prices are used to determine the fair value of financial instruments listed in an active market. In the absence of an active market, reference is made to commonly used estimation/valuation models, which take into account all the risk factors of the instruments: realisation value determined by reference to listed securities with similar characteristics, discounted cash flow calculations, option pricing models, values of recent comparable transactions, the solvency of the debtor and the debtor’s country risk.
Capital securities and derivative instruments involving capital securities, for which fair value cannot be reliably determined according to the above guidelines, are held at cost and adjusted for impairment losses.

DERECOGNITION CRITERIA

Financial assets held for trading are derecognised when the sale has resulted in the transfer of substantially all the risks and benefits associated with the assets. When, on the other hand, they are retained to a significant extent, the assets continue to be recognised in the Financial Statements, even if in legal terms the ownership has been transferred. Retaining even partial control of the transferred assets implies retaining them in the Financial Statements to the extent of the residual involvement, measured by the exposure to changes in the value of the transferred assets and changes in their cash flows.
Finally, sold financial assets are derecognised if the contractual rights to receive the related cash flows are retained, with the simultaneous assumption of an obligation to pay those flows, and only those flows, without material delay to other third parties.

FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

RECOGNITION CRITERIA

The initial recognition of the financial asset takes place on the disbursement date in the case of loans, and on the settlement date for debt and capital securities.
Upon initial recognition, assets are recognised at fair value, which normally corresponds to the consideration paid, including transaction costs or income directly attributable to the instrument itself.
With regard to NPL, upon acquisition, these loans are recognised by allocating the price of the acquired portfolio to the individual credits comprising it, through the following activities:

- accounting recognition of individual credits at a value equal to the contractual price;
- upon completion of the verification of the documentation proving the existence and collectability of the credit, where provided for by the contract, the positions without probative documentation or prescribed are written off and the remaining credits are assigned fair value;
- finally, following the sending of the notice of sale to the debtor, the credit is ready for the first processing for its recovery.

Newly acquired NPL are then valued at the purchase price until the completion of the above document verification, at the end of which these loans enter the useful stages of credit recovery.

CLASSIFICATION CRITERIA

Financial assets that meet both of the following conditions are included in this category:

- the financial asset is held according to a business model whose objective is achieved both by collecting the contractually agreed cash flows and by selling them (Business Model “Held to Collect and Sell”);
- the contractual terms of the financial asset provide for cash flows at certain dates represented solely by payments of principal and interest on the amount of principal to be repaid (so-called “SPPI Test” passed).

Also included in this item are equity instruments, not held for trading purposes, for which the option to designate them at fair value through other comprehensive income was exercised upon initial recognition.
Reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets.
In such cases, which are expected to be highly infrequent, the financial assets may be reclassified from the category measured at fair value through other comprehensive income into one of the other two categories under IFRS 9 (financial assets measured at amortised cost or financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of reclassification and the effects of reclassification operate prospectively from the date of reclassification. In the case of reclassification from this category to the amortised cost category, the cumulative gain (loss) recognised in the valuation reserve is deducted from the fair value of the financial asset at the date of reclassification. In the case of reclassification to the fair value category through profit or loss, the cumulative gain (loss) previously recognised in the valuation reserve is reclassified from Shareholders' Equity to Profit (Loss) for the year.

MEASUREMENT CRITERIA

Subsequent to initial recognition, assets classified at fair value through other comprehensive income, other than capital securities, are measured at fair value with the impact of the application of amortised cost, the effects of impairment and any exchange rate effect recognised in the Income Statement, while other gains or losses arising from a change in fair value are recognised in a specific Equity reserve until the financial asset is derecognised. Upon total or partial disposal, the cumulative gain or loss in the valuation reserve is reversed, in whole or in part, to the Income Statement.

Equity instruments for which a choice has been made to classify them in this category are measured at fair value and the amounts recognised with a balancing entry in Equity (Statement of Other Comprehensive Income) are not to be subsequently transferred to the Income Statement, even if they are sold. The only component referring to the capital securities in question that is recorded in the Income Statement is represented by the related dividends.

Fair value is determined on the basis of the criteria already illustrated for Financial assets measured at fair value through profit or loss.
For capital securities included in this category, which are not listed in an active market, the cost criterion is used as an estimate of fair value only on a residual basis and limited to a few circumstances, i.e. in the event of non-applicability of all the valuation methods referred to above, or in the presence of a wide range of possible fair value measurements, within which cost represents the most significant estimate.
At the end of each annual or interim reporting period, financial assets measured at fair value through other comprehensive income, represented by both debt securities and loans, are subject to the test for significant increase in credit risk (impairment) required by IFRS 9, with the consequent recognition of a value adjustment in the Income Statement to cover expected losses.

Capital securities, on the other hand, are not subject to the impairment process.
With particular reference to NPL, i.e. financial assets considered impaired at the time of initial recognition, qualified as "Purchased or Originated Credit Impaired Assets" (POCI), at the date of initial measurement at amortised cost, an effective credit-adjusted interest rate is calculated (the so-called "credit-adjusted effective interest rate – CEIR"), for the identification of which it is necessary to include in the cash flow estimates the expected losses over the entire residual life of the financial instrument ("Expected Credit Loss – ECL – lifetime”).
Specifically, once the credits purchased, upon completion of the document verification, enter into the recovery process, the valuation at amortised cost begins, using the credit-adjusted effective interest rate method, determined on the basis of the price paid, any transaction costs, cash flows and expected recovery times estimated on the basis of historical experience recorded or on the basis of analytical forecasts made by the managers in consideration of legal actions taken for recovery.
The originally calculated effective interest rate is maintained unchanged over time.
At the end of each period, the expected cash flows for each position are re-estimated; if events occur (higher or lower realised or expected cash receipts compared to forecasts and/or change in recovery times) that cause a change in the amortised cost (calculated by discounting the new cash flows at the original effective rate compared to the amortised cost for the period), this change is recorded under Impairment/Reversal of impairment for credit risk. Please refer to what is explained in more detail under "Other information" with reference to "Purchased or Originated Credit Impaired Assets”.

At the end of the reporting period, these credits are finally measured at fair value, recognising the gains or losses arising from the change in fair value in a specific Equity reserve with reversal to the Income Statement upon derecognition.

For the manner in which fair value is determined, please refer to the criteria illustrated in “Information on fair value” below.

DERECOGNITION CRITERIA

Financial assets measured at fair value through other comprehensive income are derecognised when the sale has resulted in the transfer of substantially all the risks and benefits associated with the assets. The risks and benefits relating to the transferred assets, if retained to a material extent, continue to be recognised in the Financial Statements, even if legally the ownership of the assets had actually been transferred.
In the event that the substantial transfer of risks and benefits cannot be ascertained, financial assets are derecognised if no control is retained over them. Otherwise, the preservation, even in part, of this control entails retaining the assets in the Financial Statements to the extent of the residual involvement, measured by the exposure to changes in the value of the transferred assets and changes in their cash flows.
Finally, sold financial assets are derecognised if the contractual rights to receive the related cash flows are retained, with the simultaneous assumption of an obligation to pay those flows, and only those flows, without material delay to other third parties.

FINANCIAL ASSETS MEASURED AT AMORTISED COST

RECOGNITION CRITERIA

The initial recognition of financial asset takes place on the settlement date in the case of debt securities and on the disbursement date in the case of loans. Upon initial recognition, assets are recognised at fair value, including transaction costs or income directly attributable to the instrument itself.

In particular, as far as loans are concerned, the disbursement date normally coincides with the contract signature date. If this is not the case, a commitment to disburse funds is entered into when the contract is signed and closes on the date of disbursement. The loan is recognised on the basis of its fair value, which is equal to the amount disbursed, or subscription price, including costs/income directly attributable to the individual credit and determinable from the origin of the transaction, even if settled at a later date. Costs which, although having the above-mentioned characteristics, are reimbursed by the debtor counterparty or fall under normal internal administrative costs are excluded.

Repurchase agreements that entail the obligation for a future resale/repurchase are recognised in the Financial Statements as funding or lending transactions. Specifically, the amount received for the sale of an asset under an agreement to repurchase it at a future date is recognised as a debt, while the amount paid for the purchase of an asset under an agreement to resell it at a future date is recognised as a loan.

CLASSIFICATION CRITERIA

Financial assets (in particular loans and debt securities) that meet both of the following conditions are included in this category:

- the financial asset is held in accordance with a business model whose objective is achieved through the collection of contractually agreed cash flows ("Hold to Collect" business model), and
- the contractual terms of the financial asset provide for cash flows at certain dates represented solely by payments of principal and interest on the amount of principal to be repaid (so-called "SPPI Test" passed).

More specifically, the following are recognised under this item:

- loans to banks in the various technical forms that meet the requirements set out in the previous paragraph;
- loans to customers in the various technical forms that meet the requirements set out in the previous paragraph;
- repurchase agreements;
- debt securities that meet the requirements set out in the previous paragraph.

Also included in this category are operating receivables related to the provision of financial activities and services as defined by the Consolidated Law on Banking (TUB) and the Consolidated Law on Finance (TUF) (e.g. distribution of financial products and servicing activities).

Reclassifications to other categories of financial assets are not permitted unless the entity changes its business model for managing financial assets. In such cases, which are expected to be highly infrequent, financial assets may be reclassified from the category measured at amortised cost into one of the other two categories provided by IFRS 9 (financial assets measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss). The transfer value is the fair value at the time of reclassification and the effects of reclassification operate prospectively from the date of reclassification. Gains or losses resulting from the difference between the amortised cost of the financial asset and its fair value are recognised in the Income Statement in the case of reclassification to Financial assets measured at fair value through profit or loss, and in Equity, in the valuation reserve, in the case of reclassification to Financial assets measured at fair value through other comprehensive income.

MEASUREMENT CRITERIA

After initial recognition, these financial assets are measured at amortised cost, using the effective interest rate method. In these terms, the asset is recognised in the Financial Statements at an amount equal to its initial recognition value less principal repayments, plus or minus the cumulative amortisation (calculated using the effective interest rate method referred to above) of the difference between this initial amount and the amount at maturity (typically attributable to costs/income charged directly to the individual asset), and adjusted for any provision to cover losses. The effective interest rate is identified by calculating the rate that equals the present value of the future cash flows of the asset, for principal and interest, to the amount disbursed including costs/income attributable to the financial asset. This method of accounting, using a financial logic, allows the economic effect of costs/income directly attributable to a financial asset to be distributed over its expected residual life.
The amortised cost method is not used for assets – valued at historical cost – whose short duration makes negligible the effect of applying the discounting logic, for those without a defined maturity date and for revocable receivables.

The measurement criteria are closely linked to the inclusion of the instruments under review in one of the three stages (credit risk stages) provided for by IFRS 9, the last of which (stage 3) comprises impaired financial assets and the remaining (stages 1 and 2) performing financial assets.

With reference to the accounting representation of the above valuation effects, the impairment referring to this type of asset are recognised in the Income Statement:
- at the time of initial recognition, in an amount equal to the expected twelve-month loss;
- at the time of the subsequent valuation of the asset, where the credit risk has not significantly increased since initial recognition, in relation to changes in the amount of expected loss adjustments over the following twelve months;
- at the time of the subsequent valuation of the asset, where the credit risk has significantly increased since initial recognition, in connection with the recognition of impairment for expected losses over the entire residual contractual life of the asset;

- at the time of the subsequent valuation of the asset, where – after there has been a significant increase in credit risk with respect to initial recognition – the "materiality" of this increase has subsequently ceased to exist, in connection with the adjustment of cumulative impairment to reflect the change from an expected loss over the entire residual life of the instrument ("lifetime") to one at twelve months.

The financial assets in question, if performing, are subjected to a valuation, aimed at defining the impairment to be recognised in the Financial Statements, at the level of the individual loan relationship (or "tranche" of security), according to the risk parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD).
If, in addition to a significant increase in credit risk, there is also objective evidence of impairment, the amount of the loss is measured as the difference between the carrying amount of the asset (classified as "impaired", like all other relationships with the same counterparty) and the present value of estimated future cash flows, discounted at the original effective interest rate.
The amount of the loss, to be recognised in the Income Statement, is defined on the basis of an analytical valuation process or determined by homogeneous categories and, therefore, attributed analytically to each position.

Impaired assets include financial instruments that have been assigned the status of:
- Non-performing: these are formally impaired loans, i.e. exposures to borrowers that are unable to meet their payment obligations, even if their insolvency has not been established by a court of law, or in equivalent conditions.
- Probable defaults ("unlikely to pay"): represent on- and off-balance sheet exposures, for which the conditions for classification of the debtor as non-performing do not apply, and for which there is an improbability assessment that, in the absence of actions such as enforcement of collateral, the debtor is able to fully meet its credit obligations (principal and/or interest). This assessment is carried out independently of the presence of any amount (or instalment) past due and unpaid. The classification as probable defaults is not necessarily linked to the explicit presence of anomalies (non-reimbursement) but is indeed linked to the existence of elements indicative of a situation of risk of debtor default.
- Past due and/or overdrawn impaired loans: represent on-balance sheet exposures, other than those classified as non-performing or probable defaults, which, at the reporting date, are past due or overdrawn for more than 90 days. Past due and/or overdrawn impaired loans can be determined by reference, alternatively, to the individual debtor or to the individual transaction.

The expected cash flows take into account the expected recovery times and the presumed realisable value of any guarantees.
The original effective rate of each asset remains unchanged over time even if there has been a restructuring of the relationship resulting in a change in the contractual rate and even if the relationship becomes, in practice, non-interest bearing.
If the reasons for the impairment no longer exist following an event occurring after the impairment loss was recognized, the impairment loss is reversed and the reversal is recognized in the Income Statement. The reversal may not exceed the amortised cost that the financial instrument would have had in the absence of previous adjustments.

Reversals of impairment losses associated with the passage of time are recognised under item "10. Interest and similar income".

In some cases, during the life of the financial assets under review and, in particular, the loans, the original contractual terms are subject to subsequent modification at the will of the parties to the contract.

When, during the life of an instrument, the contractual terms are changed, it is necessary to determine whether the original asset should continue to be recognised in the Financial Statements or whether, on the contrary, the original instrument should be derecognised and a new financial instrument should be recognised.

In general, changes in a financial asset lead to its derecognition and the recognition of a new asset when they are “substantial”. The assessment of the “substantiality” of the change must be made considering both qualitative and quantitative elements. In some cases, in fact, it may be clear, without recourse to complex analyses, that the changes introduced substantially alter the characteristics and/or contractual flows of a given asset while, in other cases, further analyses (also of a quantitative nature) will have to be carried out in order to appreciate the effects of the same and to ascertain whether or not it is necessary to proceed with the derecognition of the asset and the recognition of a new financial instrument.

The (qualitative-quantitative) analyses aimed at defining the “substantiality” of the contractual changes made to a financial asset will therefore have to consider:

- the purposes for which the changes were made: for example, renegotiations for commercial reasons and concessions due to financial difficulties of the counterparty: the former, aimed at “retaining” the customer, involve a debtor who is not in a situation of financial difficulty. This includes all renegotiation transactions that are aimed at adjusting the onerousness of the debt to market conditions. Such transactions entail a change in the original terms of the contract, usually requested by the debtor, which relates to aspects related to the onerousness of the debt, with a consequent economic benefit for the debtor. As a general rule, it is considered that whenever the Bank renegotiates in order to avoid losing its customer, such renegotiation should be regarded as substantial because, if it were not carried out, the customer would be able to obtain financing from another intermediary and the Bank would suffer a decrease in expected future revenues; the latter (forbearance measures) are aimed at preventing the counterparty from incurring a situation of financial difficulty. The underlying risks and benefits, after modification, are normally not substantially transferred and, consequently, the accounting presentation that provides the most relevant information for the reader of the Financial Statements (subject to what will be discussed below on the subject of objective elements) is that made through “modification accounting” – which implies the recognition in the Income Statement of the difference between the book value and the present value of the modified cash flows discounted at the original interest rate – and not through derecognition;
- the presence of specific objective elements ("triggers") affecting the characteristics and/or contractual flows of the financial instrument (such as, by way of example only, a change of currency or a change in the type of risk to which one is exposed, when correlated to equity and commodity parameters), which are deemed to lead to derecognition in consideration of their impact (expected to be significant) on the original contractual flows.

With particular reference to NPL, i.e. financial assets considered impaired at the time of initial recognition, qualified as "Purchased or Originated Credit Impaired Assets" (POCI), at the date of initial measurement at amortised cost, an effective credit-adjusted interest rate is calculated (the so-called "credit-adjusted effective interest rate – CEIR"), for the identification of which it is necessary to include in the cash flow estimates the expected losses over the entire residual life of the financial instrument ("Expected Credit Loss – ECL – lifetime").
Specifically, once the credits purchased, upon completion of the document verification, enter into the recovery process, the valuation at amortised cost begins, using the credit-adjusted effective interest rate method, determined on the basis of the price paid, any transaction costs, cash flows and expected recovery times estimated on the basis of historical experience recorded or on the basis of analytical forecasts made by the managers in consideration of legal actions taken for recovery.
The originally calculated effective interest rate is maintained unchanged over time.
At the end of each period, the expected cash flows for each position are re-estimated; if events occur (higher or lower realised or expected cash receipts compared to forecasts and/or change in recovery times) that cause a change in the amortised cost (calculated by discounting the new cash flows at the original effective rate compared to the amortised cost for the period), this change is recorded under Impairment/Reversal of impairment for credit risk.
In essence, the measurement criteria are the same as for portfolios classified as Assets measured at fair value through other comprehensive income net of fair value measurement.
Please refer to what is explained in more detail under "Other information" with reference to "Purchased or Originated Credit Impaired Assets".

DERECOGNITION CRITERIA

Financial assets are derecognised when the sale has resulted in the transfer of substantially all the risks and benefits associated with the assets. When the risks and benefits of the transferred assets are retained to a material extent, they continue to be recognised in the Financial Statements, even if legally the ownership of the relationships has been effectively transferred.
In the event that the substantial transfer of risks and benefits cannot be ascertained, financial assets are derecognised if no control is retained over them. Otherwise, the preservation, even in part, of this control entails retaining the assets in the Financial Statements to the extent of the residual involvement, measured by the exposure to changes in the value of the transferred assets and changes in their cash flows.
Finally, sold financial assets are derecognised if the contractual rights to receive the related cash flows are retained, with the simultaneous assumption of an obligation to pay those flows, and only those flows, without material delay to other third parties.

INVESTMENTS

RECOGNITION CRITERIA

Investments are recorded on the settlement date. On initial recognition, equity interests are accounted for at cost, including costs or income directly attributable to the transaction.

CLASSIFICATION CRITERIA

This item includes interests held in subsidiaries, associates and jointly controlled companies. Companies in which the Bank holds at least 20% of the voting rights are considered associates, i.e. subject to significant influence.

MEASUREMENT CRITERIA

Subsequent to initial recognition, investments subject to joint control or significant influence are accounted for using the equity method.
At each reporting date or interim report date, any objective evidence that the investment is impaired is ascertained.
These investments fall within the scope of IAS 36 with regard to impairment testing. In particular, they must be tested whenever there are objective indicators of impairment and at least once a year, at the time of preparing the Financial Statements.
If the test shows that the recovery value of the investment is lower than its book value, the difference is recognised in the Income Statement under item 220 "Gains (Losses) on investments". This item also includes any future reversals, where the reasons for previous write-downs have ceased to exist.

DERECOGNITION CRITERIA

Investments are derecognised when they are sold with the substantial transfer of all risks and benefits of ownership. The result of the sale of investments is recorded in the Income Statement under item "220 Gains (Losses) on investments". The same applies to investments not previously classified under item "140 Non-current assets and groups of assets held for sale"; in this case, the result of the sale is recorded under item "280 Gain (Loss) from discontinued operations net of taxes".

CRITERIA FOR RECOGNISING INCOME COMPONENTS

Said criteria can be seen from the exposition illustrated in the preceding paragraphs. Dividends are recognised within item "70 Dividends and similar income" of the Income Statement, when the right to receive payment arises.

TANGIBLE ASSETS

RECOGNITION CRITERIA

Tangible assets include land, group-occupied property, investment property, furnishings, fixtures, fittings, plant and equipment.
Tangible assets are recognised at cost, which comprises the purchase price of the asset and costs directly attributable to the asset's acquisition and operation.
Extraordinary maintenance costs entailing an increase in future economic benefits are recorded as an increase in the value of the assets involved, while the other ordinary maintenance costs are recorded in the Income Statement.
"Tangible assets" also include assets used under finance leases entered into as lessee, for which the company has assumed substantially all the risks and benefits of ownership. Fixed assets subject to finance leases as lessee are initially recognised at the lower of fair value and the present value of the minimum lease payments; this value is subsequently subject to depreciation.

CLASSIFICATION CRITERIA

The item includes:
- Assets for functional use owned;
- Assets for functional use acquired under leasing;
- Assets held for investment purposes;
- Assets held for investment purposes acquired under lease.

A distinction must be made between assets for functional use and assets held for investment purposes.

ASSETS FOR FUNCTIONAL USE

"Assets for functional use" are defined as tangible assets held to be used for the purpose of carrying out the company's business and whose use is assumed over a period of time longer than the financial year.
Assets for functional use include properties leased to Employees.

ASSETS HELD FOR INVESTMENT PURPOSES

"Assets held for investment purposes" are defined as properties held for the purpose of earning rentals or for capital appreciation. Consequently, a property investment differs from an asset held for the owner's use in that it gives rise to financial flows that are widely different from other assets held by the Bank.
Tangible assets (for functional use and held for investment purposes) also include those recorded following finance lease contracts, although the legal ownership of the same remains with the lessor company. Also included are rights of use acquired under operating leases (as lessee), if these rights relate to assets that can be classified as tangible assets.

MEASUREMENT CRITERIA

Subsequent to initial recognition, tangible assets are carried at cost less accumulated depreciation and any accumulated impairment losses. The depreciable amount, which is equal to cost less residual value (i.e. the expected amount that would normally be obtained from disposal, less expected costs of disposal, if the asset was already in the condition, including age, expected at the end of its useful life), is allocated systematically over the useful life of the tangible asset using the straight-line method as the depreciation method.
The useful life, which is subject to periodic revision in order to detect any estimates that differ significantly from the previous ones, is defined as:

- the period of time over which an asset is expected to be usable by the company or,
- the quantity of products or similar units that the company expects to obtain from the use of the asset.

In view of the circumstance that tangible assets may be composed of components with different useful lives, land, whether stand-alone or included in the value of the building, is not subject to depreciation as it is a fixed asset with indefinite useful life. The separation of the value attributable to the land from the overall value of the property takes place, for all buildings, in proportion to the percentage of ownership. Buildings, on the other hand, are depreciated according to the criteria set out.
Works of art are not subject to depreciation as their value generally increases with the passage of time.
Depreciation of an asset begins when the asset is available for use and ceases when the asset is derecognised. Accordingly, depreciation does not cease when the asset becomes idle or is no longer in use or is held for disposal, unless the asset is fully depreciated.

LEASED TANGIBLE ASSETS

The commencement of the lease term is the date from which the lessee is authorised to exercise its right to use the leased asset and thus corresponds to the date of initial recognition of the lease.
At the commencement of the lease term, the lessee recognises leases as assets (right of use) and liabilities (finance lease debt). The initial value of the right of use is equal to the initial recognition value of the lease liability (see item 11 "Financial liabilities measured at amortised cost"), adjusted for any initial direct costs incurred by the lessee.
In adopting IFRS 16, the Bank decided to take advantage of the exemption granted by IFRS 16:5(a) in respect of short-term leases (lease term of less than 12 months) and the exemption granted by IFRS 16:5(b) in respect of leases for which the underlying asset is a low-value asset, i.e. for those cases where the underlying assets of the lease do not exceed a value of Euro 5,000 when new (mainly computers, telephones and tablets, printers and other electronic devices). For these contracts, the introduction of IFRS 16 did not result in the recognition of the right of use and the related financial liability, but the lease payments continue to be recognised in the Income Statement on a straight-line basis over the term of the respective contracts, in continuity with the previous methods of accounting.
After the commencement date, the right-of-use asset is measured using the cost model, i.e. net of accumulated depreciation (recognised in each year under item "180 Net impairment/ reversals of impairment of tangible assets) and accumulated impairment losses, and adjusted for any restatement of the lease liability.

The periodic payments made in connection with the contract are divided between financial costs (interest portion of the lease payment), recorded under item 20 of the Income Statement "Interest and similar expense", and the principal portion, recorded as a reduction of the related financial liability for leasing recorded as a liability in the Balance Sheet.

DERECOGNITION CRITERIA

A tangible asset is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from the disposal or withdrawal of the tangible asset, equal to the difference between the net disposal proceeds and the carrying amount of the asset, is recognised in the Income Statement under item 250 "Gains (Losses) on disposal of investments".

CRITERIA FOR RECOGNISING INCOME COMPONENTS

The Income Statement is affected by depreciation rates according to the predefined useful life for each category.
The useful life of assets is reviewed at each reporting date and, if expectations differ significantly from previous estimates, the planned depreciation schedule is amended.

INTANGIBLE ASSETS

RECOGNITION CRITERIA

The asset, shown under Balance Sheet item 90 "Intangible assets", is recognised at cost and any expenditure subsequent to initial recognition is capitalised only if it is capable of generating future economic benefits and only if such expenditure can be reliably determined and allocated to the asset.
The cost of an intangible asset includes:

- the purchase price including any taxes and duties on non-recoverable purchases after deducting trade discounts and rebates;
- any direct costs for preparing the asset for use.

CLASSIFICATION CRITERIA

An intangible asset is defined as a non-monetary, identifiable asset that lacks physical substance and is used in the conduct of the company's business.
The asset is identifiable when it:

- is severable, i.e. capable of being separated or unbundled and sold, transferred, licensed, leased or exchanged;
- arises from contractual or other legal rights regardless of whether those rights are transferable or severable from other rights and obligations.

The asset is characterised by the fact that it is controlled by the enterprise as a result of past events and on the assumption that economic benefits will flow to the enterprise through its use. An enterprise is in control of an asset if it has the power to enjoy the future economic benefits from the resource in question and can, moreover, limit access to those benefits by third parties.
Future economic benefits arising from an intangible asset may include income from the sale of products or services, cost savings, or other benefits resulting from the use of the asset by the enterprise.
An intangible asset is recognised as such if, and only if:

- it is probable that expected future economic benefits attributable to the asset will flow to the enterprise;
- the cost of the asset can be measured reliably.

The probability of future economic benefits occurring is assessed using reasonable and supportable assumptions that represent the best estimate of the set of economic conditions that will exist over the useful life of the asset.
The degree of probability associated with the flow of economic benefits attributable to the use of the asset is assessed on the basis of the sources of information available at the time of initial recognition, giving greater weight to external sources of information.
Cherry Bank S.p.A. classifies the following as intangible assets: goodwill and third-party software costs with long-term utility. In contrast, intangible assets do not include rights of use acquired under operating leases (as lessee) and relating to the use of an intangible asset, based on the option provided for in IFRS 16, paragraph 4.

INTANGIBLE ASSETS WITH DEFINITE USEFUL LIFE

An asset with definite useful life is one for which it is possible to estimate the time limit within which the related economic benefits are expected to be generated.

INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

An asset with indefinite useful life is one for which it is not possible to estimate a foreseeable limit to the period during which the asset is expected to generate economic benefits for the company.
The attribution of an asset's indefinite useful life does not result from having already planned future expenditures that will restore the asset's standard level of performance over time, thereby extending its useful life.

MEASUREMENT CRITERIA AND INCOME COMPONENTS

Subsequent to initial recognition, intangible assets with definite useful life are recognised at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on a systematic basis over the best estimate of the useful life of the fixed asset (see definition included in the paragraph on "Tangible assets") using the straight-line method.
The amortisation process begins when the asset is available for use and ceases on the date the asset is derecognised.
Intangible assets with indefinite useful life (i.e., goodwill) are recognised at cost less any impairment losses periodically identified as a result of impairment testing conducted to verify the adequacy of the asset's carrying value. Consequently, no amortisation is calculated for these assets.
No intangible assets arising from research (or from the research phase of an internal project) are recognised.

DERECOGNITION CRITERIA

The asset is derecognised if there are indications that it may be impaired or when future economic benefits are no longer expected.

CURRENT AND DEFERRED TAXATION

RECOGNITION CRITERIA

The provision for income taxes is determined on the basis of a prudent forecast of the current tax expense, deferred tax assets and liabilities. Deferred tax assets and liabilities are calculated on temporary differences between the book value of assets and liabilities in the Financial Statements and their value for tax purposes.
Deferred tax assets are recognised to the extent that there is a reasonable certainty of their recovery in the presence of future taxable income, while deferred tax liabilities are recognised to the extent that it is believed that the conditions for their taxation will arise in future years.
The rates used, separately for each type of tax, are those in force for the periods of reversal of temporary differences and without time limits.
Deferred taxation is recognised with reference to:

- revaluation reserves of real estate in suspense for tax purposes, portion calculated on the portion of revaluation of real estate not used by the company;
- revaluation reserves referring to movable assets;
- valuation reserve of the "securities held for sale" portfolio;
- valuation reserve for NPL portfolios measured at fair value;
- actuarial valuation reserve of the TFR provision.

CLASSIFICATION CRITERIA

Tax assets and liabilities are shown in the Balance Sheet separately from other assets and liabilities. Deferred tax assets and liabilities are distinguished from current tax assets and liabilities.

MEASUREMENT CRITERIA

Deferred tax assets and liabilities are measured at year-end in relation to the probability of recovery, changes in tax laws and rates, and are not discounted.

DERECOGNITION CRITERIA

Assets and liabilities are derecognised when there are no valid reasons for the existence of credit and debit relationships with the tax authorities.
At the end of the financial year, the provision for deferred taxes and "Current tax assets" are adjusted in connection with the reversal to the Income Statement of taxes that have become current during the year.

CRITERIA FOR RECOGNISING INCOME COMPONENTS

Current taxes accrued during the year, deferred tax assets and liabilities arising during the year, and changes in the previous year's balances, are recorded in the Income Statement; they are instead allocated to Equity, when they are allocated to Equity reserves. Taxes related to discontinued operations are deducted directly from the relevant Income Statement items.

PROVISIONS FOR RISKS AND CHARGES

PROVISIONS FOR RISKS AND CHARGES FOR COMMITMENTS AND GUARANTEES GIVEN

The sub-item of provisions for risks and charges under review includes provisions for credit risk recognised against commitments to disburse funds and guarantees given that fall within the scope of application of the impairment rules under IFRS 9.
For these cases, the same methods of allocation among the three stages of credit risk and calculation of the expected loss shown with reference to financial assets measured at amortised cost or fair value through other comprehensive income are adopted in principle.

OTHER PROVISIONS

Other provisions for risks and charges consist of provisions relating to legal obligations of a contractual or non-contractual nature or to litigation, including tax litigation, arising from a past event, for which it is probable that economic resources will be disbursed to fulfil the obligations, provided a reliable estimate of the amount can be made.

Specifically, other provisions for risks and charges consist of liabilities recognised when:

- there is a present obligation (legal or implicit) as a result of a past event;
- it is likely that disbursement of resources capable of producing economic benefits will be necessary to fulfil the obligation;
- a reliable estimate can be made of the amount of the obligation.

If all these conditions are not met, no liability is recognised.
The amount recognised as a provision represents the best estimate of the expenditure required to settle the obligation and reflects the risks and uncertainties surrounding the facts and circumstances under consideration.
Where the effect of the time deferral in incurring the obligation is significant, the amount of the provision is determined as the present value of the best estimate of the cost to settle the obligation. In this case, a discount rate is used to reflect current market valuations.
Provisions are periodically reviewed and, if necessary, adjusted to reflect the best current estimate. When, following the review, the incurrence of the charge becomes unlikely, the provision is reversed.

FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

RECOGNITION CRITERIA

These financial liabilities are first recognised on the date the contract is entered into, which normally corresponds to the date on which the sums collected are received or the debt securities are issued.
Initial recognition is based on the fair value of the liabilities, normally equal to the amount collected or the issue price, plus any additional costs/income directly attributable to the individual financing or issuance transaction. Internal administrative costs are excluded.

CLASSIFICATION CRITERIA

Payables to banks, Payables to customers, and Securities issued include the various forms of interbank and customer financing and funding through certificates of deposit and bonds in issue, net, therefore, of any amounts repurchased.
Payables to banks and customers also include operating debts arising from the provision of financial services.

MEASUREMENT CRITERIA

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method.
An exception to this are short-term liabilities, for which the time factor is insignificant, which therefore remain recognised at the amount collected and whose costs, if any, are allocated to the Income Statement on a straight-line basis over the contractual term of the liability.

DERECOGNITION CRITERIA

Financial liabilities are derecognised when they are due or settled. Derecognition takes place even if previously issued bonds are repurchased.
The difference between the book value of the liability and the amount paid to acquire it is recorded in the Income Statement.
The placing of own securities on the market after repurchase is regarded as a new issue with registration at the new placement price.

FINANCIAL LIABILITIES HELD FOR TRADING

The item includes the negative value of trading derivative contracts measured at fair value.

RECOGNITION CRITERIA

Upon initial recognition, financial liabilities held for trading are recognised at their fair value.

CLASSIFICATION CRITERIA

Financial liabilities held for trading refer to derivative contracts that are not recognised as hedging instruments.

MEASUREMENT CRITERIA

Even after initial recognition, financial liabilities held for trading are measured at fair value at the end of the reporting period. Fair value is determined on the basis of the same criteria illustrated for financial assets held for trading.

DERECOGNITION CRITERIA

Financial liabilities are derecognised when they are settled or when the related obligation is fulfilled, cancelled or expired. The difference arising on derecognition is recorded in the Income Statement.

FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

RECOGNITION CRITERIA

These liabilities are recognised at the date of issue at their fair value less placement fees paid.

CLASSIFICATION CRITERIA

This item includes financial liabilities, whatever their technical form, designated at fair value with a balancing entry in the Income Statement, in application of the so-called "fair value option" provided by IFRS9. The portion of own-issued debt securities not yet placed with third parties is to be excluded.
The application of the Fair Value Option (FVO) extends to all financial assets and liabilities that, otherwise classified, would have given rise to a distortion in the presentation of the economic result.

MEASUREMENT CRITERIA

Subsequent to recognition, liabilities are always measured at fair value; in particular, IFRS 9 requires that changes in fair value attributable to changes in creditworthiness are recognised in the Statement of Other Comprehensive Income (i.e. Shareholders' Equity), while the remaining changes in fair value are recognised in the Income Statement. The amounts recognised in the Statement of Other Comprehensive Income do not subsequently recur in the Income Statement.
In the absence of an active market, estimation methods and valuation models based on market data such as discounting of future cash flows and option pricing models are used.

DERECOGNITION CRITERIA

Financial liabilities are derecognised when they expire or are settled. Derecognition takes place even if previously issued securities are repurchased. The difference between the carrying amount of the liability and the amount paid to buy it back is recognised in the Income Statement.

CRITERIA FOR RECOGNISING INCOME COMPONENTS

The valuation results are recorded in the Income Statement under item 110 "Net result of financial assets/liabilities measured at fair value through profit or loss".

CURRENCY TRANSACTIONS

RECOGNITION CRITERIA

Transactions in foreign currencies are recorded on initial recognition, in the currency of account, by applying to the foreign currency the exchange rate in force on the date of the transaction.

CRITERIA FOR RECOGNISING INCOME COMPONENT S

At each reporting date:
- monetary items in foreign currencies are converted using the closing rate;
- non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate prevailing at the date of the transaction; non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value is determined.

Exchange differences arising from the settlement of monetary items or from the translation of monetary items at rates different from those at which they were translated at initial recognition during the financial year or in previous Financial Statements are recognised in the Income Statement in the year in which they arise, with the exception of exchange differences arising from a monetary item that forms part of a net investment in a foreign operation. Exchange differences arising from a monetary item that forms part of a net investment in a foreign operation of a reporting enterprise are recognised in the Income Statement of the reporting enterprise's individual Financial Statements or the individual Financial Statements of the foreign operation. In Financial Statements that include the foreign operation (e.g. Consolidated Financial Statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in a separate component of Equity and recognised in the Income Statements upon disposal of the net investment. When a gain or loss on a non-monetary item is recognised directly in Equity, any foreign exchange component of that gain or loss is recognised directly in Equity. Conversely, when a gain or loss on a non-monetary item is recognised in the Income Statement, each foreign exchange component of that gain or loss is recognised in the Income Statement.

OTHER INFORMATION

EMPLOYEE SEVERANCE INDEMNITY (TFR)

The recognition of defined-benefit plans requires the use of actuarial techniques to estimate the amount of benefits accrued by employees in exchange for their service in the current and prior years, and the discounting of these benefits in order to determine the present value of the Company's obligations.

The "severance indemnity" of employees is recognised on the basis of its actuarial value determined using the Projected Unit Credit Method as set forth in IAS 19.

GUARANTEES GIVEN AND COMMITMENTS

"Guarantees given" include all guarantees given by the Bank.
Guarantees of a "financial nature" are those granted to support transactions aimed at the acquisition of financial means; guarantees of a "commercial nature" are those granted to guarantee specific commercial transactions: they are indicated with reference to the ordering party, i.e. the party whose obligations are covered by the guarantee provided. They are recorded at nominal value net of cash outflows and impairment, if any.

Commitments to disburse funds are irrevocable commitments of certain or uncertain use, which may give rise to credit risk (excluding commitments arising from the conclusion of derivative contracts): the carrying amount is net of amounts already disbursed and any impairment.
Irrevocable commitments for certain use include commitments to disburse funds whose use by the applicant is certain and definite: they are therefore binding contracts for both the grantor and the applicant. The aggregate includes, inter alia, purchases of securities not yet settled (the company accounts for securities by settlement date) and deposits and loans to be disbursed at a predetermined future date.
Irrevocable commitments are of uncertain use when use by the applicant is optional; in this case, it is uncertain whether and to what extent the actual disbursement of funds will take place.
Underlying commitments to credit derivatives: protection sales are commitments arising from the sale of protection against credit risk.
They are recorded at nominal value net of disbursements and impairment, if any.

REVENUE RECOGNITION

Revenues are recognised when they are received or, in any case, when it is probable that future benefits will be received; when they cannot be reliably estimated, revenues are measured to the extent that the related costs incurred are recoverable.
In particular:

- interest is recognised *pro rata temporis* on the basis of the contractual interest rate or the effective interest rate if the relevant assets have a contractual duration beyond the short term;
- dividends are recognised in the Income Statement when they are received;
- fees for service revenues are recognised, based on contractual agreements, in the period in which the services are rendered;
- proceeds from the sale of non-financial assets are recognised when the sale is completed, unless the Bank has retained most of the risks and benefits associated with the asset.

PURCHASED OR ORIGINATED CREDIT IMPAIRED (POCI) ASSETS

Purchased or Originated Credit Impaired (POCI) Assets are those exposures that are impaired at the date of purchase or at the date they are originated.
In this paragraph, purchases in the context of business combinations are excluded.

At the time of purchase, impaired loans are booked at the price paid and kept at the price paid until the end of the on-boarding phase, which generally lasts 6-9 months depending on the size and complexity of the portfolio. During this phase, all information about the debtors, their income and asset position, and the documentation proving the credit are collected. Once all the necessary information has been obtained, the purchased portfolio is released at amortised cost: this implies identifying for each file the expected cash flows determined according to the most suitable type of recovery (judicial, extrajudicial). The cash flows determined in this way are already appropriately adjusted for expected losses over the entire residual life of the credit ("Expected Credit Loss – ECL – lifetime").

The credit-adjusted effective interest rate ("CEIR") is then determined, i.e. that rate which equals the sum of the present value of the future cash flows of the portfolio's files, net of related recovery costs, to the portfolio's purchase price.
At each reporting date, the expected cash flows are restated to take into account the progress of management actions, any collections noted and any new useful information gathered. Positive or negative changes in the timing or amount of expected cash flows are recognised as reversals or impairment of loans, as required by IFRS 9 for Purchased or Originated Credit Impaired (POCI) Financial Assets.
In the case of a sale, the difference between the sales price and the amortised cost value at the time of the transaction is recognised in gains (losses) on the sale of loans.

Depending on the business model with which these assets are managed, POCI are classified as either Financial assets measured at fair value through other comprehensive income or Financial assets measured at amortised cost.

The attribution of the Hold to Collect and Sell (HTC&S) business model for POCI results in their valuation at amortised cost, and eventual impairment, and the recurring valuation at fair value with the effects of changes in fair value recognised in Equity and, therefore, included in the Statement of Other Comprehensive Income ("FVTOCI").
This business model is applied to portfolios purchased and released up to 31 January 2023, at which time a change in the business model was decided upon, identifying a Hold to Collect (HTC) business model for NPL portfolios released and purchased after 31 January 2023.

TAX CREDITS ACQUIRED

Tax credits acquired are tax credits introduced by Decrees No. 18/2020 (so-called, Cura Italia [Cure Italy]) and No. 34/2020 (so-called, Rilancio [Relaunch]) for which the following are envisaged:

- the possibility of compensatory use over a limited period of time;
- transferability to third-party purchasers;
- non-refundability (by the tax authorities).

These tax credits do not represent tax assets, Government grants, intangible assets or financial assets under international accounting standards, and are therefore entered in the residual category of "Other assets".
However, as also indicated in the joint Bank of Italy/Consob/IVASS Document No. 9, the tax credits acquired are to be considered, from a substantial point of view, similar to a financial asset and, therefore, an accounting model based on IFRS9 is deemed the most appropriate approach to provide relevant and reliable information.
Tax credits are recorded at a value equal to the consideration paid to the transferor, under item "120. Other assets".
After initial recognition, tax credits, depending on the business model with which they are managed, will be measured at amortised cost, if held for compensation, or at fair value, if held for trading, with the effects of changes in fair value recognised in the Income Statement.

Tax credits acquired for compensation are measured at amortised cost using an effective interest rate determined at inception so that the discounted cash flows associated with the estimated future offsets over the expected life of the tax credit equal the purchase price of the tax credits; the economic effects thus determined are recognised under item "10. Interest and similar income".

Tax credits acquired with the intent to trade are measured at fair value through profit and loss (FVTPL) with the related economic effects recorded in item "80. Net trading result".
In its trading activities, the Bank purchases tax credits from Companies and/or General Contractors operating in the construction sector and enters into both forward and spot sale transactions with third parties. When measuring the fair value of tax credits, the cash flows arising from the instruments are considered, taking into account both proprietary time series and current market trends to determine the exit price as required by IFRS 13. The valuation model for such instruments, as required by IFRS 9 B5.1.2A, also takes into account changing factors (including time) that market participants would consider in pricing the asset.

INFORMATION PURSUANT TO ARTICLE 1, PARAGRAPH 125 OF LAW NO. 124 OF 4 AUGUST 2017

Pursuant to Article 1, paragraph 125 of Law No. 124 of 4 August 2017, in compliance with the obligation of transparency, it is reported that subsidies, contributions, paid assignments and in any case economic advantages of any kind have been received from Public Administrations. The Bank received the tax credit provided for in Article 57-bis of Decree-Law No. 50 of 24 April 2017, converted, with amendments, by Law No. 96 of 21 June 2017, as amended, amounting to Euro 27,870.

IMPAIRMENT OF FINANCIAL INSTRUMENTS

At each reporting date, in accordance with IFRS 9, financial assets other than those measured at fair value through profit or loss are subject to an assessment to determine whether there is any evidence that the carrying value of the assets is not fully recoverable. A similar analysis is also performed for commitments to disburse funds and for guarantees given that fall within the scope to be subject to impairment under IFRS 9.

IMPAIRMENT LOSSES ON PERFORMING FINANCIAL ASSETS

For financial assets for which there is no evidence of impairment (non-impaired financial instruments), it is necessary to check whether there are any indicators that the credit risk of the individual transaction has significantly increased since initial recognition.
The standard, in fact, provides that, for the purposes of assessing creditworthiness, non-impaired financial assets must be allocated to two different Stages:

- Stage 1: for exposures that have not deteriorated in credit quality since the time of disbursement or purchase or that imply negligible credit risk at that time;
- Stage 2: for exposures whose original credit quality has deteriorated significantly and whose credit risk is not negligible, although they are not yet classified as impaired.

For the purposes of identifying any "significant deterioration" in credit quality since the date of initial recognition and the consequent need for classification in Stage 2, as well as speculatively, the prerequisites for returning to Stage 1 from Stage 2, the choice made provides, at each reporting date, for a comparison of the credit quality of the financial instrument at the time of valuation with that at the initial time of disbursement or purchase (Stage assignment).
The significant deterioration of creditworthiness with respect to the time of disbursement, in addition to being conditioned by macroeconomic parameters, is identified through the analysis of the following so-called “Staging” criteria:
Significant increase in credit risk:

- the change in the probability of default with respect to the time of initial recognition of the financial instrument. It is, therefore, an evaluation using a “relative” criterion, i.e. the change in the (CRS) rating;
- continuous overrunning of more than 30 days;
- presence of a Forborne credit.

Some peculiar considerations also apply to the so-called “staging” of securities. Unlike loans, in fact, for this type of exposure, buying and selling transactions subsequent to the first purchase made with reference to the same ISIN may routinely fall within the ordinary management of the positions (with the consequent need to identify a methodology to be adopted for the identification of sales and redemptions in order to determine the residual quantities of individual transactions to which to associate a credit quality/rating at origination to be compared with that of the reporting date). In this context, it was considered that the use of the “first-in-first-out” or “FIFO” methodology contributes to a more transparent portfolio management, also from the point of view of front-office operators, while at the same time allowing a continuous updating of the creditworthiness assessment on the basis of new purchases.
Once the allocation of exposures to different Stages of credit risk has been defined, the determination of expected losses (ECL) is made by applying the following parameters and calculations:

STAGE 1

- the Probability of Default (PD), which expresses, dynamically over time, each customer’s probability of moving from “non-impaired loan” to “impaired loan” status (past due, probable default or non-performing) within one year;
- the Loss Given Default (LGD) rates (i.e., the loss that, in the event of default, cannot be recovered, either judicially or extrajudicially, also taking into account the expenses incurred and the time required by the recovery attempt), to be applied to non-impaired loans, which result from the application of the consortia methodologies and adopted by the Bank;
- the lump-sum expected loss percentages for each credit line included in non-impaired loans are determined by multiplying the respective Probability of Default (PD) by the Loss Given Default (LGD);
- the sum of the expected losses relating to individual relationships, each of which is in turn obtained from the product of the relevant exposure and the relevant lump-sum percentage, quantifies the total amount of expected losses of the entire non-impaired loan portfolio.

STAGE 2

For this category of credits, the assessment of the loss to be quantified in the Financial Statements will be determined by reference to the entire residual life of the individual loans and not by reference to the next twelve months as for the credit included in Stage 1.
The risk parameters (PD and LGD) will therefore refer to a time horizon differentiated according to the maturity of each individual exposure, and the multi-year expected loss will be the sum of all annual components from valuation date to maturity date.

IMPAIRMENT LOSSES ON NON-PERFORMING FINANCIAL ASSETS

Impaired loans (Stage 3) are subject to the following valuation methods:

- analytical-specific assessment for all exposures classified as non-performing;
- analytical-specific assessment for all exposures classified in the category of probable defaults (unlikely to pay – UTP);
- analytical-specific assessment for all exposures classified in the past due and/or overdrawn category.

The analytical-specific assessment is a valuation of individual positions based on a qualitative-quantitative analysis of the debtor's economic and financial situation, the riskiness of the credit relationship, any mitigating factors (guarantees) and made taking into account the financial effect of the estimated time required for recovery.

METHODS OF DETERMINING FAIR VALUE

Fair value is defined as the price at which a purchase or sale of an asset or liability would occur in a regular transaction between market participants, under the conditions prevailing at the valuation date in the principal or most advantageous market (exit price), regardless of whether that price is observable directly or estimated using another valuation technique. Underlying the measurement of fair value is the presumption that the entity is a going concern, i.e. that it is in a fully operational situation and therefore does not intend to liquidate or significantly reduce its operations or undertake transactions on unfavourable terms. Fair value is therefore not the amount the entity would receive or pay in the event of forced transactions or sales below cost.
The valuation techniques used to measure fair value are applied uniformly and continuously over time.

LISTED INSTRUMENTS

In the case of listed instruments in active markets, the fair value must be equal to the quotation price. A market is defined as active when the price of the financial instrument is readily and regularly provided by stock exchanges, intermediaries, dealers or info providers and when the price itself represents actual transactions in the instrument being valued.
The current definition of a regulated market does not always coincide with the notion of an "active market". An "official regulated market" functions properly if:

- there are rules, issued or approved by the Authorities of the market's country of origin, governing the conditions of operation, access, and those that a contract must satisfy in order to be effectively processed;

- there is a clearing mechanism that requires derivative contracts to be subject to daily margin calls, which provide adequate protection.

However, a regulated market does not guarantee the presence of "significant" prices if it is not representative of significant daily trading in terms of volume.
As a result, special procedures are put in place to identify active markets, i.e. those markets in which the prices of traded instruments represent the value at which market transactions actually take place.

These procedures are based on the analysis of the following factors:
- the number of contributors and the possible presence of dealers, brokers and market makers;
- the frequency with which the listed figure is periodically updated, and the deviation from the previous quotation;
- the existence of an acceptable difference between the bid and ask prices;
- the volume of trade dealt with.

In particular, the prices used for Financial Statement valuations are:
- the bid price in the case of held assets;
- the ask price in the case of liabilities to be issued;
- the mid market price in the case where the risk profiles offset each other (the difference between the bid and ask prices is determined by transaction costs alone).

When the same financial instrument is listed on several markets, the most advantageous quotation is taken.

UNLISTED INSTRUMENTS

If there are no directly observable prices in active markets, it is necessary to resort to valuation techniques that optimise the contribution of available information, either on the basis of the comparative approach, which infers the fair value of an instrument from the prices observed in similar transactions in active markets, or on the basis of a modelling approach that, even in the absence of observable or comparable transactions, nevertheless allows a valuation to be made. The techniques used have the following characteristics:
- tend to maximise the use of market inputs and minimise internal estimates and assumptions;
- reflect the manner in which the market assigns a price to instruments;
- use inputs that represent market expectations and the risk-return ratio of the instrument being valued;
- incorporate all factors that market participants would consider when defining price;
- are consistent with commonly accepted methodologies;
- are subject to periodic verification and calibration in order to verify their ability to represent fair value in line with the prices at which transactions in the instrument being valued actually take place, thus ensuring the comparability, reliability and neutrality of the process of defining the values of financial instruments required by the regulations.

FAIR VALUE HIERARCHY

The fair value hierarchy, according to IFRS 13, must be applied to all financial instruments for which fair value measurement is recognised in the Balance Sheet.
IFRS 13 establishes a fair value hierarchy based on the degree of observability of the inputs of the valuation techniques adopted for the valuation of underlying assets/liabilities; in particular, the hierarchy consists of three levels.

Level 1: the valuation is the market price of the financial instrument being valued, obtained on the basis of quotations from an active market. An active market is considered to be such if quotation prices reflect normal market transactions, are regularly and readily available through stock exchanges, quotation services, intermediaries and if those prices represent actual and regular market transactions.

Level 2: the valuation is based on prices derived from market quotations of similar assets or through valuation techniques for which all significant factors – including credit and liquidity spreads – are derived from observable market data. This level implies reduced discretionary elements in the valuation as all the parameters used are taken from the market and the calculation methodologies allow for replication of quotations on active markets.

Level 3: valuations are made using different inputs, not all of which are derived directly from observable market parameters and, therefore, involve significant estimates and assumptions on the part of the valuer.

Cherry Bank S.p.A.'s criteria for assigning the hierarchical level of fair value to individual financial instruments in the proprietary portfolio are as follows:

Level 1: instruments that fulfil the following conditions:
- a quotation must be available;
- the quotation must refer exactly to the instrument being valued (not similar instruments);
- the quotation must be on an active market.

A market is considered active if the quotation prices reflect normal market transactions, are readily and regularly available and if the prices represent actual and regularly occurring market transactions based on a normal reference period.
The concept of active market is referable to the individual financial instrument; in fact, it does not necessarily coincide with the concept of a regulated market and may refer to organised trading circuits and multilateral trading facilities, even telematic ones, provided that the prices displayed on them are actually representative of trade.
A regulated or official market is generally considered an active market and the Bank considers as such:
- all regulated markets;
- OTC electronic trading circuits (e.g. "Bloomberg") provided that the quotations provided actually represent the price at which a transaction would take place on the reference date.

For this purpose, the following are considered:
- existence of a number of contributors with executable proposals of a given instrument;
- existence of a bid-ask spread, i.e. the difference between the price at which the intermediary quoting executable proposals undertakes to sell;
- the financial instrument (ask price) and the Price at which it undertakes to purchase it;
- percentage of ownership with respect to the outstanding notional amount, determined as the ratio between the notional amount of the outstanding position on the individual instrument and the relevant total outstanding notional amount.

These conditions are verified from time to time by Risk Management, taking into account the characteristics of the instrument being valued and the market context.

Level 2 and Level 3: in the absence of quoted prices in an active market, the fair value measurement of a financial instrument is performed using valuation techniques maximising the use of inputs observable on the market.
The use of a valuation technique is intended to estimate 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. In this case, the fair value measurement may be categorised in Level 2 or Level 3, according to what extent inputs to the pricing model are observable.
In the absence of observable prices in active markets for the financial asset or liability to be measured, the fair value of the financial instruments can be measured using the so-called "comparable approach" (Level 2), requiring valuation models based on market inputs.
In this case, the valuation is not based on the quotation prices of the financial instrument being measured (identical asset), but on prices, credit spreads or other factors derived from the official quotation prices of instruments that are substantially similar in terms of risk factors and duration/return, using a given calculation method (pricing model).
In the absence of quotation prices in an active market for a similar instrument, or should the characteristics of the instrument to be measured not allow to apply models using inputs observable in active markets, it is necessary to use valuation models assuming the use of inputs that are not directly observable in the market and, therefore, requiring to make estimates and assumptions (non observable input – Level 3). In these cases, the valuation of the financial instrument is conducted using a given calculation methodology that is based on specific assumptions regarding:
- the trend in future cash flows, possibly contingent on future events whose probability of occurring can be derived from historical experience or based on behavioural assumptions;
- the level of specific inputs not quoted in active markets: for the purposes of estimating them, information acquired from prices and spreads observed in the market shall have a higher priority.

If these are not available, entities shall use historical data about the specific underlying risk factor or specialist research on the matter (e.g. reports by ratings agencies or primary market players).
In the cases described, valuation adjustments are considered that take into account the risk premiums that traders consider when pricing instruments. Valuation adjustments, if not explicitly considered in the valuation model, may include:

- model adjustments: adjustments that take into account any deficiencies in the valuation models highlighted during calibration;
- liquidity adjustments: adjustments that take into account the bid-ask spread if the model calculates a mid price;
- credit risk adjustments: adjustments related to the counterparty or own credit risk;
- other risk adjustments: adjustments related to a risk premium "priced" in the market (e.g. relating to the complexity of valuation of an instrument).

Section A 4 "Information on fair value" describes the criteria for determining fair value for particular categories of instruments belonging to Level 2 and Level 3.

A.3 – INFORMATION ON TRANSFERS AMONG PORTFOLIOS OF FINANCIAL ASSETS

A.3.1 Reclassified financial assets: change in business model, book value and interest income

Type of financial instrument	Portfolio of provenance	Portfolio of destination	Date of reclassification	Reclassified book value	Interest income recorded in the year (pre-tax)
Debt securities	Financial assets measured at fair value through other comprehensive income	Financial assets measured at amortised cost	30.06.2022	123,483	-

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

On 1 January 2022, following a change in the business model approved by the delegated bodies in December 2021, the Bank reclassified from the category Financial assets measured at fair value through other comprehensive income to the category Financial assets measured at amortised cost Government Securities for a total amount of Euro 121.9 million.
The change in business model took place as a result of the major extraordinary transaction that took place on 6 October 2021, through the merger by incorporation of Cherry 106 S.p.A. ("C106") into Banco delle Tre Venezie S.p.A. ("BTV"), which saw the entry of new shareholders

into the Bank's share capital and a profound change in governance.
Following the integration, the new management initiated a review of the Bank's processes and policies, including the investment policy.

The change in business model concerned only fixed-rate Government Securities with maturity of more than 24 months, with a view to containing the impact of the volatility inherent in this type of security and consistent with the TLTRO's longer maturity, which requires securities to be pledged as collateral for the tranches subscribed. These securities are therefore intended to be held for the purpose of collecting principal and interest, as the Bank has no speculative strategies in holding these securities.
It should be noted that the amount of the gross reserve on these securities at the date of reclassification was negative for Euro 1.6 million.
At 31.12.2024, the fair value of the reclassified securities was Euro 76.2 million.

A.4 – INFORMATION ON FAIR VALUE

Qualitative information

Please refer to what has already been described in the paragraphs relating to the various accounting categories contained in part "A.1 General Part" and, in particular, in the paragraph "Methods of determining fair value" contained in part "A.2 Part related to the main items of the Financial Statements, 17 – Other information".

A.4.1 FAIR VALUE LEVELS 2 AND 3: VALUATION TECHNIQUES AND INPUTS USED

RECEIVABLES FROM BANKS AND CUSTOMERS

Receivables from customers or receivables from banks that have been recognised under item 20.c "Financial assets measured at fair value: other financial assets obligatorily measured at fair value" are measured at fair value as a result of not passing the "SPPI Test". The approach used to determine the fair value rate is based on the "Weighted Average Cost of Capital" methodology; this technique is widely used in the financial sector and known in the literature by the acronym WACC.

NPL ACQUIRED FROM THIRD PARTIES

They are measured at fair value and recognised under item 30 "Financial assets measured at fair value through other comprehensive income".
The fair value is determined by discounting the recovery flows defined according to proprietary models, or analytically by the manager. Loans are clustered into three distinct segments according to the "quality" of the underlying, i.e. paying, with proceedings in progress, etc. The estimated cash flows already discount the possible future non-recovery, the net flows are therefore discounted at a periodically revised discount rate.

The discount rate is assimilated to the rate of return an investor would like to obtain, and can be broken down into the following components:

- Risk free;
- Country risk;
- Expected loss;
- Illiquidity premium of the asset in the market;
- Premium that discounts the volatility of recovery flows compared to their average value.

The methodology applied to define the discount rates of the above-mentioned clusters therefore relies on the recovery of this information where it is not already included in the estimate of expected cash flows (i.e. multi-year expected loss).

TAX CREDITS ACQUIRED

The tax credits referred to in Decrees No. 18/2020 (so-called, Cura Italia [Cure Italy]) and No. 34/2020 (so-called, Rilancio [Relaunch]), acquired by the Bank with the intent to trade, are recognised under item 120 "Other assets" and are measured at fair value through profit and loss (FVTPL).
When measuring the fair value of tax credits, the cash flows arising from the instruments are considered, taking into account both proprietary time series and current market trends to determine the exit price as required by IFRS 13. The valuation model for such instruments, as required by IFRS 9 B5.1.2A, also takes into account changing factors (including time) that market participants would consider in pricing the asset.

BONDS

The inputs used for valuations are rate curves and prices of comparable transactions, if any.

CAPITAL SECURITIES

The fair value of "equity investments" is determined with reference to prices resulting from external, independent appraisals or based on exchange prices derived from recent transactions; if the amount is insignificant, investments are maintained at cost, as are other capital securities.

MUTUAL INVESTMENT FUNDS

For "open-ended" mutual investment funds, in which unitholders have the right to request redemption of units at any time, and for hedge funds, fair value is determined on the basis of quotation prices provided by the respective Management Companies on dates consistent with the prices of the underlying financial instruments. In the case of listed "closed-ended" or private equity funds, fair value is usually determined using the latest published NAV with liquidity discount.

DERIVATIVE INSTRUMENTS

The fair value of derivative instruments is determined through the use of different valuation models depending on the type of instrument:

- volatility estimation models were used to determine the fair value of options;
- the discounted cash flow method was used for the fair value of swaps.

The valuations thus determined were adjusted by the amounts corresponding to the counterparty's creditworthiness assessments (counterparty risk): this is the so-called "credit risk adjustment", calculated on the basis of the rating class of the counterparties and their expected loss.

PAYABLES TO BANKS AND CUSTOMERS

Fair value is determined as the present value of the debt, based on the rate curves used as discount factors.

FINANCIAL LIABILITIES HELD FOR TRADING

Financial instruments classified as financial liabilities held for trading are allocated to the different Levels according to the general allocation rules.

A.4.2 PROCESSES AND SENSITIVITY OF EVALUATIONS

The unobservable inputs capable of influencing the valuation of the instruments classified in Level 3 are mainly represented by estimates and assumptions underlying the models used to measure investments in capital securities and UCITS units. Since this involves data from third party sources (e.g. fund NAV) or information specific to the entities being valued (e.g. company assets) for which it is not reasonable to predict alternative values, sensitivity analyses are not applied to these valuations.
With regard to NPL assets acquired from third parties, sensitivity exercises are performed in order to assess the impact of changes in certain parameters, in particular the discount rates used to discount cash flows.

A.4.3 FAIR VALUE HIERARCHY

For the purposes of compiling information on transfers between different Levels of fair value, the criterion adopted for recognising the transfer is the balance existing at the beginning of the reporting period, compared with the end-of-period balance shown in tables A.4.5.1 or A.4.5.4.

A.4.4 OTHER INFORMATION

At 31 December 2024, there was no information to be reported in accordance with IFRS 13, paragraphs 51, 93 sub (i) and 96, as there are no assets measured at fair value on a "highest and best use" basis, nor was the possibility of measuring fair value at the level of total portfolio exposures.

Quantitative information

A.4.5 FAIR VALUE HIERARCHY

A.4.5.1 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS: BREAKDOWN BY FAIR VALUE LEVEL

(amounts in thousands of Euro)

Financial assets/liabilities measured at fair value	31/12/2024			31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets measured at fair value through profit or loss	2,092	-	33,514	-	1	34,351
a) Financial assets held for trading	-	-	5	-	1	169
b) Financial assets designated at fair value	-	-		-	-	-
c) Other financial assets obligatorily measured at fair value	2,092	-	33,509	-	-	34,182
2. Financial assets measured at fair value through other comprehensive income	42,030	3,710	29,246	70,330	-	51,689
3. Hedging derivatives	-	-	-	-	-	-
4. Tangible assets	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total assets	**44,122**	**3,710**	**62,760**	**70,330**	**1**	**120,391**
1. Financial liabilities held for trading	-	11	-	-	44	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	-	-	-	-	-
Total liabilities	**-**	**11**	**-**	**-**	**44**	**-**

Changes in fair value Levels may only occur upon fulfilment of the requirements set out in paragraph A.4.3.

Financial assets measured at fair value through other comprehensive income include an equity security, acquired in 2024, which was transferred from Level 1 to Level 2 in December 2024. This concerns a shareholding in Banca Macerata which, as a result of the significant reduction in volumes traded in the reference market below the thresholds set by the Fair Value Policy, led to the reclassification from Level 1 to Level 2 using a consistent valuation model.
Level 3 financial assets measured at fair value through other comprehensive income refer to UCITS units, Minibonds, NPL and investments.

A.4.5.2 ANNUAL CHANGES IN ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS (LEVEL 3)

(amounts in thousands of Euro)

	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: financial assets held for trading	of which: financial assets designated at fair value	of which: other financial assets obligatorily measured at fair value				
1. Opening balance	**34,351**	**169**	**-**	**34,182**	**51,690**	**-**	**-**	**-**
2. Increases	**33,157**	**5**	**-**	**33,152**	**12,029**	**-**	**-**	**-**
2.1 Purchases	32,554	-	-	32,553	2,327	-	-	-
2.2 Profits recognised in:	197	-	-	197	6,107	-	-	-
2.2.1 Income Statement	197	-	-	197	4,036	-	-	-
of which gains	*197*	-	-	*197*	*4,036*	-	-	-
2.2.2 Equity	-	-	-	-	2,071	-	-	-
2.3 Transfers from other Levels	-	-	-	-	-	-	-	-
2.4 Other increases	406	5	-	402	3,595	-	-	-
3. Decreases	**33,994**	**169**	**-**	**33,855**	**34,471**	**-**	**-**	**-**
3.1 Sales	31,414	-	-	31,413	20,605	-	-	-
3.2 Repayments	.	-	-	-	6,698	-	-	-
3.3 Losses recognised in:	2,580	169	-	2,412	7,122	-	-	-
3.3.1 Income Statement	2,580	169	-	2,412	7,122	-	-	-
of which losses	*2,580*	*169*	-	*2,412*	-	-	-	-
3.3.2 Equity	-	-	-	-	-	-	-	-
3.4 Transfers to other Levels	-	-	-	-	-	-	-	-
3.5 Other decreases	-	-	-	-	46	-	-	-
4. Closing balance	**33,514**	**5**	**-**	**33,509**	**29,246**	**-**	**-**	**-**

A.4.5.3 ANNUAL CHANGES IN FINANCIAL LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS (LEVEL 3)

There are no financial liabilities measured at fair value.

A.4.5.4 ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS: BREAKDOWN BY FAIR VALUE LEVEL

(amounts in thousands of Euro)

Financial assets/ liabilities not measured at fair value or measured at fair value on a non-recurring basis	31/12/2024				31/12/2023			
	Book value	Level 1	Level 2	Level 3	Book value	Level 1	Level 2	Level 3
1. Financial assets measured at amortised cost	2,805,301	1,761,308	-	1,004,704	2,081,481	670,409	-	1,114,869
2. Tangible assets held for investment purposes	8,697	-	-	8,697	4,670	-	-	4,670
3. Non-current assets and groups of assets held for sale	-	-	-	-	-	-	-	-
Total	**2,813,998**	**1,761,308**	**-**	**1,013,401**	**2,086,151**	**670,409**	**-**	**1,119,539**
1. Financial liabilities measured at amortised cost	**4,152,789**	**-**	**-**	**4,166,208**	**2,996,414**	**-**	**-**	**2,988,640**
2. Liabilities associated with assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**4,152,789**	**-**	**-**	**4,166,208**	**2,996,414**	**-**	**-**	**2,988,640**

A.5 – DISCLOSURE ON THE "DAY ONE PROFIT/LOSS"

The disclosure refers to paragraph 28 of IFRS 7, which requires evidence of the amount of the "day one profit or loss" to be recognised in the Income Statement at the end of the financial year, as well as a reconciliation to the opening balance.
A "day one profit or loss" is defined as the difference between the transaction price and the value obtained through the use of valuation techniques at the time a financial instrument is first recorded.

With regard to the fair value measurement of tax credits, the Bank considers that the purchase price does not represent the fair value of these assets at initial recognition because the market in which the transaction takes place is different from the principal (or more advantageous) market. Reference was made to IFRS 9B5.1.2A for the recognition in the Financial Statements, i.e. changes in factors (including time) were taken into account in determining the price of these assets.
The use of prudent valuation models, the processes for reviewing these models and their parameters, and value adjustments for model risk ensure that the amount recognised in the Income Statement does not arise from the use of unobservable valuation parameters. In particular, the quantification of value adjustments for model risk ensures that the portion of the fair value of the instruments in question that relates to the use of subjective parameters is not recognised in the Income Statement, but rather as an adjustment to the Balance Sheet value of these instruments. The presence of additional "day one profits" results in the recognition of a separate equity component subject to straight-line basis. The recognition of these quotas in the Income Statement therefore only takes place on the basis of the subsequent prevalence of objective parameters and, consequently, the disappearance of the aforementioned adjustments.
At 1 January 2024, there were loans that originated differences between purchase price and fair value at inception of Euro 1.1 million, whereas as at 31 December 2024, these differences amounted to Euro 0.7 million, of which Euro 0.2 million related to loans acquired in 2023.
The residual differences relating to the 2023 financial year were recognised in the Income Statement as described above.

Part B –
Information on the Balance Sheet

ASSETS

Section 1. CASH AND CASH EQUIVALENTS – ITEM 10

1.1 CASH AND CASH EQUIVALENTS: BREAKDOWN

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
a) Cash	7,341	6,469
b) Current accounts and Sight deposits with Central Banks	103,000	35,234
c) Current accounts and Sight deposits with Banks	28,804	64,043
Total	**139,145**	**105,746**

Section 2. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS – ITEM 20

2.1 FINANCIAL ASSETS HELD FOR TRADING: BREAKDOWN BY TYPE

(amounts in thousands of Euro)

Items/Values	31/12/2024			31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. On-balance sheet assets	-	-	5	-	-	**168**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	5	-	-	**168**
2. Capital securities	-	-	-	-	-	-
3. UCITS units	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total A	-	-	**5**	-	-	**168**
B. Derivative instruments	-	-	-	-	-	-

Items/Values	31/12/2024			31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial derivatives	-	-	-	-	1	-
1.1 held for trading	-	-	-	-	1	-
1.2 related to the fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Financial derivatives	-	-	-	-	-	-
2.1 held for trading	-	-	-	-	-	-
2.2 related to the fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total B	**-**	**-**	**-**	**-**	**1**	**-**
Total A+B	**-**	**-**	**5**	**-**	**1**	**168**

Financial assets held for trading relate to foreign exchange trading derivatives.

2.2 FINANCIAL ASSETS HELD FOR TRADING: BREAKDOWN BY DEBTORS/ISSUERS

(amounts in thousands of Euro)

Items/Values	31/12/2024	31/12/2023
A. On-balance sheet assets		
1. Debt securities	5	168
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	5	168
of which: insurance companies	-	-
e) Non-financial companies	-	-
2. Capital securities	-	-
a) Banks	-	-
b) Other financial companies	-	-
of which: insurance companies	-	-
c) Non-financial companies	-	-
d) Other issuers	-	-
3. UCITS units	-	-
4. Loans	-	-
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total A	**5**	**168**

Items/Values	31/12/2024	31/12/2023
B. Derivative instruments	**-**	**1**
a) Central Counterparties	-	-
b) Other	-	1
Total B	**-**	**1**
Total A+B	**5**	**169**

2.5 OTHER FINANCIAL ASSETS OBLIGATORILY MEASURED AT FAIR VALUE: BREAKDOWN BY TYPE

(amounts in thousands of Euro)

Items/Values	31/12/2024			31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	**2,092**	**-**	**419**	**-**	**-**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	2,092	-	419	-	-	-
2. Capital securities	**-**	**-**	**-**	**-**	**-**	**-**
3. UCITS units	**-**	**-**	**33,090**	**-**	**-**	**34,182**
4. Loans	**-**	**-**	**-**	**-**	**-**	**-**
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total	**2,092**	**-**	**33,509**	**-**	**-**	**34,182**

The financial assets obligatorily measured at fair value at Level 3 refer to the PMI Italia II Fund for Euro 0.9 million, Funds with underlying NPL disposals made by former Banca Popolare Valconca incorporated at year-end 2023 for Euro 32.3 million, and AT1 securities for Euro 0.4 million.

2.6 OTHER FINANCIAL ASSETS OBLIGATORILY MEASURED AT FAIR VALUE: BREAKDOWN BY DEBTORS/ISSUERS

(amounts in thousands of Euro)

Items/Values	31/12/2024	31/12/2023
1. Capital securities	**-**	**-**
of which: banks	-	-
of which: other financial companies	-	-
of which: non-financial companies	-	-
2. Debt securities	**2,511**	**-**
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	1,436	-
d) Other financial companies	1,075	-
of which: insurance companies	-	-
e) Non-financial companies	-	-

Items/Values	31/12/2024	31/12/2023
3. UCITS units	**33,090**	**34,182**
4. Loans	**-**	**-**
c) Central Banks	-	-
d) Public Administrations	-	-
e) Banks	-	-
f) Other financial companies	-	-
g) of which: insurance companies	-	-
h) Non-financial companies	-	-
i) Households	-	-
Total	35,601	34,182

Section 3 – FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – ITEM 30

3.1 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: BREAKDOWN BY TYPE

(amounts in thousands of Euro)

Items/Values	31/12/2024			31/12/2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Debt securities	42,030	-	1,321	70,330	-	1,987
1.1. Structured securities	-	-	-	-	-	83
1.2. Other debt securities	42,030	-	1,321	70,330	-	1,904
Capital securities	-	3,710	5,482	-	-	15,948
Loans	-	-	22,444	-	-	33,754
Total	**42,030**	**3,710**	**29,247**	**70,330**	**-**	**51,689**

The item Debt securities includes Government Bonds in the amount of Euro 40.5 million, Bank Bonds in the amount of Euro 1.0 million, Minibonds in the amount of Euro 0.9 million, and ABS securities in the amount of Euro 0.9 million.
Level 2 capital securities are represented by a stake in Banca Macerata S.p.A.
Level 3 capital securities refer to non-controlling interests representing capital investments in the service companies supporting the acquired banking business.
The main minority shareholding is in Arca Holding S.p.A. (0.62%) in the amount of Euro 4.5 million.
The decrease compared to the financial year 2023 is due to the liquidation due to withdrawal of the shareholding in CSE for Euro 10.0 million.
Item Loans includes acquired impaired loans from the NPLI&M BU, classified under this item according to the previous business model.

3.2 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: BREAKDOWN BY DEBTORS/ISSUERS

(amounts in thousands of Euro)

Items/Values	31/12/2024	31/12/2023
1. Debt securities	43,351	72,318
a) Central Banks	-	-
b) Public Administrations	40,521	68,902
c) Banks	1,032	-
d) Other financial companies	933	1,017
of which: insurance companies	-	-
e) Non-financial companies	865	2,399
2. Capital securities	9,192	15,948
a) Banks	4,282	446
b) Other issuers	4,911	15,502
- Other financial companies	4,558	4,264
of which: insurance companies	-	-
- Non-financial companies	353	-
- Other issuers	-	11,238
4. Loans	22,444	33,754
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	20	27
of which: insurance companies		
e) Non-financial companies	5,619	8,499
f) Households	16,805	25,228
Total	**74,987**	**122,020**

3.3 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: GROSS VALUE AND TOTAL IMPAIRMENT

(amounts in thousands of Euro)

Items/Values	Gross value					Total impairment				Total partial write-offs (*)
	First stage		Second stage	Third stage	Purchased or originated impaired	First stage	Second stage	Third stage	Purchased or originated impaired	
		of which instruments with low credit risk								
1. Debt securities	43,374	43,374	-	-	-	(23)	-	-	-	-
2. Loans	-	-	-	-	22,444	-	-	-	-	-
Total 31/12/2024	**43,374**	**43,374**	**-**	**-**	**22,444**	**(23)**	**-**	**-**	**-**	**-**
Total 31/12/2023	**70,897**	**42,670**	**1,689**	**-**	**33,754**	**(7)**	**(261)**	**-**	**-**	**-**

Purchased or Originated Credit Impaired Assets are presented net of total impairment because the expected cash flows also incorporate in the estimate the expected losses over the entire residual life of the financial instrument ("ECL lifetime").

Section 4 – FINANCIAL ASSETS MEASURED AT AMORISED COST – ITEM 40

4.1 FINANCIAL ASSETS MEASURED AT AMORTISED COST: BREAKDOWN BY TYPE OF RECEIVABLES FROM BANKS

(amounts in thousands of Euro)

Type of transactions/Values	TOTAL 31/12/2024						TOTAL 31/12/2023					
	Book value			Fair value			Book value			Fair value		
	First and second stage	Third stage	Of which: purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Of which: purchased or originated impaired	L1	L2	L3
A. Receivables from Central Banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Term deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Compulsory reserve	-	-	-	X	X	X	-	-	-	X	X	X
3. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	-	-	-	X	X	X	-	-	-	X	X	X
B. Receivables from banks	**31,869**	**-**	**-**	**3,326**	**-**	**28,566**	**16,460**	**-**	**-**	**-**	**-**	**16,460**
1. Loans	27,585	-	-	-	-	27,585	16,460	-	-	-	-	16,460
1.1 Current accounts and sight deposits	-	-	-	X	X	X	-	-	-	X	X	X
1.2. Term deposits	27,585	-	-	X	X	X	16,434	-	-	X	X	X
1.3. Other loans:	-	-	-	X	X	X	26	-	-	X	X	X
- Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
- Financing for leases	-	-	-	X	X	X	-	-	-	X	X	X
- Other	-	-	-	X	X	X	-	-	-	X	X	X
2. Debt securities	4,284	-	-	3,326	-	981	-	-	-	-	-	-
2.1. Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Other debt securities	4,284	-	-	3,326	-	981	-	-	-	-	-	-
Total	**31,869**	**-**	**-**	**3,326**	**-**	**28,566**	**16,460**	**-**	**-**	**-**	**-**	**16,460**

Legend: L1= Level 1 – L2= Level 2 – L3= Level 3

Receivables from banks include the Compulsory reserve for Euro 26.9 million as Cherry Bank is an indirect member.

4.2 FINANCIAL ASSETS MEASURED AT AMORTISED COST: BREAKDOWN BY TYPE OF RECEIVABLES FROM CUSTOMERS

(amounts in thousands of Euro)

Type of transactions/ Values	Total 31/12/2024						Total 31/12/2023					
	Book value			Fair value			Book value			Fair value		
	First and second stage	Third stage	Of which: purchased or originated impaired	L1	L2	L3	First and second stage	Third stage	Of which: purchased or originated impaired	L1	L2	L3
Loans	**847,541**	**46,963**	**103,948**	**-**	**-**	**942,385**	**971,430**	**19,570**	**66,261**	**-**	**-**	**1,070,053**
1.1. Current accounts	95,094	10,225	14,230	-	-		83,408	9,373	4,221	-	-	
1.2. Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
1.3. Mortgages	597,542	27,984	19,307	-	-	-	750,222	7,414	35,050	-	-	-
1.4. Credit cards, personal loans and salary-backed loans	4,491	289	21,764	-	-	-	12,250	118	3,510	-	-	-
1.5. Finance leases	-	-	-	-	-	-	-	-	-	-	-	-
1.6. Factoring	2,305	83	-	-	-	-	1,933	-	-	-	-	-
1.7. Other loans	148,109	8,382	48,647	-	-	-	123,617	2,665	23,480	-	-	-
Debt securities	**1,774,981**	**-**	**-**	**1,757,982**	**-**	**33,753**	**1,007,760**	**-**	**-**	**962,633**	**-**	**35,170**
1.1. Structured securities	5,983	-	-	995	-	5,033	4,954	-	-	-	-	5,041
1.2. Other debt securities	1,768,998	-	-	1,756,987	-	28,720	1,002,806	-	-	962,633	-	30,129
Total	**2,622,522**	**46,963**	**103,948**	**1,757,982**	**-**	**976,138**	**1,979,190**	**19,570**	**66,261**	**962,633**	**-**	**1,105,223**

Legend: L1= Level 1 – L2= Level 2 – L3= Level 3

The column "Purchased and/or originated impaired" shows the impaired assets in the Financial Statements at the time of the business combination of Banco delle Tre Venezie S.p.A. for Euro 5.3 million and of Banca Popolare Valconca for Euro 11.1 million, which are recorded, in accordance with the provisions of the accounting standard IFRS 9, at their fair value at the acquisition date, which already incorporates the effects deriving from the expected losses over the useful life of the assets. These assets belong to the so-called POCI ("Purchased or Originated Credit Impaired") category and therefore the coverage ratios were substantially zero at the time of initial recognition.

Also included are the NPL portfolios classified in this item as of the change of business model resolved by the Board of Directors on 31 January 2023 for Euro 83.3 million and POCI originated for Euro 4.2 million.

4.3 FINANCIAL ASSETS MEASURED AT AMORTISED COST: BREAKDOWN BY DEBTORS/ ISSUERS OF RECEIVABLES FROM CUSTOMERS

(amounts in thousands of Euro)

Type of transactions/ Values	31/12/2024			31/12/2023		
	First and second stage	Third stage	of which: purchased or originated impaired assets	First and second stage	Third stage	of which: purchased or originated impaired assets
1. Debt securities	**1,774,981**	**-**	**-**	**1,007,760**	**-**	**-**
a) Public Administrations	1,738,158	-	-	972,194	-	-
b) Other financial companies	35,235	-	-	35,566	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	1,588	-	-	-	-	-
2. Loans to:	**847,541**	**46,963**	**103,948**	**971,429**	**19,570**	**66,261**
a) Public Administrations	598	-	-	338	-	-
b) Other financial companies	87,485	39	110	51,398	145	101
of which: insurance companies	57	-	1	-	-	-
c) Non-financial companies	571,806	35,480	47,526	695,976	12,876	44,502
d) Households	187,652	11,443	56,311	223,717	6,549	21,658
Total	**2,622,522**	**46,962**	**103,948**	**1,979,189**	**19,570**	**66,261**

Debt securities include Government Securities for Euro 1,738.2 million, a Corporate Bond for Euro 8.1 million and ABS securities for Euro 28.7 million.

4.4 FINANCIAL ASSETS MEASURED AT AMORTISED COST: GROSS VALUE AND TOTAL IMPAIRMENT

(amounts in thousands of Euro)

	Gross value					Total impairment				Total partial write-offs[2]
	First stage									
		of which: Instruments with low credit risk	Second stage	Third stage	Purchased or originated impaired	First stage	Second stage	Third stage	Purchased or originated impaired	
Debt securities	1,779,910	1,778,431	-	-	-	(645)	-	-	-	-
Loans[1]	814,589	2,329	67,151	64,496	109,613	(4,699)	(1,915)	(17,533)	(5,665)	-
Total 31/12/2024	**2,594,499**	**1,780,760**	**67,151**	**64,496**	**109,613**	**(5,345)**	**(1,915)**	**(17,533)**	**(5,665)**	**-**
Total 31/12/2023	**1,850,953**	**876,264**	**154,619**	**24,995**	**68,160**	**(4,606)**	**(5,316)**	**(5,425)**	**(1,898)**	**-**

[1] Impairment relating only to post-business combination positions and, therefore, not included in the POCI category.
[2] Value to be reported for information purposes.

Section 7 – INVESTMENTS – ITEM 70

At 31.12.2024, an insignificant equity investment was in place.

7.5 INVESTMENTS: CHANGES IN THE YEAR

(amounts in thousands of Euro)

Assets/Values	31/12/2024	31/12/2023
A. Opening balance	**-**	**1,000**
B. Increases	**-**	**-**
B.1 Purchases	-	-
B.2 Reversals	-	-
B.3 Revaluations	-	-
B.4 Other changes	-	-
C. Decreases	**-**	**-**
C.1 Sales	-	1,000
C.2 Impairment	-	-
C.3 Write-downs	-	-
C.4 Other changes	-	-
D. Closing balance	**-**	**-**
E. Total revaluations	**-**	**-**
F. Total impairment	**-**	**-**

Section 8 – TANGIBLE ASSETS – ITEM 80

8.1 TANGIBLE ASSETS FOR FUNCTIONAL USE: BREAKDOWN OF ASSETS MEASURED AT COST

Assets for functional use are all fixed assets held to be used directly in the Bank's core business, while assets held for investment purposes are those that do not have the above-mentioned characteristics and are held with the aim of earning rental income and/or for long-term capital appreciation.

(amounts in thousands of Euro)

Assets/Values	31/12/2024	31/12/2023
1 Owned assets	**27,085**	**28,234**
a) land	5,021	5,021
b) buildings	17,896	21,131
c) furniture	1,371	976
d) electronic equipment	1,525	504
e) other	1,272	602
2 Rights of use acquired through leases	**8,236**	**5,015**

Assets/Values	31/12/2024	31/12/2023
a) land	-	-
b) buildings	7,037	3,623
c) furniture	-	-
d) electronic equipment	-	497
e) other	1,199	895
Total	**35,321**	**33,249**
of which: obtained through enforcement of guarantees received	2,641	2,698

As a result of the introduction of the accounting standard IFRS 16, which applies to "leases" understood as contracts that grant the lessee the right to use an identified asset for a specified period of time in return for a consideration, under item 2 are the rights of use recorded in connection with real estate leases in the amount of Euro 7.0 million and company cars in the amount of Euro 1.2 million.
With reference to the item Buildings for properties owned "entirely", the value of land was divided between the value of land and that of buildings.

In accordance with Article 10 of Law No. 72 of 19 March 1983, the Annexes provide information on the properties still in assets, for which monetary revaluations were carried out in the past.

8.2 TANGIBLE ASSETS HELD FOR INVESTMENT PURPOSES: BREAKDOWN OF ASSETS MEASURED AT COST

(amounts in thousands of Euro)

Type of transactions/ Values	31/12/2024				31/12/2023			
	Book value	Fair value			Book value	Fair value		
		L1	L2	L3		L1	L2	L3
1. Owned assets	**8,697**	**-**	**-**	**8,697**	**4,670**	**-**	**-**	**4,670**
a) land	-	-	-		-	-	-	
b) buildings	8,697	-	-	8,697	4,670	-	-	4,670
2. Rights of use acquired through leasing	-	-	-	-	-	-	-	-
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	**8,697**	**-**	**-**	**8,697**	**4,670**	**-**	**-**	**4,670**
of which: obtained through the enforcement of guarantees received	-	-	-	-		-	-	-

The increase is attributable to the separate classification of the portion of real estate not for functional use carried out during the IT integration of Banca Popolare Valconca.

8.6 TANGIBLE ASSETS FOR FUNCTIONAL USE: CHANGES IN THE YEAR

(amounts in thousands of Euro)

	Land	Buildings	Furniture	Electronic equipment	Other	Total
A. Gross opening balance	**5,021**	**39,402**	**4,626**	**3,088**	**4,518**	**56,655**
A.1 Total net impairment	-	14,648	3,650	2,086	3,021	23,405
A.2 Net opening balances	5,021	24,754	976	1,002	1,497	33,250
B. Increases	**-**	**6,442**	**545**	**1,272**	**1,761**	**10,020**
B.1 Purchases	-	6,352	545	1,272	1,761	9,930
of which: business combinations	-	-	-	-	-	.
B.2 Capitalised improvement expenses	-	-	-	-	-	-
B.3 Reversals	-	-	-	-	-	-
B.4 Positive changes in fair value recognised in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Reclassified from property held for investment	-	-	-	-	-	-
B.7 Other changes	-	90	-	-	-	90
C. Decreases	**-**	**6,263**	**150**	**749**	**787**	**7,949**
C.1 Sales	-	-		2	148	150
C.2 Depreciation	-	1,890	150	413	555	3,008
C.3 Impairment recognised in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative changes in fair value recognised in:	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Reclassified to:	-	4,373	-	-	-	4,373
a) tangible assets held for investment	-	4,373	-	-	-	4,373
b) non-current assets and groups of assets held for sale	-	-	-	-	-	-
C.7 Other changes	-	-	-	334	84	418
D. Net closing balance	**5,021**	**24,933**	**1,371**	**1,525**	**1,497**	**35,321**
D.1 Total net impairment		11,554	3,603	1,672	3,021	20,818
D.2 Gross closing balance	5,021	36,487	4,974	3,198	4,518	56,139
E. Valuation at cost	**-**	**-**	**-**	**-**	**-**	**-**

The increase is attributable to the separate classification of the portion of real estate not for functional use carried out during the IT integration of Banca Popolare Valconca.

OTHER INFORMATION ON "TANGIBLE ASSETS"

The table below shows the useful life used in the calculation of depreciation for the various asset classes:

Category	IAS Dep. Months of useful life
Buildings	360
Alarm systems and television recording	40
Special communication equipment	48
Ordinary office furniture and equipment	100
Furniture and various equipment	80
Telephone and mobile phone systems	60
Electronic machines and data processing systems	60
Lifting equipment and means	160
Vehicles for mixed use by employees	48
Vehicles for mixed use by Directors	48

8.7 TANGIBLE ASSETS HELD FOR INVESTMENT PURPOSES: CHANGES IN THE YEAR

(amounts in thousands of Euro)

	Total	
	Land	Buildings
A. Opening balance	**-**	**4,670**
B. Increases	**-**	**4,488**
B.1 Purchases	-	-
of which: business combinations	-	-
B.2 Capitalised improvement expenses	-	-
B.3 Positive changes in fair value	-	-
B.4 Reversals	-	-
B.5 Positive exchange rate differences	-	-
B.6 Reclassified from properties for functional use	-	4,373
B.7 Other changes	-	115
C. Decreases	**-**	**462**
C.1 Sales	-	-
C.2 Depreciation	-	462
C.3 Negative changes in fair value	-	-
C.4 Impairment	-	-
C.5 Negative exchange rate differences	-	-
C.6 Reclassified to:	-	-
a) tangible assets for functional use	-	-
b) non-current assets and groups of assets held for sale	-	-
C.7 Other changes	-	.
D. Closing balance	**-**	**8,696**
E. Valuation at fair value	**-**	**-**

Section 9 – INTANGIBLE ASSETS – ITEM 90

9.1 INTANGIBLE ASSETS: BREAKDOWN BY TYPE OF ASSET

(amounts in thousands of Euro)

Assets/Values	31/12/2024		31/12/2023	
	Defined duration	Indefinite duration	Defined duration	Indefinite duration
A.1 Goodwill	**-**	**-**	**-**	**-**
A.2 Other intangible assets	**10,313**	**-**	**10,265**	**-**
of which: software	2,790	-	2,062	-
A.2.1 Assets measured at cost	10,313	-	10,265	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	10,313	-	10,265	-
A.2.2 Assets measured at fair value	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
Total	**10,313**	**-**	**10,265**	**-**

Other intangible assets mainly consist of software expenses and software licences for application systems in use.

9.2 INTANGIBLE ASSETS: CHANGES IN THE YEAR

(amounts in thousands of Euro)

	Goodwill	Other internally generated intangible assets		Other intangible assets: Other		Total
		Definite duration	Indefinite duration	Definite duration	Indefinite duration	
A. Opening balance	**-**	**-**	**-**	**12,288**	**-**	**12,288**
A.1 Total net impairment	-	-	-	2,023	-	2,023
A.2 Net opening balances	-	-	-	10,265	-	10,265
B. Increases	**-**	**-**	**-**	**1,623**	**-**	**8,738**
B.1 Purchases	-	-	-	1,596	-	1,596
of which: business combinations	-	-	-	-	-	-
B.2 Increases in internal intangible assets	-	-	-	-	-	-
B.3 Reversals	-	-	-	-	-	-
B.4 Positive changes in fair value	-	-	-	-	-	-
- in equity	-	-	-	-	-	-
- income statement	-	-	-	-	-	-
B.5 Positive exchange rate differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	27	-	-

	Goodwill	Other internally generated intangible assets		Other intangible assets: Other		Total
		Definite duration	Indefinite duration	Definite duration	Indefinite duration	
C. Decreases	**-**	**-**	**-**	**1,575**	**-**	**1,575**
C.1 Sales	-	-	-		-	
C.2 Impairment	-	-	-	1,575	-	1,575
- Amortisation	-	-	-	1,575	-	1,575
- Write-downs	-	-	-	-	-	-
+ equity	-	-	-	-	-	-
+ income statement	-	-	-	-	-	-
C.3 Negative changes in fair value	-	-	-	-	-	-
- in equity	-	-	-	-	-	-
- income statement	-	-	-	-	-	-
C.4 Reclassified to non-current assets held for sale	-	-	-	-	-	-
C.5 Negative exchange rate differences	-	-	-	-	-	-
C.6 Other changes				-	-	-
D. Net closing balance	**-**	**-**	**-**	**10,313**	**-**	**10,313**
D.1 Total net impairment	-	-	-	6,285	-	6,285
E. Gross closing balance	**-**	**-**	**-**	**16,598**	**-**	**16,598**
F. Valuation at cost	**-**	**-**	**-**	**-**	**-**	**-**

Legend: DEF: definite duration - INDEF: indefinite duration

Amortisation of intangible assets is calculated at a rate of 20%, with the exception of the assets recognised with the incorporation of Banca Popolare Valconca as part of the Purchase Price Allocation ("PPA") process, which have an average useful life of 15 years.

Sub-item “F – Valuation at cost” is not reported because, as per Bank of Italy instructions, its compilation is only required for intangible assets measured at fair value.

Section 10 – TAX ASSETS AND TAX LIABILITIES – ASSETS ITEM 100 AND LIABILITIES ITEM 60

10.1 DEFERRED TAX ASSETS: BREAKDOWN

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
Loan impairment	3,734	8,811
Tax loss	4,191	11,412
Negative Net Production value	0	119
A.C.E. – aid to economic growth	0	173
FTA loan impairment IFRS 9	5,841	7,301
Provisions for risks	557	935
Other	857	280
Real estate and land	352	-
Financial assets FVOCI	2,224	1,043
Total	**17,756**	**30,074**

Deferred tax assets amounted to Euro 17.8 million compared to Euro 30.1 million in the previous financial year.
The tax loss carry-forwards that the Bank took over as a result of the merger of Banca Popolare Valconca in FY 2023 were partially used to offset estimated taxable income for FY 2024.

10.2 DEFERRED TAX LIABILITIES: BREAKDOWN

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
Default interest not collected	96	39
Financial assets FVOCI	366	12
Loans FVOCI (NPL) – Equity reserve	465	590
Loans FVOCI (NPL) – IS Reversals/Impairment	-	576
Properties	2,050	2,066
Intangibles	2,375	2,548
Total	**5,352**	**5,831**

10.3. CHANGES IN DEFERRED TAX ASSETS (BALANCING ENTRY IN INCOME STATEMENT)

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
1. Opening balance	**29,255**	**4,538**
2. Increases	**293**	**32,699**
2.1 Deferred tax assets recognised in the year	293	-
a) relating to previous years	293	-
b) due to changes in accounting criteria	-	-
c) reversals	-	-
d) other	-	-
e) business combinations	-	31,968
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	731
3. Decreases	**11,864**	**7,982**
3.1 Deferred tax assets derecognised in the year	10,703	7,807
a) reversals	10,215	7,807
b) write-downs for non-recoverability	133	-
c) change in accounting criteria	-	-
d) other	355	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	1,161	175
a) transformation into tax credits pursuant to Law No. 214/2011	1,161	
b) other	-	175
4. Closing balance	**17,684**	**29,255**

10.3.BIS CHANGES IN DEFERRED TAX ASSETS UNDER LAW NO. 214/2011

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
1. Opening balance	**8,811**	**2,826**
2. Increases	**-**	**8,873**
3. Decreases	**5,076**	**2,888**
3.1 reversals	3,916	2,888
3.2 transformation into tax credits	1,160	-
a) resulting from losses of the year	1,160	-
b) resulting from tax losses	-	-
3.3 Other decreases	-	-
4. Closing balance	**3,735**	**8,811**

Deferred tax assets pursuant to Law No. 214/2011 relate to value adjustments on receivable from customers not deducted for IRES and IRAP purposes in previous years. The transformation occurred in 2024 refers to the statutory loss realised by the merged Banca Popolare Valconca at the end of the period of extraordinary administration.

10.4 CHANGES IN DEFERRED TAX LIABILITIES (BALANCING ENTRY IN INCOME STATEMENT)

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
1. Opening balance	**5,229**	**1,431**
2. Increases	**104**	**4,630**
2.1 Deferred tax liabilities recognised in the year	104	4,630
a) relating to previous years	104	-
b) due to changes in accounting criteria	-	-
c) other	-	-
d) business combinations	-	4,630
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
3. Decreases	**812**	**832**
3.1 Deferred tax liabilities derecognised in the year	812	832
a) reversals	562	832
b) due to changes in accounting criteria	-	-
c) other	250	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	-
4. Closing balance	**4,521**	**5,229**

10.5 CHANGES IN DEFERRED TAX ASSETS (BALANCING ENTRY IN EQUITY)

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
1. Opening balance	**818**	**1,025**
2. Increases	**-**	**810**
2.1 Deferred tax assets recognised in the year	-	-
a) relating to previous years	-	-
b) due to changes in accounting criteria	-	-
c) other	-	-
d) business combinations	-	810
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
3. Decreases	**746**	**1,017**
3.1 Deferred tax assets derecognised in the year	746	285
a) reversals	746	285
b) write-downs for non-recoverability	-	-
c) due to changes in accounting criteria	-	-
d) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	732
4. Closing balance	**72**	**818**

10.6 CHANGES IN DEFERRED TAX LIABILITIES (BALANCING ENTRY IN EQUITY)

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
1. Opening balance	**602**	**886**
2. Increases	**229**	**-**
2.1 Deferred tax liabilities recognised in the year	229	-
a) relating to previous years	-	-
b) due to changes in accounting criteria	-	-
c) other	229	-
d) business combinations	-	-
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
3. Decreases	**-**	**284**
3.1 Deferred tax liabilities derecognised in the year	-	284
a) reversals	-	284
b) due to changes in accounting criteria	-	-
c) other	-	-
3.2 Tax rate reductions	-	-
3.3 Other decreases	-	-
4. Closing balance	**831**	**602**

10.7 OTHER INFORMATION

CURRENT TAX ASSETS

The breakdown of current tax assets is shown below:

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
Withholding taxes	42	11
Tax Cred. – subsidised goods under Law No. 178/2020	-	71
Tax Cred. – advertising investments	-	28
Credits for converting DTA into tax credits under Law No. 214/2011	515	104
IRES additional credit	145	145
IRES and IRAP – Advance payments	1,641	0
IRES credit	1,009	948
IRAP credit	10	964
Total current tax assets	**3,362**	**2,271**

CURRENT TAX LIABILITIES

The breakdown of current tax liabilities is shown below:

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
Provision for Current Taxes IRES + Add.	1,772	-
Provision for Current Taxes IRAP	2,410	1,522
Total current tax liabilities	**4,182**	**1,522**

Section 12 – OTHER ASSETS – ITEM 120

12.1 OTHER ASSETS: BREAKDOWN

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
Tax credits	1,252,949	716,431
Items in transit receivable	8,718	11,334
Deferred assets	8,544	6,878
VAT credit purchased	3,352	3,280
Sundry debtors for commission income	2,343	2,645
Third-party effects in portfolio	1,779	643
Accrued assets	621	548
Receivables for invoices to be collected	290	61
Receivables from tax authorities on behalf of third parties	214	1,710
Current account cheques drawn on other institutions	8	869
Other items	9,952	66,021
Total	**1,288,769**	**810,420**

The item "Items in transit receivable" mainly comprises credit transfers and SDDs in processing. The item "Third-party effects in portfolio" mainly refers to invoices and Ri.ba bank transfers subject to advances.

Item "Tax credits" refers to:

- for Euro 70.9 million – Tax Credits acquired intended for offsetting and measured at amortised cost;
- for Euro 1,180.6 million – Tax Credits acquired for resale and measured at fair value.
- for Euro 1.5 million (Euro 11.0 million as at 31 December 2023) – Receivables from banks related to some tax credit resale finalised at the end of 2024 and not yet collected.

LIABILITIES

Section 1 – FINANCIAL LIABILITIES MEASURED AT AMORISED COST – ITEM 10

1.1 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST: BREAKDOWN BY TYPE OF PAYABLES TO BANKS

(amounts in thousands of Euro)

Type of securities/Values	31/12/2024				31/12/2023			
	Book value	Fair value			Book value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Payables to Central Banks	925,081	X	X	X	448,733	X	X	X
2. Payables to banks	173,759	X	X	X	42,937	X	X	X
2.1 Current accounts and sight deposits	317	X	X	X	8,388	X	X	X
2.2 Term deposits	-	X	X	X	-	X	X	X
2.3 Loans	173,442	X	X	X	34,549	X	X	X
2.3.1 Reverse repurchase agreements	173,442	X	X	X	30,443	X	X	X
2.3.2 Other	-	X	X	X	4,106	X	X	X
2.4 Payables for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
2.5 Lease payables	-	X	X	X	-	X	X	X
2.6 Other payables	-	X	X	X	-	X	X	X
Total	**1,098,840**			**1,098,840**	**491,670**			**491,670**

Payables to Central Banks consist of short-term refinancing operations.

1.2 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST: BREAKDOWN BY TYPE OF PAYABLES TO CUSTOMERS

(amounts in thousands of Euro)

Type of securities/Values	31/12/2024				31/12/2023			
	Book value	Fair value			Book value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1 Current accounts and sight deposits	1,072,684	X	X	X	1,123,007	X	X	X
2 Term deposits	1,972,276	X	X	X	1,374,978	X	X	X
3 Loans	470	X	X	X	940	X	X	X
3.1 Reverse repurchase agreements	-	X	X	X	-	X	X	X
3.2 Other	470	X	X	X	940	X	X	X

Type of securities/Values	31/12/2024				31/12/2023			
	Book value	Fair value			Book value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
4 Payables for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
5 Lease payables	8,412	-	-	-	5,162	-	-	-
6 Other payables	107	X	X	X	627	X	X	X
Total	**3,053,949**			**3,053,949**	**2,504,714**			**2,504,714**

"Lease payables" include the residual balance at 31 December 2024 of the financial liability associated with the rights of use recognised as tangible assets in accordance with IFRS 16.

1.3 FINANCIAL LIABILITIES MEASURED AT AMORTISED COST: BREAKDOWN OF SECURITIES ISSUED BY CATEGORY

Type of securities/Values	31/12/2024				31/12/2023			
	Book value	Fair value			Book value	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Securities								
1 Bonds	-	-	-	-	-	-	-	-
1.1 Structured	-	-	-	-	-	-	-	-
1.2 Other	-	-	-	-	-	-	-	-
2 Other securities	-	-	-	-	30	-	-	30
2.1 Structured	-	-	-	-	-	-	-	-
2.2 Other	-	-	-	-	30	-	-	30
Total	**-**	**-**	**-**	**-**	**30**	**-**	**-**	**30**

1.6 LEASE PAYABLES

Lease payables shown in table "1.2 Financial liabilities measured at amortised cost: breakdown by type of payables to customers" represent the present value of the residual payments related to leases falling within the scope of IFRS 16.

Lease payables amounting to Euro 8.4 million refer for Euro 7.2 million to real estate leases and Euro 1.2 million to motor vehicle rental contracts.

Section 2 – FINANCIAL LIABILITIES HELD FOR TRADING – ITEM 20

2.1 FINANCIAL LIABILITIES HELD FOR TRADING: BREAKDOWN BY TYPE

(amounts in thousands of Euro)

Type of transactions/Values	31/12/2024					31/12/2023				
	NV	FV*			FV	NV	FV			FV
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
A. On-balance sheet liabilities										
1. Payables to banks	-	-	-	-	-	-	-	-	-	-
2. Payables to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-		-	-	-	-	
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total A	-	-	-	-	-	-	-	-	-	-
B. Derivative instruments										
1. Financial derivatives	-	-	11	-	-	-	-	44	-	-
1.1 Held for trading	X	-	11	-	X	X	-	44	-	X
1.2 Related to the fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit derivatives	-	-	-	-	-	-	-	-	-	-
2.1 Held for trading	X	-	-	-	X	X	-	-	-	X
2.2 Related to the fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total B	**X**	**-**	**11**	**-**	**X**	**X**	**-**	**44**	**-**	**X**
Total A+B	**X**	**-**	**11**	**-**	**X**	**X**	**-**	**44**	**-**	**X**

The amount corresponds to the negative intrinsic value on currency commitments (swaps and forward exchange rates).

Section 6 – TAX LIABILITIES – ITEM 80

Please refer to Section 10 of the assets.

Section 8 – OTHER LIABILITIES – ITEM 80

8.1 OTHER LIABILITIES: BREAKDOWN

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
Transferor account for third-party effects in portfolio	14,815	673
Amounts to be paid to the tax authorities on behalf of third parties	9,778	6,284
Work in progress	7,484	3,450
Amounts available for transfers to be executed	7,403	20,403
Accrued and deferred liabilities	4,797	3,964
Payables to suppliers	4,493	9,478
Invoices to be received	4,094	11,317
Payments to social security institutions	1,626	1,901
Commission expense creditors	263	221
VAT payable	-	91
Other items	5,219	5,123
Total	**59,972**	**62,905**

The items "Amounts available for credit transfers to be executed" and "Work in progress" mainly refer to credit transfers to be credited and in process relating to movements in the last few days of the financial year.
“Invoices to be received” contains the balancing entry for invoices payable allocated on an accrual basis.
The item “accrued and deferred liabilities” includes accruals and deferrals that have not been allocated to a specific item.
The item "Third-party effects in portfolio" includes the balancing entry of third-party effects in portfolio consisting mainly of Ri.ba bank transfers after collection.

Section 9 – EMPLOYEE SEVERANCE INDEMNITY – ITEM 90

9.1 EMPLOYEE SEVERANCE INDEMNITY (TFR): CHANGES IN THE YEAR

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
A. Opening balance	**427**	**350**
B. Increases	**146**	**116**
B.1 Provision for the year	127	116
B.2 Other increases	19	-
B.3 Business combinations	-	-
C. Decreases	**29**	**39**
C.1 Payments made	29	34
C.2 Other decreases	-	5
C.3 Business combinations	-	-
D. Closing balance	**544**	**427**

9.2 OTHER INFORMATION

The International Financial Reporting Interpretation Committee (IFRIC) of the IASB with regard to the Italian TFR has concluded that, in application of IAS 19, it must be calculated according to a methodology in which the amount of the liability for the benefits acquired must reflect the expected date of resignation and must be discounted.
In particular, this provision must take into account the amount already accrued at the reporting date, projecting it into the future to estimate the amount to be paid upon termination of employment. This sum is then discounted to take into account the time that will elapse before actual payment.

Section 10 – PROVISIONS FOR RISKS AND CHARGES – ITEM 100

10.1 PROVISIONS FOR RISKS AND CHARGES: BREAKDOWN

(amounts in thousands of Euro)

Items/Values	31/12/2024	31/12/2023
1. Provisions for credit risk relating to commitments and financial guarantees given	757	1,089
2. Provisions on other commitments and other guarantees given	-	-
3. Corporate retirement funds	-	-
4. Other provisions for risks and charges	1,146	1,265
4.1. Legal and tax disputes	1,006	1,218
4.2. Personnel expenses	-	-
4.3. Other	140	47
Total	**1,903**	**2,354**

Provisions for risks relating to commitments and guarantees of Euro 0.8 million consist of write-downs on endorsement credits and overdraft margins, while Provisions for risks – Other of Euro 0.1 million represent a provision on pending settlement proposals.
Provisions for legal and tax disputes are represented by pending lawsuits.

10.2 PROVISIONS FOR RISKS AND CHARGES: CHANGES IN THE YEAR

(amounts in thousands of Euro)

	Provisions on other commitments and other guarantees given	Retirement funds	Other provisions for risks and charges	Total
A. Opening balance	**1,089**	**-**	**1,265**	**2,354**
B. Increases	**-**	**-**	**802**	**802**
B.1. Provision for the year	-	-	802	802
B.2. Time-related changes	-	-	-	-
B.3. Variations due to changes in the discount rate	-	-	-	-

	Provisions on other commitments and other guarantees given	Retirement funds	Other provisions for risks and charges	Total
B.4. Other changes	-	-	-	-
B.5 Business combinations	-	-	-	-
C. Decreases	**332**	**-**	**921**	**1,253**
C.1. Use in the year	332		921	1,253
C.2. Variations due to changes in the discount rate	-	-	-	-
C.3. Other changes	-	-	-	-
C.4 Business combinations	-		-	-
D. Closing balance	**757**	**-**	**1,146**	**1,903**

10.3 PROVISIONS FOR CREDIT RISK RELATING TO COMMITMENTS AND FINANCIAL GUARANTEES GIVEN

(amounts in thousands of Euro)

	Provisions for credit risk relating to commitments and financial guarantees given				
	First stage	Second stage	Third stage	Purchased or originated impaired	Total
Commitments to disburse funds	133	72	-	-	205
Financial guarantees given	283	89	180	-	552
Total	**318**	**381**	**390**	**-**	**757**

Section 12 – COMPANY EQUITY – ITEMS 110, 130, 140, 150, 160, 170 and 180

12.1 “CAPITAL” AND “TREASURY SHARES”: BREAKDOWN

(amounts in thousands of Euro)

Items/Values	31/12/2024	31/12/2023
1. Capital	49,598	49,598
Total	**49,598**	**49,598**

The capital is fully subscribed and paid-up and consists of 105,752,055 ordinary shares.
At the closing date of the financial year, the Bank had no treasury shares in its portfolio.

12.2 CAPITAL – NUMBER OF SHARES – CHANGES IN THE YEAR

Items/Types	Ordinary	Other
A. Shares at the beginning of the year	**105,752,055**	**-**
- fully paid-up	105,752,055	-
- not fully paid-up		-
A.1 Treasury shares (-)	-	-
A.2 Shares outstanding: opening balance	105,752,055	-
B. Increases	**-**	**-**
B.1 New issues	-	-
- payment	-	-
- business combinations	-	-
- conversion of bonds	-	-
- warrants exercised	-	-
- other	-	-
- bonus issues	-	-
- employees	-	-
- Directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	-	-
C. Decreases	**-**	**-**
C.1 Derecognition	-	-
C.2 Purchase of treasury shares	-	-
C.3 Disposal of businesses	-	-
C.4 Other changes	-	-
D. Shares outstanding: closing balance	**105,752,055**	**-**
D.1 Treasury shares (+)	-	-
D.2 Shares at the end of the year	105,752,055	-
- fully paid-up	105,752,055	-
- not fully paid-up	-	-

12.3 CAPITAL: OTHER INFORMATION

The share capital is fully subscribed and paid-up and is represented by ordinary shares. All shares have the same rights.
There are no shares reserved for issue under options and sales contracts.

12.4 PROFIT RESERVES: OTHER INFORMATION

In the following table, as required by Article 2427, paragraph 7-*bis* of the Italian Civil Code, the items of Shareholders' Equity are analytically illustrated with an indication of their origin, possibility of utilisation and distributability.

(amounts in thousands of Euro)

Nature/Description	Amount	Portion available for	
		Possibility of utilisation	Available portion
Capital	49,598	-	-
Share premiums	716	A/B/C(2)	-
Reserves			-
Legal reserve	5,672	A(1)/B	-
Statutory reserve	3,321	A/B/C	-
Other	79,597	(3)	-
Extra profit reserve (Law No. 136/23, Art. 26-5 *bis*)	5,627	(4)	
Valuation reserves	9,863	(3)	-
Capital instruments	10,000		-
Total	**164,394**		
Profit (Loss) for the year	30,110		
Total Shareholders' Equity	**194,504**		

(*) A=for capital increase; B=for loss coverage; C=for distribution to shareholders.
(1)The legal reserve may be used to increase capital (A) to the extent that it exceeds one-fifth of the capital.
(2)The share premium reserve may only be distributed to shareholders after the legal reserve has reached one-fifth of the share capital.
(3)The reserve is unavailable pursuant to Article 6 of Legislative Decree No. 38/2005.
(4)Reserve not distributable for tax purposes pursuant to Article 26 of Law No. 136/23.

The item "Share premium" represents the premium paid upon conversion of the bond obligatorily convertible into shares.

The item "Valuation reserves" includes a property revaluation reserve of Euro 8.3 million from Banca Popolare Valconca reconstituted in Cherry Bank post-merger.

For the allocation of the profit for the year, please refer to the proposal formulated in the Report on Operations.
It should be noted that, in the resolution approving the allocation of the profit for the year 2023, the Bank set up a specific reserve pursuant to Article 26 of Law No. 136/23 in the amount of Euro 2.4 million. Moreover, following the merger transaction with Banca Popolare Valconca at the end of 2023, Cherry Bank reconstituted the reserve pursuant to the aforementioned Article 26 recorded in the Financial Statements of the merged entity under Extraordinary Administration for Euro 3.2 million.

Other information

1. COMMITMENTS AND FINANCIAL GUARANTEES GIVEN (EXCLUDING THOSE DESIGNATED AT FAIR VALUE)

(amounts in thousands of Euro)

	Nominal value on commitments and financial guarantees given					
	First stage	Second stage	Third stage	Purchased or originated impaired	31/12/2024	31/12/2023
Commitments to disburse funds	**203,114**	**5,944**	**4,583**		**213,640**	**169,746**
a) Central Banks	-	-	-	-	-	-
b) Public Administrations	-	-	-	-	-	-
c) Banks	716	-	-	-	716	50,017
d) Other financial companies	2,055	10	-	-	2,065	968
e) Non-financial companies	181,017	5,305	4,236	-	190,559	114,969
f) Households	19,325	628	347	-	20,300	3,792
Financial guarantees given	**25,126**	**125**	**461**	**-**	**25,712**	**41,357**
a) Central Banks	-	-	-	-	-	-
b) Public Administrations	-	-	-	-	-	-
c) Banks	-	-	20	-	20	-
d) Other financial companies	3,204	-	-	-	3,204	8,135
e) Non-financial companies	19,612	28	362	-	20,002	29,473
f) Households	2,310	97	79	-	2,486	3,749

2. OTHER COMMITMENTS AND OTHER GUARANTEES GIVEN

(amounts in thousands of Euro)

	Nominal value	
	31/12/2024	31/12/2023
Other guarantees given	**28,791**	**15,071**
of which: impaired	170	-
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	3,668	556
d) Other financial companies	-	-
e) Non-financial companies	24,463	14,360
f) Households	660	155
Other commitments	**-**	**155,741**
of which: impaired	-	1,323
a) Central Banks	-	-
b) Public Administrations	-	-
c) Banks	-	-
d) Other financial companies	-	6,002
e) Non-financial companies	-	130,376
f) Households	-	19,363

3. ASSETS GIVEN AS SECURITY FOR THE COMPANY'S LIABILITIES AND COMMITMENTS

(amounts in thousands of Euro)

Portfolios	31/12/2024	31/12/2023
1. Financial assets measured at fair value through profit or loss	-	-
2. Financial assets measured at fair value through other comprehensive income	-	45,027
3. Financial assets measured at amortised cost	1,277,014	471,071
4. Tangible assets	-	-
of which: tangible assets constituting inventories	-	-

4. MANAGEMENT AND INTERMEDIATION FOR THIRD PARTIES

(amounts in thousands of Euro)

Type of services	31/12/2024	31/12/2023
1. Execution of orders on behalf of customers	-	-
a) Purchases	-	-
1. Regulated	-	-
2. Unregulated	-	-
b) Sales	-	-
1. Regulated	-	-
2. Unregulated	-	-
2. Individual portfolio management	**42,544**	**12,937**
3. Custody and administration of securities	**3,880,242**	**2,784,137**
a) third-party securities on deposit: associated with activities as a custodian bank (excluding portfolio management)	-	-
1. securities issued by the reporting bank	-	-
2. other securities	-	-
b) third-party securities on deposit (excluding portfolio management): other	485,657	412,666
1. securities issued by the reporting bank	56	32,217
2. other securities	485,601	380,449
c) third-party securities deposited with third parties	485,649	399,815
d) own securities deposited with third parties	2,908,936	2,371,471
4. Other transactions	**-**	**-**

Part C –
Information on the Income Statement

Section 1 – INTEREST – ITEMS 10 and 20

1.1 Interest and similar income: breakdown

(amounts in thousands of Euro)

Items/Technical forms	Debt securities	Loans	Other transactions	Total 31/12/2024	Total 31/12/2023
1.Financial assets measured at fair value through profit or loss:	43	-	-	43	382
1.1. Financial assets held for trading	-	-	-	-	-
1.2. Financial assets designated at fair value	-	-	-	-	-
1.3. Other financial assets obligatorily measured at fair value	43	-	-	43	382
2. Financial assets measured at fair value through other comprehensive income	2,466	4,036	x	6,502	8,135
3. Financial assets measured at amortised cost:	55,718	59,722	-	115,440	35,507
3.1 Receivables from banks	-	2,681	X	2,681	2,943
3.2 Receivables from customers	55,718	57,041	X	112,759	32,564
4. Hedging derivatives	X	X	-	-	-
5. Other assets	X	X	5,720	5,720	1,485
6. Financial liabilities	X	x	X		
Total	**58,226**	**63,758**	**5,720**	**127,704**	**45,508**
of which: interest income on impaired financial assets	-	7,708	-	7,708	6,511
of which: interest income on finance leases	**x**	**-**	**x**	**-**	**-**

The item "Financial assets measured at amortised cost: receivables from customers" includes the negative effect of the reversal of the PPA related to the merger between Cherry 106 and Banco delle Tre Venezie ("Reversal PPA") on performing loans for Euro 1.7 million, to which is added a similar negative effect related to the merger with Banca Popolare Valconca for the year 2024 on performing loans for Euro 2.0 million.

1.2 Interest and similar income: other information

1.2.1 INTEREST INCOME ON FINANCIAL ASSETS IN FOREIGN CURRENCIES

(amounts in thousands of Euro)

Items/Values	31/12/2024	31/12/2023
Interest income on financial assets in foreign currencies	**601**	**275**

1.3 Interest and similar expense: breakdown

(amounts in thousands of Euro)

Items/Technical forms	Payables	Securities	Other transactions	Total 31/12/2024	Total 31/12/2023
1. Financial liabilities measured at amortised cost	(111,355)		-	(111,355)	(28,531)
1.1 Payables to Central Banks	(7,733)	X	X	(7,733)	(6,974)
1.2 Payables to banks	(2,847)	X	X	(2,847)	(457)
1.3 Payables to customers	(100,775)	X	X	(100,775)	(21,099)
1.4 Securities issued	X		X		
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and provisions	X	X	-	-	(1)
5. Hedging derivatives	X	X	-	-	-
6. Financial assets	X	X	X	-	-
Total	**(111,355)**		**-**	**(111,355)**	**(28,531)**
of which: interest expense on lease payables	(219)	-	-	(219)	(128)

1.4 Interest and similar expense: other information

1.4.1 INTEREST EXPENSE ON FOREIGN CURRENCY LIABILITIES

(amounts in thousands of Euro)

Items/Values	31/12/2024	31/12/2023
Interest expense on foreign currency liabilities	(122)	(40)

Section 2 – COMMISSIONS – ITEMS 40 and 50

2.1 Commission income: breakdown

(amounts in thousands of Euro)

Type of services/Values	31/12/2024	31/12/2023
a) Financial instruments	**710**	**464**
1. Placement of securities	106	342
1.1 On a firm and/or irrevocable commitment basis	-	-
1.2 Without irrevocable commitment	106	342
2. Receiving and sending orders and execution of orders on behalf of customers	295	56
2.1 Receiving and sending orders for one or more financial instruments	295	56
2.2 Execution of orders on behalf of customers	-	-
3. Other commissions related to activities linked to financial instruments	309	66
of which: proprietary trading	-	-
of which: individual portfolio management	309	66
b) Corporate Finance	**-**	**-**
1. Advice on mergers and acquisitions	-	-
2. Treasury services	-	-
3. Other commissions related to corporate finance services	-	-
c) Investment advisory activities	**731**	**596**
d) Custody and administration	**49**	**8**
1. Custodian bank	-	-
2. Other commissions related to custody and administration activities	49	8
e) Central administrative services for collective portfolio management	**-**	**-**
f) Fiduciary business	**-**	**-**
g) Payment services	**4,294**	**945**
1. Current accounts	2,332	527
2. Credit cards	245	23
3. Debit cards and other payment cards	719	15
4. Bank transfers and other payment orders	456	68
5. Other fees related to payment services	543	312
h) Distribution of third-party services	**2,345**	**62**
1. Collective portfolio management	-	-
2. Insurance products	244	62
3. Other products	2,101	-
of which: individual portfolio management	2,101	-
i) Structured finance	**-**	**-**
j) Servicing activities for securitisation transactions	**-**	**-**
k) Commitments to disburse funds	**-**	**-**
l) Financial guarantees given	**1,119**	**655**
of which: credit derivatives	-	-
m) Financing transactions	**6,500**	**1,211**
of which: for factoring transactions	165	134
n) Trading in foreign currencies	**185**	**170**
o) Goods	**-**	**-**
p) Other commission income	**8,182**	**18,069**
of which: for management of multilateral trading systems	-	**-**
of which: for management of organised trading systems	-	**-**
Total	**24,116**	**22,181**

The item "Other commission income" includes commissions related to "fronting" operations in Tax Credits. The related costs are recorded under commission expenses.

2.2 Commission income: distribution channels of products and services

(amounts in thousands of Euro)

Channels/Values	31/12/2024	31/12/2023
a) At own branches:	**2,760**	**470**
1. Portfolio management	309	66
2. Placement of securities	105	342
3. Third-party services and products	2,345	62
b) Off-premises offer:	**-**	**-**
1. Portfolio management	-	-
2. Placement of securities	-	-
3. Third-party services and products	-	-
c) Other distribution channels:	**-**	**-**
1. Portfolio management	-	-
2. Placement of securities	-	-
3. Third-party services and products	-	-

2.3 Commission expenses: breakdown

(amounts in thousands of Euro)

Channels/Values	31/12/2024	31/12/2023
a) Financial instruments	**-**	**-**
of which: trading of financial instruments	-	-
of which: placement of financial instruments	-	-
of which: individual portfolio management	-	-
- Own	-	-
- Delegated to third parties	-	-
d) Compensation and settlement	**-**	**-**
c) Custody and administration	**(245)**	**(369)**
d) Collection and payment services	**(368)**	**(357)**
of which: credit cards, debit cards and other payment cards		(72)
e) Servicing activities for securitisation transactions	**(9)**	**(8)**
f) Commitments to receive funds	**-**	**-**
g) Financial guarantees received	**(603)**	**(604)**
of which: credit derivatives	-	-
h) Off-premises offer of financial instruments, products and services	**-**	**-**
i) Trading in foreign currencies	**-**	**-**
j) Other commission expenses	**(11,881)**	**(10,005)**
Total	**(13,105)**	**(11,343)**

The item "Other commission expenses" includes commissions paid to third parties related to "fronting" operations in Tax Credits.

Section 3 – DIVIDENDS AND SIMILAR INCOME – ITEM 70

3.1 Dividends and similar income: breakdown

(amounts in thousands of Euro)

Items/Income	31/12/2024		31/12/2023	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	-	-	-	-
B. Other financial assets obligatorily measured at fair value	-	-	-	-
C. Financial assets measured at fair value through other comprehensive income	599	-	-	-
D. Investments	-	-	-	-
Total	**599**	**-**	**-**	**-**

Section 4 – NET TRADING RESULT – ITEM 80

4.1 Net trading result: breakdown

(amounts in thousands of Euro)

Transactions/Income components	Gains (A)	Trading profits (B)	Losses (C)	Trading losses (D)	Net result [(A+B)-(C+D)]
1. Financial assets held for trading		**151,133**	**-**	**(169)**	**150,964**
1.1 Debt securities	-	1	-	(169)	(168)
1.2 Capital securities	-	-	-	-	-
1.3 UCITS units	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other		151,132	-	-	151,132
2. Financial liabilities held for trading	**119**	**-**	**-**	**-**	**119**
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	119	-	-	-	119
3. Other financial assets and liabilities: exchange rate differences	**-**	**-**	**-**	**-**	**(851)**
4. Derivative instruments	**-**	**-**	**-**	**-**	**29**
4.1 Financial derivatives	-	-	-	-	29
- On debt securities and interest rates	-	-	-	-	-
- On capital securities and equity indices	-	-	-	-	-
- On currencies and gold	-	-	-	-	29
- Other	-	-	-	-	-

Transactions/Income components	Gains (A)	Trading profits (B)	Losses (C)	Trading losses (D)	Net result [(A+B)-(C+D)]
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges related to the fair value option	-	-	-	-	-
Total	**119**	**151,133**	**-**	**(169)**	**150,262**

The item Financial assets held for trading – Other essentially refers to the contribution from Cherry Credit's trading in tax credits.

Section 6 – GAINS (LOSSES) ON DISPOSAL/ REPURCHASE – ITEM 100

6.1 Gains (Losses) on disposal/repurchase: breakdown

(amounts in thousands of Euro)

Items/Income components	Total 31/12/2024			Total 31/12/2023		
	Gains	Losses	Net result	Gains	Losses	Net result
A. Financial assets						
1. Financial assets measured at amortised cost	2,868	(782)	2,086	1,149	(3152)	(2,003)
1.1 Receivables from banks		-			-	
1.2 Receivables from customers	2,868	(782)	2,086	1,149	(3,152)	(2,003)
2. Financial assets measured at fair value through other comprehensive income	1,284	(902)	382	1,314	(665)	649
2.1 Debt securities		(33)	(33)	232		232
2.2 Loans	1,284	(869)	415	1,082	(665)	417
Total assets (A)	**4,152**	**(1,684)**	**2,468**	**2,464**	**(3,818)**	**(1,354)**
B. Financial liabilities measured at amortised cost						
1. Payables to banks	-	-	-	-	-	-
2. Payables to customers	-	-	-	-	-	-
3. Securities issued	-	-	-	-	-	-
Total liabilities (B)	-	**-**	**-**	**-**	**-**	**-**

The Net result of financial assets measured at amortised cost – Receivables from customers consists of gains of Euro 2.8 million and losses of Euro 0.7 million from the sale of impaired loans.

Section 7 – NET RESULT FROM FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS – ITEM 110

7.2 Net change in value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets obligatorily measured at fair value

(amounts in thousands of Euro)

Transactions/Income components	Gains (A)	Realised gains (B)	Losses (C)	Realised losses (D)	Net result [(A+B)-(C+D)]
1. Financial assets	**252**	**-**	**(2,430)**	**-**	**(2,178)**
1.1 Debt securities	-	-	-	-	-
1.2 Capital securities	-	-	-	-	-
1.3 UCITS units	252	-	(2,430)	-	(2,178)
1.4 Loans	-	-	-	-	-
2. Financial assets in foreign currencies: exchange rate differences	**X**	**X**	**X**	**X**	**-**
Total	**252**	**-**	**(2,430)**	**-**	**(2,178)**

Section 8 – NET IMPAIRMENT/REVERSAL OF IMPAIRMENT FOR CREDIT RISK – ITEM 130

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

(amounts in thousands of Euro)

Transactions /Income components	Impairment (1)						Reversal of impairment (2)				Total 31/12/2024	Total 31/12/2023
			Third stage		Purchased or originated impaired							
	First stage	Second stage	Write-offs	Other	Write-offs	Other	First stage	Second stage	Third stage	Purchased or originated impaired		
A. Receivables from banks	**-**	**-**	**-**	**-**	**-**	**-**	**13**	**-**	**-**	**-**	**13**	**64**
- Loans	-	-	-	-	-	-	13	-	-	-	13	-
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
B. Receivables from customers	**(899)**	**-**	**-**	**(18,114)**	**-**	**(10,583**	**-**	**3,404**	**1,730**	**21,802**	**(2,660)**	**2,270**
- Loans	(571)	-	-	(18,114)	-	(10,583)	-	3,404	1,730	21,802	(2,332)	2,441
- Debt securities	(328)	-	-	-	-	-	-	-	-	-	(328)	(171)
C. Total	**(899)**	**-**	**-**	**(18,114)**	**-**	**(10,583)**	**13**	**3,404**	**1,730**	**21,802**	**(2,647)**	**2,334**

8.2 Net impairment for credit risk relating to financial assets measured at fair value through other comprehensive income: breakdown

(amounts in thousands of Euro)

Transactions /Income components	Impairment (1)						Reversal of impairment (2)				Total 31/12/2024	Total 31/12/2023
	First stage	Second stage	Third stage		Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired		
			Write-offs	Other	Write-offs	Other						
A. Debt securities	(14)	-	-	-	-	-	10	-	-	-	(4)	40
B. Loans	-	-	-	-	-	(14,787)	-	-	-	7,665	(7,122)	(1,053)
- Customers	-	-	-	-	-	(14,787)	-	-	-	7,665	(7,122)	(1,053)
- Banks	-	-	-	-	-	-	-	-	-	-	-	-
C. Total	**(14)**	**-**	**-**	**-**	**-**	**(14,787)**	**10**	**-**	**-**	**7,665**	**(7,126)**	**(1,013)**

Section 10 – ADMINISTRATIVE EXPENSES – ITEM 160

10.1 Personnel expenses: breakdown

(amounts in thousands of Euro)

Type of expenses/Values	31/12/2024	31/12/2023
1) Employees	(49,066)	(24,650)
a) wages and salaries	(33,031)	(16,616)
b) social security contributions	(7,548)	(4,435)
c) employee severance indemnity	-	-
d) social security expenses	-	-
e) provision for employee severance indemnity	(2,120)	(1,061)
f) provision for retirement funds and similar commitments	-	-
- defined contribution	-	-
- defined benefit	-	-
g) contributions to external supplementary pension funds	(1,009)	(473)
- defined contribution	(1,009)	(473)
- defined benefit	-	-
h) costs deriving from equity-settled share-based payment agreements	-	-
i) other employee benefits	(5,358)	(2,065)
2) Other personnel	-	-
3) Directors and Statutory Auditors	(2,007)	(1,511)
4) Retired personnel	-	-
5) Recovery of expenses for employees seconded to other companies	-	-
6) Reimbursement of expenses for seconded third-party employees at the company	-	-
Total	**(51,073)**	**(26,161)**

10.2 Average number of employees by category

	31/12/2024	31/12/2023
Employees		
(a) executives	28	19
b) total directive managers	219	113
c) remaining employees	278	139
Other personnel	-	-
Average total number of employees	**525**	**271**

The year-end figure as at 31 December 2024 was 561 resources, compared to 315 resources as at 31 December 2023 for Cherry Bank alone.

10.4 Other employee benefits

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
- training expenses	(525)	(434)
- other contractual expenses (meal vouchers and insurance policies)	(2,853)	(1,018)
- fringe benefits	(1,105)	(512)
- other expenses	-	-
Total	**(4,483)**	**(1,964)**

10.5 Other administrative expenses: breakdown

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
Tax credits audit costs	(12,174)	(9,872)
Outsourcing costs	(11,630)	(5,544)
Business combination costs	(8,823)	(951)
Taxes and fees	(5,207)	(1,380)
F.I.T.D. contributions	(4,551)	(1,080)
Consultancy and legal advice	(4,509)	(4,132)
NPL on-boarding and due diligence expenses	(3,694)	(2,956)
Debt recovery company expenses	(3,476)	(1,518)
Software fees and maintenance	(2,039)	(798)
Advertising and representation	(1,620)	(1,407)
Telephone costs and external network connection fees	(1,326)	(681)
Insurance costs	(1,013)	(596)
Rent payable	(900)	(287)
Reimbursement of travel expenses to employees	(800)	(364)
Property management expenses	(690)	(185)
Car expenses	(671)	(354)
Postage	(557)	(64)
Furniture and machinery maintenance	(484)	(55)
Remuneration to Independent Auditors	(412)	(208)
Membership contributions	(347)	(140)
Property maintenance	(285)	(76)
Stationery expenses	(251)	(24)
Remuneration to collaborators	(165)	-
Notary fees	(93)	(79)
National resolution fund contributions	-	(403)
Concierge fees	-	(5)
Other expenses	(3,832)	(2,592)
Total other administrative expenses	**(69,549)**	**(35,752)**

The item also includes costs directly related to business volumes, including costs related to the checks carried out on tax credits acquired for trading purposes for Euro 12.2 million compared to Euro 9.9 million in 2023, as well as due diligence and on-boarding costs related to NPL for Euro 3.7 million compared to Euro 3.0 million in 2023. In addition, the item includes Euro 8.8 million of costs incurred for the integration of Banca Popolare Valconca, as well as Euro 3.0 million for Infoprovider former Banca Popolare Valconca costs incurred for the months prior to the integration of the IT systems.

Section 11 – NET ALLOCATIONS TO PROVISIONS FOR RISKS AND CHARGES – ITEM 170

11.1 Net provisions for credit risk relating to commitments to disburse funds and financial guarantees given: breakdown

(amounts in thousands of Euro)

Transactions/ Income components	Impairment		Reversal of impairment		Total 31/12/2024	Total 31/12/2023
	Specific	Portfolio	Specific	Portfolio		
Guarantees given	61		393	-	332	1
Commitments to disburse funds	-	-	-	-	-	-
Other transactions	-	-	-	-	-	-
Total	**61**	**-**	**393**	**-**	**332**	**1**

11.3 Net allocations to other provisions for risks and charges: breakdown

(amounts in thousands of Euro)

Transactions/Income components	Impairment	Reversal of impairment	Total 31/12/2024	Total 31/12/2023
Litigation	(339)	303	(36)	(48)
Other risks	(140)	24	(116)	-
Total	**(479)**	**327**	**(152)**	**(48)**

Section 12 – NET IMPAIRMENT/REVERSAL OF IMPAIRMENT OF TANGIBLE ASSETS – ITEM 180

12.1 Net impairment of tangible assets: breakdown

(amounts in thousands of Euro)

Assets/Income component	Depreciation (A)	Impairment (B)	Reversal of impairment (C)	Net result (A + B - C)
A. Tangible assets	-	-	-	-
A.1 For functional use	(3,092)	-	-	(3,092)
- owned	(1,450)	-	-	(1,450)
- rights of use acquired through leases	(1,642)	-	-	(1,642)
A.2 Held for investment purposes	(462)	-	-	(462)
- owned	(462)	-	-	(462)
- rights of use acquired through leases	-	-	-	-
A.3 Inventories	X	-	-	-
Total	**(3,554)**	**-**	**-**	**(3,554)**

Section 13 – NET IMPAIRMENT/REVERSAL OF IMPAIRMENT OF INTANGIBLE ASSETS – ITEM 190

13.1 Net impairment of intangible assets: breakdown

(amounts in thousands of Euro)

Assets/Income component	Amortisation (A)	Impairment (B)	Reversal of impairment (C)	Net result (A + B - C)
A. Intangible assets	-	-	-	-
A.1 Owned	(1,575)	-	-	(1,575)
- Internally generated by the company	-	-	-	-
- Other	(1,575)	-	-	(1,575)
A.2 Rights of use acquired through leases	-	-	-	-
Total	**(1,575)**	**-**	**-**	**(1,575)**

Section 14 – OTHER OPERATING EXPENSES AND INCOME – ITEM 200

14.1 Other operating expenses: breakdown

"Other operating expenses" are broken down as follows:

(amounts in thousands of Euro)

Assets/Income component	31/12/2024	31/12/2023
- third-party property maintenance costs	-	-
- interest for currency differences on collection and payment transactions	-	-
- donations	(141)	(90)
- other expenses	(2,606)	(4,224)
Total "Other operating expenses" (A)	**(2,747)**	**(4,314)**

14.2 Other operating income: breakdown

"Other operating income" is broken down as follows:

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
- recovery of overdraft expenses and savings deposits	3,324	1,085
- recovery of interest for currency differences on collection and payment transactions	-	-
- recovery of legal costs	-	-
- recovery of expenses for outsourcing services rendered	-	-
- rental income	152	-
- recovery of customer insurance costs	-	-
- sundry expense recoveries	36	3
- other revenues	1,209	50,414
Total "Other operating income" (B)	**4,721**	**51,502**
Net income on the income statement (B) - (A)	**1,974**	**47,188**

The item "other revenues" as at 31.12.2023 is attributable to the gain on bargain purchase recognised in the Income Statement as a result of the PPA related to the incorporation of Banca Popolare Valconca.

Section 15 – GAINS (LOSSES) ON INVESTMENTS – ITEM 220

15.1 Gains (Losses) on investments: breakdown

(amounts in thousands of Euro)

Component/Values	31/12/2024	31/12/2023
A. Income	-	-
1. Revaluations	-	-
2. Gains on disposal	-	13,775
3. Reversal of impairment	-	-
4. Other income	-	-
B. Expenses	-	-
1. Write-downs	-	-
2. Impairment	-	-
3. Losses on disposal	-	-
4. Other expenses	-	-
Net result	**-**	**13,775**

Section 18 – GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS – ITEM 250

18.1 Gains (Losses) on disposal of investments: breakdown

(amounts in thousands of Euro)

Component/Values	31/12/2024	31/12/2023
A. Properties	-	-
1. Gains on disposal	-	-
2. Losses on disposal	-	-
B. Other assets	(1)	36
1. Gains on disposal	35	43
2. Losses on disposal	(36)	(8)
Net result	**(1)**	**36**

Section 19 – INCOME TAXES FOR THE YEAR ON CONTINUING OPERATIONS – ITEM 270

19.1 Income taxes for the year on continuing operations: breakdown

(amounts in thousands of Euro)

Income components/Values	31/12/2024	31/12/2023
1. Current taxes (-)	(5,379)	(1,377)
2. Changes in current taxes of previous years (+/-)	-	-
3. Decrease in current taxes for the year (+)	-	-
3.bis Decrease in current taxes for the year for tax credits pursuant to Law No. 214/2011 (+)	-	-
4. Change in deferred tax assets (+/-)	(10,411)	(7,979)
5. Change in deferred tax liabilities (+/-)	708	833
6. Taxes for the year (-) (-1+/-2+3+/-4+/-5)	**(15,082)**	**(8,523)**

19.2 Reconciliation of theoretical tax expense and actual tax expense in the Financial Statements

(amounts in thousands of Euro)

Profit (Loss) before taxes	taxable amount	rate	tax
Profit (Loss) before taxes/theoretical tax expense – IRES	45,192	27.5%	12,428
- effect of non-deductible expenses and other increases – permanent	663	-	182
- effect of non-taxable income and other decreases – permanent	(1,770)	-	(487)
- Other	(151)	-	42
- Actual tax expense – IRES	-	-	12,165
Profit (Loss) before taxes/theoretical tax expense – IRAP	45,192	5.57%	2,517
- effect of non-deductible expenses and other increases – permanent	132,631	-	7,388
- effect of non-taxable income and other decreases – permanent	(139,801)	-	(7,787)
Actual tax expense – IRAP	-	-	2,917
Actual tax expense in the Financial Statements	**-**	**-**	**15,082**

The effective tax rate was 33.37%, in line with the nominal rate.

Part D –
Other Comprehensive Income

(amounts in thousands of Euro)

Items	31/12/2024	31/12/2023
10. Profit (Loss) for the year	**30,110**	**79,496**
Other income components without reversal to the income statement	**550**	**4**
20. Capital securities designated at fair value through other comprehensive income:	553	-
a) Change in fair value	553	-
b) Reclassified to other components of equity	-	-
30. Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness):	-	-
a) Change in fair value	-	-
b) Reclassified to other components of equity	-	-
40. Hedges of capital securities designated at fair value through other comprehensive income:	-	-
a) Change in fair value (hedged instrument)	-	-
b) Change in fair value (hedging instrument)	-	-
50. Tangible assets	-	-
60. Intangible assets	-	-
70. Defined benefit plans	(3)	4
80. Non-current assets and groups of assets held for sale	-	-
90. Share of valuation reserves of investments valued at equity	-	-
100. Income taxes relating to other income components without reversal to the income statement	-	-
Other income components with reversal to the income statement	**(191)**	**18**
110. Hedges of foreign investments:	-	-
a) changes in fair value	-	-
b) reversal to income statement	-	-
c) other changes	-	-
120. Exchange rate differences:	-	-
a) changes in value	-	-
b) reversal to income statement	-	-
c) other changes	-	-
130. Cash flow hedging:	-	-
a) changes in fair value	-	-
b) reversal to income statement	-	-
c) other changes	-	-
of which: result of net positions	-	-
140. Hedging instruments: (non-designated elements)	-	-
a) changes in fair value	-	-
b) reversal to income statement	-	-
c) other changes	-	-

Items	31/12/2024	31/12/2023
150. Financial assets (other than capital securities) measured at fair value through other comprehensive income:	(191)	18
a) changes in fair value	(191)	18
b) reversal to income statement	-	-
- credit risk adjustments	-	-
- realised gains/losses	-	-
c) other changes	-	-
160. Non-current assets and groups of assets held for sale:	-	-
a) changes in fair value	-	-
b) reversal to income statement	-	-
c) other changes	-	-
170. Share of valuation reserves of investments valued at equity	-	-
a) changes in fair value	-	-
b) reversal to income statement	-	-
- impairment	-	-
- realised gains/losses	-	-
c) other changes	-	-
180. Income taxes relating to other income components with reversal to the income statement	-	-
190. Total other income components	**359**	**22**
Other comprehensive income (Item 10+190)	**30,469**	**79,518**

Part E –
Information on risks and related hedging policies

Introduction

Cherry Bank S.p.A. on 30 December 2023 finalised the merger by incorporation of Banca Popolare Valconca (BPV); the governance and risk management systems were centralised at Cherry Bank Functions. At the end of May 2024, the information system of the merged company was also migrated to the Cedacri target system.
At Cherry Bank, risk governance is identified in the set of corporate governance arrangements and management and control mechanisms aimed at addressing the risks to which it is exposed and is part of the more general framework of the Internal Control System. The Internal Control System consists of the set of rules, functions, structures, resources, processes and procedures that aim to ensure, in compliance with sound and prudent management, the achievement of various goals, including the containment of risk within the limits indicated by the Risk Appetite Framework (hereinafter RAF).
Cherry Bank S.p.A. on 30 December 2023 finalised the merger by incorporation of Banca Popolare Valconca (BPV); the governance and risk management systems were centralised at Cherry Bank Functions. At the end of May 2024, the information system of the merged company was also migrated to the Cedacri target system.

The Bank maintains a traditional governance model that includes a Board of Directors, Board of Statutory Auditors and Chief Executive Officer.

A central role in risk governance is played by the Board of Directors, which defines and approves:

- the business model being aware of the risks to which this model exposes the Bank and the ways in which risks are detected and assessed;
- the strategic plan and ensures that it is updated, in relation to the evolution of the company's business and the external context, in order to ensure its effectiveness over time;
- risk objectives, tolerance and capacity thresholds;
- guidelines for the Internal Control System, verifying that they are consistent with the strategic guidelines already in place and with established risk appetites and that they are capable of reflecting the evolution of company risks and the interactions among them.

It also ensures that:

- the implementation of the RAF is consistent with the risk objectives and tolerance and capacity thresholds defined; it periodically assesses the adequacy and effectiveness of the RAF and the compatibility between actual risk and risk objectives;

- the Strategic Plan, the RAF, the ICLAAP, the budgets and the Internal Control System are consistent, also bearing in mind the evolution of the internal and external conditions in which the Bank operates;
- the amount and allocation of capital and liquidity held are consistent with the risk appetite, and the risk management process.

The Bank's Internal Control System has three different levels:
- Line controls: carried out by the operational lines and as part of back office activities;
- Second level controls: risk and compliance controls that aim to ensure the proper implementation of the risk management process; compliance with the operational limits assigned to the various functions; and compliance of company operations with regulations, including self-regulatory ones;
- Third level controls: in charge of the Internal Audit function aimed at detecting violations of procedures and regulations, as well as periodically assessing the completeness, adequacy, functionality and reliability of the Internal Control System and the information system.

In particular, the second-level risk control functions are Compliance and AML and Risk Management, which, reporting directly to the Board of Directors, act in substantial separation from the operational ones.
With reference to Risk Management, it fulfils the following mission:
- ensure a holistic and integrated view of the risks to which the Bank is exposed and ensure adequate disclosure to the Corporate Bodies;
- identify, measure, assess, monitor risks relevant to the Bank;
- ensure adequate disclosure on the risks assumed to the Corporate Bodies, Control Functions and Heads of structures involved in the risk management process;
- oversee the governance and risk management processes in accordance with the strategies and policies defined by the Corporate Bodies;
- ensure the set up and continuous improvement of methodologies, models, metrics and tools for risk measurement and integration;
- facilitate the transposition of Supervisory regulations and directives.

The dissemination of a risk culture and risk control is ensured within Cherry Bank:
- by the identification of an unambiguous and specific taxonomy of risks, approved by the Board of Directors, which is the reference point for the definition of the Risk Appetite Framework (R.A.F.);
- by internal regulations, which for each activity provide for the highlighting of the relevant risks and the consequent controls;
- by the controls performed by the functions, structured with objectives to improve risk governance;
- by specific training courses for Bank personnel, held by internal and external lecturers.

The measurement of the risk profile is a key element of the Internal Capital and Liquidity Adequacy Assessment Process ("ICLAAP") according to the provisions of the Second Pillar of the Basel Accord.
Capital adequacy is assessed by considering the balance between risks taken, both Pillar I and Pillar II, and available capital.

Section 1 – CREDIT RISK

QUALITATIVE INFORMATION

1. GENERAL ASPECTS

Cherry Bank's strategic lines of development are defined in its Business Plans and annual budgets and identify the credit risk associated with lending as the main type of risk to which the Bank is exposed.
During 2024, the Bank further strengthened its monitoring and critical analysis of the riskiness of its customers, also in view of the crises that affected 2022 and not yet over; recourse to State guarantees MCC and SACE was kept active (no ineffectiveness recorded in the Bank's history also regarding former BPV). This activity was crucial both at present and, above all, for the future, given the high probability of instability in the business network that characterises our economy (especially with regard to small- to medium-sized enterprises that are under greater stress in weak economic situations).

In terms of Risk Origination and Monitoring, Cherry Bank is substantially compliant with the EBA guidelines that came into force on 30 June 2021.

With regard to the third-party NPL segment, portfolio purchase activities continued with a particular focus on primary and secondary market segments, which brought the total portfolio holdings at December 2024 to about Euro 103 million compared to a Gross Book Value of about Euro 7.1 billion. Total income from operations over the past 12 months have grown by more than 39%.

2. CREDIT RISK MANAGEMENT POLICIES

2.1 ORGANISATIONAL ASPECTS

The monitoring of the quality of the loan portfolio is carried out first and foremost through the operating procedures governing the phases of the credit process (appraisal, disbursement, monitoring, periodic review, work-out management). The factors underlying credit risk are checked by verifying the adequacy of the credit facility (size, technical form, etc.) with respect to the characteristics and needs of the borrower and the customer's current and prospective ability to pay the debt.
The Organisational Function in charge of the phases of credit appraisal, disbursement and management is the Credit Function; within this Function a specific unit dedicated to first level monitoring has been created, while the management of relationships classified as Probable Default and Non-performing is assigned to the Workout & Recovery Function. This logic of operation is also applicable to the perimeter referring to the former BPV, the decision-making activity is substantially centralised with the exception of small amounts; credit monitoring and management of impaired loans have also been centralised.

Risk Management performs second-level controls over the entire “chain” concerning the assumption of credit risk and the related second-level monitoring.
Cherry Bank adopts a rating system for management purposes to measure credit risk; assessments are made on the basis of information gathered during the appraisal phase and the subjective considerations of the assessors through Cedacri’s CRS application. It should be noted that CRS ratings are used for management purposes only and do not form part of the calculation of capital requirements. The capital requirement for credit risk is calculated using the standardised methodology set out in the Supervisory Provisions.

2.2 MANAGEMENT, MEASUREMENT AND CONTROL SYSTEMS

The systems used to identify, measure, manage and control credit risk consist of a set of IT tools, procedures and internal regulations.

Credit Risk monitoring and management is supported by portfolio analysis and specific processing, produced by the Bank on the basis of internal databases. To this end, Cherry Bank also uses a specific computerised credit monitoring platform (CQM, provided by Cedacri), the purpose of which is to identify positions to be monitored and to manage positions where anomalies have already occurred, with the ultimate aim of managing and minimising the Bank’s credit risk.

Limits on individual and/or group exposures and concentration, as well as thresholds for transactions of greater significance, are set by internal policies and approved by the Board of Directors.

The process of purchasing impaired loans, followed internally by a team of specialists, goes through an in-depth due diligence and a rigorous pricing process that leads to the formulation of an offer, only after verifying that the expected recovery profile is in line with the return expectations of the Bank on the individual portfolio; the proposal is discussed and deliberated by an internal Committee, and for significant amounts, approved by the Board of Directors.
The management performance of the portfolios and their profitability are systematically reported to the Corporate Bodies and also monitored by the Risk Management Function.

2.3 METHODS OF MEASURING EXPECTED LOSSES

The expected loss is estimated in accordance with IFRS9 (through the adoption of an expected loss calculation model) on the basis of forward-looking information as well as macroeconomic factors.

The provisioning model on the performing portfolio in use at Cherry Bank, provided by Cedacri, in accordance with IFRS 9, provides for the identification of "stage 2" on the basis of SICR (i.e. significant increase in credit risk), which is expressed in relation to the following determinants:

- the change in the probability of default with respect to the time of initial recognition of the financial instrument. It is, therefore, an evaluation using a "relative" criterion, i.e. the change in the CRS rating;
- the possible presence of a past due that has been so for at least 30 days;
- the possible presence of other conditions (e.g. a renegotiation qualifying as a "forbearance measure").

The management of impaired loans, i.e. those classified in stage 3, is handled by a special office that takes actions aimed at readmitting the counterparty to normal operations, or operates with liquidation intent by also enforcing guarantees, where the counterparty does not have the characteristics to be supported in the repayment. The impairment for these positions are made in line with the provisions of the regulations in force and according to principles of prudence by evaluating each debt position analytically.

In light of the slowdown in Italian GDP growth recorded in 2024, growth estimates for the two-year period 2025-26 contained in the region of 1%, the persistence of the Russian-Ukrainian conflict and the simultaneous acceleration of the decay of bank credit at a systemic level, reflections were made on the macroeconomic outlooks and credit sustainability.
In this regard, Cherry Bank actively participated, also in 2024, in the developments proposed by the provider Cedacri and Cerved for the recalibration of the PD curves used to estimate provisions – the PD curves are compliant with IFRS 9 and incorporate the new macroeconomic context.

Currently, the process of adjusting the impairment model for stages 1 and 2 involves:

- a multi-scenario approach: adverse, basic, best;
- PD used for impairment purposes have been updated and "clustered" by macro geographical areas, ATECO macro sectors and customer segments.

With reference to the NPL acquired from third parties, it should be noted that the risk of non-recovery is already factored into the prospective cash flows, determined through the application of proprietary methodologies.

Measurement of expected losses

As required by the IFRS9 accounting standard, the risk parameters were recalibrated annually; a consortium project was conducted with the support of Cerved; the risk parameters and the forward-looking component of the model were updated in order to incorporate the outlook for changes in the macroeconomic context into the risk measures. The estimate of the forward-looking elements to be included in the calculation of expected losses, in application of IFRS 9, developed by Cerved and the macro-economic variables underlying the estimate of the baseline scenario, used in the determination of the IFRS 9 ECL, are provided by the external service provider, updated on an annual basis, which among the main ones see:

- Long-term rate (5-year Government Bond);
- Short-term rate (3-month Money Market Rate);
- Rate on bank lending;
- 3-month BOT rate;
- Unemployment rate;
- Inflation rate;
- Real GDP growth rate;
- Real consumption growth rate;
- Real investment growth rate;
- Real public consumption growth rate;
- Real export growth rate;
- Real import growth rate;
- Euro Area real GDP growth rate;
- Real industrial production growth rate;
- Real services production growth rate;
- World real GDP growth rate.

2.4 CREDIT RISK MITIGATION TECHNIQUES

During 2024, Cherry Bank continued its lending strategy by resorting to the State guarantee MCC or SACE whenever possible. The Bank avails itself of the assistance of servicing companies specialised in the fulfilments required for the management of the public guarantee.

Cherry Bank also favours the assumption of collateral from real estate mortgages (managed with Cedacri's Collateral IT procedure), as well as other forms of personal guarantees such as sureties, both from customers and from Guarantee Consortia. In the area of collateral, the use of guarantees such as pledges of securities or goods is limited, and specific counterparties are not predominantly used. The Credit Function verifies the legal and operational effectiveness of the guarantees received.

There are no contractual restrictions on the legal validity of the guarantees received in the loan portfolio. The Bank does not use collateral compensation agreements or credit derivatives.

3. IMPAIRED CREDIT EXPOSURES

3.1 MANAGEMENT STRATEGIES AND POLICIES

The classification of impaired financial assets is carried out in accordance with internal rules and on the basis of the control activities of the various corporate functions delegated by the Board of Directors according to the amounts and in line with the Bank of Italy's instructions.
The management of positions with performance anomalies is the responsibility of the Credit Monitoring Office (Credit Function) while the management of disputes is the responsibility of the Workout & Recovery Office.
The Risk Management function verifies that the correctness of the classification of credits is carried out in a manner consistent with the rules approved by the Board of Directors that implement the instructions of the Supervisory Provisions.
The Internal Audit function verifies the reliability and effectiveness of the overall credit process.

In relation to NPL acquired from third parties, management is hinged within the NPL Transformation office, which relies on a strategy of strong recourse to recovery companies and law firms that are loyal and aligned with Cherry Bank's values, in order to be able to take advantage of economies of scale in the management of growing volumes.

3.2 WRITE-OFFS

When the Bank determines that the credit is totally unrecoverable, the financial asset is totally written off from the Financial Statements, through the inclusion of a 100% loss forecast. Such an evaluation may also take place before the actions undertaken for the recovery of the credit have been definitively concluded.
This does not imply that the Bank has renounced this right, which may still be exercised under new conditions (e.g. if the debtor receives an inherited property, which we have become aware of due to the maintenance of real estate records being monitored, or accrues a salary or pension that can be attached), provided that it is exercised within the terms provided for by the applicable legislation.

3.3 PURCHASED OR ORIGINATED CREDIT IMPAIRED ASSETS

Cherry Bank's Purchased or Originated Credit Impaired Assets consist of the following categories:

- NPL acquired as part of NPL Investment & Management operations;
- Impaired assets recorded in the Financial Statements and generated by Relationship Bank activities. Please refer to as described in Part B – Section 4 of these Notes to the Financial Statements.

The impaired loans acquired (NPL) amounted to a book value of Euro 103 million.
Specifically, the activity of acquiring credits of a financial nature that are difficult to collect from consumer, retail and small business customers, relates to the complex of operations aimed at the judicial and extrajudicial recovery of the credits acquired.
The internal organisational structure for the management of NPL has been strengthened over time through the inclusion in the corporate organisation chart of human resources with adequate and proven experience in the sector.

The structure is dedicated to the purchase and management of NPL originated by banks and financial institutions, all within the framework of the strategic objectives determined by the Board of Directors. The revision of the internal regulations placed the decision-making powers for recovery forecasts in accordance with the assumptions dictated by the Board of Directors for the Internal Head of the asset management structure.
These loans are acquired at prices significantly below their nominal value, while the collections realised in subsequent management activities are usually higher than the acquisition value, thus minimising the risk of loss.
Purchased impaired loans generally relate to terminated contracts for which the originator has already sent a termination notice (DBT). Purchased impaired positions are classified according to the following logic:

- In the case of purchases from a reporting transferor counterparty, positions are classified as reporting continuity with respect to the transferor at the time of the first census. If there are any UTP or Past due, the position is examined by the end of the on-boarding phase to ascertain its correct classification. Since these are non-valid contracts, the files are normally classified as non-performing;
- in the case of purchases from a non-reporting transferor counterparty, the positions are classified as non-performing at the time of the first census.

Purchased portfolios are commonly processed in two main ways:

- Extrajudicial management, where the aim is to reach a payment agreement with the debtor/guarantor;
- Judicial management, where recovery is pursued through legal action, be it the garnishment of a salary/pension share, or real estate enforcement where there are capacious assets.

Collection forecasts are governed by internal policies that provide for either analytical evaluations carried out by the manager or estimates derived from the internal valuation model.
The total portfolio of impaired loans outstanding as at 31 December 2024 had a weighted average vintage of approximately 21 months from the date of purchase.

4. FINANCIAL ASSETS SUBJECT TO TRADE RENEGOTIATIONS AND EXPOSURES SUBJECT TO CONCESSIONS

The 7th update of Bank of Italy Circular No. 272/2008 introduced the concept of exposures subject to concessions (so-called "forbearance"), incorporating the definitions introduced by the Implementing Technical Standards (ITS for short) issued by the European Banking Authority (EBA). In particular, the regulations require that both performing loans and impaired loans be identified by defining the categories "Forborne performing exposures" and "Non-performing exposures with forbearance measures" respectively. The legislation defines "forbearance measures" as modifications of the original terms and conditions of the contract, or refinancing of all or part of the debt, which are granted to a debtor that is experiencing or about to experience difficulties in meeting its financial commitments.

The return to performing status of impaired exposures takes place with the recovery, by the debtor, of the conditions of full solvency, i.e. in case of the regularisation of the past due amount and the re-establishment of the conditions for the reactivation of a regular relationship.

QUANTITATIVE INFORMATION

A. CREDIT QUALITY

A.1 IMPAIRED AND NON-IMPAIRED CREDIT EXPOSURES: AMOUNTS, IMPAIRMENT, DYNAMICS AND ECONOMIC DISTRIBUTION

A.1.1 Distribution of financial assets by portfolio and credit quality (book values)

(amounts in thousands of Euro)

Portfolios/Quality	**Non-performing**	**Probable defaults**	**Impaired past due exposures**	**Non-impaired past due exposures**	**Other non-impaired exposures**	**Total**
1. Financial assets measured at amortised cost	81,986	60,329	8,083	23,477	2,631,425	2,805,301
2. Financial assets measured at fair value through other comprehensive income	22,444	-	-	-	43,351	65,795
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets obligatorily measured at fair value	-	-	-	-	2,511	2,511
5. Financial assets held for sale	-	-	-	-	-	-
Total 31/12/2024	**104,430**	**60,329**	**8,083**	**23,477**	**2,677,287**	**2,873,607**
Total 31/12/2023	**83,919**	**32,946**	**2,458**	**29,069**	**2,039,160**	**2,187,553**

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

(amounts in thousands of Euro)

Portfolios/Quality	Impaired assets				Non-impaired assets			
	Gross exposure	Total impairment	Net exposure	Total partial write-offs*	Gross exposure	Total impairment	Net exposure	Total net exposure
1. Financial assets measured at amortised cost	173,584	23,186	150,398	-	2,662,187	7,285	2,654,903	2,805,301
2. Financial assets measured at fair value through other comprehensive income	22,444	-	22,444	--	43,374	23	43,351	65,795
3. Financial assets designated at fair value	-	-	-	-	-	-	-	-
4. Other financial assets obligatorily measured at fair value	-	-	-	-	-	-	2,511	2,511
5. Financial assets held for sale	-	-	-	-	-	-	-	-
Total 31/12/2024	**196,334**	**23,185**	**173,148**	**-**	**2,705,256**	**7,308**	**2,700,459**	**2,873,607**
Total 31/12/2023	**126,620**	**7,296**	**119,323**	**-**	**2,078,482**	**10,252**	**2,068,230**	**2,187,553**

The gross exposure of impaired assets shows the portion of impaired assets of Banco delle Tre Venezie S.p.A. and Banca Popolare Valconca at the time of the business combination at their fair value (See Part B – Assets Table 4.2).

Portfolios/Quality	Assets with evident poor credit quality		Other assets
	Losses	Net exposure	Net exposure
1. Financial assets held for trading			5
2. Hedging derivatives			
Total 31/12/2024	**-**	**-**	**5**
Total 31/12/2023	**-**	**-**	**169**

A.1.3 Distribution of financial assets by maturity bands (book values)

(amounts in thousands of Euro)

Portfolios/Quality	First stage			Second stage			Third stage			Purchased or originated impaired		
	Up to 30 days	Over 30 days up to 90 days	Over 90 days	Up to 30 days	Over 30 days up to 90 days	Over 90 days	Up to 30 days	Over 30 days up to 90 days	Over 90 days	Up to 30 days	Over 30 days up to 90 days	Over 90 days
1. Financial assets measured at amortised cost	9,042	-	-	3,417	9,694	1,015	5,363	3,664	41,839	18,431	3,350	62,860
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	22,444
Total 31/12/2024	**9,042**	**-**	**-**	**3,417**	**9,694**	**1,015**	**5,363**	**3,664**	**41,839**	**18,431**	**3,350**	**85,304**
Total 31/12/2023	**10,347**	**1**	**-**	**11,865**	**5,785**	**1,054**	**815**	**2,537**	**38,241**	**16**	**2,058**	**63,352**

A.1.4 Financial assets, commitments to disburse funds and financial guarantees given: changes in total impairment and provisions

Reasons/Risk stages	Total impairment											
	First stage activities						Second stage activities					
	Sight receivables from banks and Central Banks Financial assets measured at amortised cost	Financial assets measured at amortised cost	measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual write-downs	of which: collective write-downs	Sight receivables from banks and Central Banks Financial assets measured at amortised cost	Financial assets measured at amortised cost	measured at fair value through other comprehensive income	Financial assets held for sale	Of which: individual write-downs	Of which: collective write-downs
Total opening impairment	**(132)**	**(4,606)**	**(40)**	**-**	**-**	**(4,778)**	**(2)**	**(5,317)**	**(261)**	**-**	**-**	**(5,580)**
Increases in purchased or originated financial assets	(277)	(11,894)	(17)	-	-	(12,190)	-	(973)	-	-	-	(973)
Derecognition other than write-offs	292	677	4	-	-	973	-	53	-	-	-	53
Net impairment/reversal of impairments for credit risk (+/-)	(2)	10,465	32	-	-	10,494	2	4,311	261	-	-	(4,574)
Contractual amendments without derecognition	-	-	-	-	-	-	-	10	-	-	-	10
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in the income statement	-	-	-	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-	-	-	-
Total closing impairment	**(120)**	**(5,359)**	**(23)**	**-**	**-**	**(5,501)**	**-**	**(1,915)**	**-**	**-**	**-**	**(1,915)**
Recoveries from collection on financial assets subject to write-offs	-	-	-		-	-	-	-	-	-	-	-
Write-offs recognised directly in the income statement	-	-	-		-	-	-	-	-	-	-	-

Continued on next page

(amounts in thousands of Euro)

Third stage activities						Purchased or Originated Credit Impaired Assets					Total provisions for commitments to disburse funds and financial guarantees given			Total
Sight receivables from banks and Central Banks Financial assets measured at amortised cost	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual write-downs	of which: collective write-downs	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual write-downs	of which: collective write-downs	First stage	Second stage	Third stage	
-	**(5,425)**	**-**	**-**	**(5,425)**	**-**	**(1,898)**	**-**	**-**	**(1,898)**	**-**	**(318)**	**(380)**	**(390)**	**(18,771)**
-	(13,748)	-	-	(13,748)	-	x	x	x	x	x	(1,376)	(17)	(318)	(28,623)
-	78	-	-	78	-	377	-	-	377	-	335	13	290	2,120
-	(6,482)	-	-	(6,482)	-	(4,171)	-	-	(4,158)	12	943	224	238	5,821
-	4	-	-	4	-	-	-	-	-	-	-	-	-	14
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	8,040	-	-	8,040	-	27	-	-	27	-	-	-	-	8,067
-	-	-	-	-	-	-	-	-	-	-	-	.	-	-
-	**(17,533)**	**-**	**-**	**(17,533)**	**-**	**(5,665)**	**-**	**-**	**(5,653)**	**(12)**	**(416)**	**(161)**	**(180)**	**(31,371)**
-	(472)	-	-	(472)	-	-	-	-	-	-	-	-	-	(472)
-	(3,410)	-	-	(3,410)	-	-	-	-	-	-	-	-	-	(3,410)

A.1.5 Financial assets, commitments to disburse funds and financial guarantees issued: transfers among credit risk stages (gross and nominal values)

(amounts in thousands of Euro)

Portfolios/Risk stages	Gross values / Nominal value					
	Transfers between first stage and second stage		Transfers between second stage and third stage		Transfers between first stage and third stage	
	From first stage to second stage	From second stage to first stage	From second stage to third stage	From third stage to second stage	From first stage to third stage	From third stage to first stage
1. Financial assets measured at amortised cost	41,244	8,930	10,212	-	26,858	141
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-
4. Commitments to disburse funds and financial guarantees given	4,174	4,033	18	-	818	16
Total 31/12/2024	**45,418**	**12,963**	**10,230**	**.**	**27,676**	**157**
Total 31/12/2023	**28,291**	**14,003**	**5,372**	**4,694**	**8,850**	**137**

A.1.6 On- and off-balance sheet credit exposures to banks: gross and net values

(amounts in thousands of Euro)

Exposure type/Values	Gross exposure					Total impairment and provisions					Net exposure	Total partial write-offs*
		First stage	Second stage	Third stage	Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired		
A. ON-BALANCE SHEET CREDIT EXPOSURES												
A.1 SIGHT	131,923	131,923	-	-	-	120	120	-	-	-	131,803	-
a) Impaired		X	-	-	-		X	-	-	-		
b) Non-impaired	131,923	131,923	-	X	-	120	120	-	-	-	131,803	-
A.2 OTHER	34,347	34,347	-	-	-	10	10	-	-	-	34,337	-
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
- of which: exposures subject to forbearance	-	X	-	-	-	-	X	-	-	-	-	-
b) Probable defaults	-	X	-	-	-	-	X	-	-	-	-	-
- of which: exposures subject to forbearance	-	X	-	-	-	-	X	-	-	-	-	-
c) Impaired past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: exposures subject to forbearance	-	X	-	-	-	-	X	-	-	-	-	-
d) Non-impaired past due exposures	-	-	-	X	-	-	-	-	X	-	.	-
- of which: exposures subject to forbearance	-	-	-	X	-	-	-	-	X	-	-	-
e) Other non-impaired exposures	34,347	34,347	-	X	-	10	10	-	X	-	34,337	-
- of which: exposures subject to forbearance	-	-	-	X	-	-	-	-	X	-		-
Total A	**166,270**	**166,270**	**-**	**-**	**-**	**130**	**130**	**-**	**-**	**-**	**166,140**	**-**
B. OFF-BALANCE SHEET CREDIT EXPOSURES												
a) Impaired	-	X	X	-	-	-	X	X	-	-	-	-
b) Non-impaired	177,893	4,385	-	X	-	-	-	-	X	-	177,893	-
Total B	**177,893**	**4,385**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**177,893**	**-**
Total A+B	**344,163**	**170,655**	**-**	**-**	**-**	**130**	**130**	**-**	**-**	**-**	**344,033**	**-**

A.1.7 On- and off-balance sheet credit exposures to customers: gross and net values

(amounts in thousands of Euro)

Exposure type/ Values	Gross exposure					Total impairment and provisions					Net exposure	Total partial write-offs*
		First stage	Second stage	Third stage	Purchased or originated impaired		First stage	Second stage	Third stage	Purchased or originated impaired		
A. ON-BALANCE SHEET CREDIT EXPOSURES												
a) Non-performing	113,865	X	-	13,575	100,290	9,435	X	-	5,268	4,167	104,430	-
- of which: exposures subject to forbearance	4,622	X	-	4,087	535	2,466	X	-	1,987	479	2,156	-
b) Probable defaults	73,117	X	-	42,081	31,036	12,787	X	-	11,331	1,456	60,329	-
- of which: exposures subject to forbearance	20,026	X	-	19,895	130	5,091	X	-	4,980	111	14,935	-
c) Impaired past due exposures	9,039	X	-	8,839	200	956	X	-	927	29	8,083	-
- of which: exposures subject to forbearance	895	X	-	735	161	95	X	-	76	19	800	-
d) Non-impaired past due exposures	24,239	9,161	14,761	X	315	761	119	635	X	-	23,477	-
- of which: exposures subject to forbearance	3,351	-	3,351	X	-	154	-	154	X	-	3,197	-
e) Other non-impaired exposures	2,649,486	2,595,801	52,390	X	216	6,530	5,238	1,281	X	12	2,642,956	-
- of which: exposures subject to forbearance	26,905	-	26,905	X	-	668		668	X	-	26,237	-
Total A	**2,869,746**	**2,604,962**	**67,151**	**64,496**	**132,057**	**30,471**	**5,357**	**1,915**	**17,526**	**5,665**	**2,839,276**	**-**
B. OFF-BALANCE SHEET EXPOSURES												
a) Impaired	5,193	X	-	5,193	-	180	X	-	180	-	5,014	-
b) Non-impaired	258,545	247,324	11,221	X	-	577	416	161	X	-	257,968	-
Total B	**263,738**	**247,324**	**11,221**	**5,193**	**-**	**757**	**416**	**161**	**180**	**-**	**262,981**	**-**
Total A+B	**3,133,484**	**2,852,287**	**78,372**	**69,689**	**132,057**	**31,227**	**5,773**	**2,076**	**17,706**	**5,665**	**3,102,257**	**-**

A.1.8 On-balance sheet credit exposures to banks: changes in gross impaired exposures

The Bank has no outstanding impaired exposures to banks.

A.1.8bis On-balance sheet credit exposures to banks: changes in gross exposures subject to forbearance broken down by credit quality

The Bank has no outstanding exposures subject to forbearances to banks.

A.1.9 On-balance sheet credit exposures to customers: changes in gross impaired exposures

(amounts in thousands of Euro)

Reasons/Categories	Non-performing	Probable defaults	Impaired past due exposures
A. Opening gross exposure	**88,907**	**35,141**	**2,572**
- of which: exposures transferred not derecognised	-	-	-
B. Increases	**431,273**	**142,048**	**3,228,965**
B.1 reclassified from non-impaired exposures	611	57,801	3,059,185
B.2 reclassified from Purchased or Originated Credit Impaired Assets	354,926	22,696	377
B.3 reclassified from other categories of impaired exposures	10,132	9,192	719
B.4 contractual amendments without derecognition	-	-	-
B.5 other increases	65,604	52,359	168,683
C. Decreases	**406,314**	**104,072**	**3,222,497**
C.1 transfers to non-impaired exposures	-	160	2,745,551
C.2 write-offs	327,959	-	1
C.3 collections	6,688	31,844	3,037
C.4 proceeds from sale	2,220	251	-
C.5 losses from sale	9,585	375	-
C.6 reclassified to other categories of impaired exposures	4	10,565	9,473
C.7 contractual amendments without derecognition	-	4	-
C.8 other decreases	59,858	60,873	464,436
D. Closing gross exposure	**113,865**	**73,117**	**9,039**
- of which: exposures transferred not derecognised			

A.1.9bis On-balance sheet credit exposures to customers: changes in gross exposures subject to forbearance broken down by credit quality

(amounts in thousands of Euro)

Reasons/Categories	Impaired exposures subject to forbearance	Other exposures subject to forbearance
A. Opening gross exposure	**23,523**	**27,119**
- of which: exposures transferred not derecognised	-	-
B. Increases	**16,417**	**28,821**
B.1 Reclassified from non-impaired exposures not subject to forbearance	1,289	17,803
B.2 Reclassified from non-impaired exposures subject to forbearance	10,160	X
B.3 Reclassified from impaired exposures subject to forbearance	X	1,031
B.4 Reclassified from impaired exposures not subject to forbearance	2,214	-
B.5 other increases	2,755	9,986
C. Decreases	**14,397**	**25,685**
C.1 reclassified to non-impaired exposures not subject to forbearance	X	6,505
C.2 reclassified to non-impaired exposures subject to forbearance	1,031	X
C.3 transfers to impaired exposures subject to forbearance	X	10,160
C.4 write-offs	1,323	-
C.5 collections	1,742	7,016
C.6 proceeds from sale	55	-
C.7 losses from sale	1,539	-
C.8 other decreases	8,707	2,004
D. Closing gross exposure	**25,543**	**30,255**
- of which: exposures transferred not derecognised		

A.1.10 Impaired on-balance sheet credit exposures to banks: changes in total impairment

There is no impairment on exposures to banks.

A.1.11. Impaired on-balance sheet credit exposures to customers: changes in total impairment

(amounts in thousands of Euro)

Reasons/Categories	Non-performing		Probable defaults		Impaired past due exposures	
	Total	of which: exposures subject to forbearance	Total	of which: exposures subject to forbearance	Total	of which: exposures subject to forbearance
A. Total opening impairment	**4,988**	**4,228**	**2,193**	**1,898**	**101**	**24**
- of which: exposures transferred not derecognised	-	-	-	-	-	-
B. Increases	**18,887**	**2,147**	**13,606**	**3,776**	**1,073**	**200**
B.1 impairment of purchased or originated impaired assets	24	-	1,324	-	4	-
B.2 other impairment	15,986	1,520	12,202	3,731	1,069	200
B.3 losses from sale	955	429	-	-	-	-
B.4 reclassified from other categories of impaired exposures	1,922	197	80	45	.	-
B.5 contractual amendments without derecognition	-	-	-	-	-	-
B.6 other increases	-	-	-	-	.	-
C. Decreases	**14,440**	**3,908**	**3,012**	**583**	**218**	**129**
C.1 reversals from valuation	1,210	146	1,181	557	7	2
C.2 reversals from collection	4,983	200	37	26	3	2
C.3 gains from sale	558	-	-	-	-	-
C.4 write-offs	7,689	2,736	-	-	-	-
C.5 reclassified to other categories of impaired exposures	-	-	1,794	-	208	125
C.6 contractual amendments without derecognition	-	-	-	-	-	-
C.7 other decreases	-	826	-	-	-	-
D. Total closing impairment	**9,435**	**2,466**	**12,788**	**5,091**	**956**	**95**
- of which: exposures transferred not derecognised	-	-	-	-	-	-

A.2 CLASSIFICATION OF FINANCIAL ASSETS, COMMITMENTS TO DISBURSE FUNDS AND FINANCIAL GUARANTEES GIVEN ACCORDING TO EXTERNAL AND INTERNAL RATINGS

A.2.1 Distribution of financial assets, commitments to disburse funds and financial guarantees given : by external rating classes (gross values)

(amounts in thousands of Euro)

Exposures	External rating class						Without rating	Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. Financial assets measured at amortised cost	**-**	**1,403**	**1,738,902**	**1,208**	**2,012**	**-**	**1,109,206**	**2,852,732**
- First stage	-	1,403	1,738,601	1,208	2,012	-	849,795	2,593,020
- Second stage	-	-	-	-	-	-	67,151	67,151
- Third stage	-	-	301	-	-	-	99,068	99,369
- Purchased or originated impaired	-	-	-	-	-	-	93,191	93,191
B. Financial assets measured at fair value through other comprehensive income	-	-	40,531	-	-	-	25,286	65,817
- First stage	-	-	40,531	-	-	-	2,842	43,374
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	22,444	22,444
C. Financial assets held for sale								
- First stage	-	-	-	-	-	-	-	-
- Second stage	-	-	-	-	-	-	-	-
- Third stage	-	-	-	-	-	-	-	-
- Purchased or originated impaired	-	-	-	-	-	-	-	-
Total (A+B+C)	**-**	**1,403**	**1,779,433**	**1,208**	**2,012**	**-**	**1,134,492**	**2,918,550**
D. Commitments to disburse funds and financial guarantees given	-	-	-	-	-	-	239,352	239,352
- First stage	-	-	-	-	-	-	228,240	228,240
- Second stage	-	-	-	-	-	-	6,068	6,068
- Third stage	-	-	-	-	-	-	5,043	5,043
- Purchased or originated impaired	-	-	-	-	-	-	-	-
Total D	**-**	**-**	**-**	**-**	**-**	**-**	**239,352**	**239,352**
Total (A + B + C + D)	**-**	**1,403**	**1,779,433**	**1,208**	**2,012**	**-**	**1,373,845**	**3,157,902**

A.2.2 Distribution of financial assets, commitments to disburse funds and financial guarantees given: by internal rating classes (gross values)

The Bank does not use internal ratings for the calculation of capital absorption for prudential supervisory purposes.

A.3 DISTRIBUTION OF GUARANTEED CREDIT EXPOSURES BY TYPE OF GUARANTEE

A.3.1 Guaranteed on- and off-balance sheet credit exposures to banks

There are no guaranteed exposures to banks.

A.3.2 Guaranteed on- and off-balance sheet credit exposures to customers

(amounts in thousands of Euro)

			Collateral (1)				Personal guarantees (2)									
							Credit derivatives					Endorsement credits				
								Other derivatives								
	Gross exposure	Net exposure	Properties	Properties – finance leases	Securities	Other collateral	C LN	Central counterparties	Banks	Other financial companies	Other subjects	Public Administrations	Banks	Other financial companies	Other subjects	Total
1. Guaranteed on-balance sheet credit exposures:	**792,316**	**755,710**	**374,199**	**-**	**6,685**	**14,878**	**-**	**-**	**-**	**-**	**-**	**244,977**	**46**	**2,765**	**76,744**	**720,293**
1.1 fully guaranteed	593,567	563,743	373,094	-	5,018	12,295	-	-	-	-	-	101,863	46	2,682	66,547	561,545
- of which impaired	83,438	58,013	34,930	-	11	2,129	-	-	-	-	-	9,661	-	261	10,455	57,448
1.2 partially guaranteed	198,749	191,967	1,105	-	1,666	2,583	-	-	-	-	-	143,115	-	82	10,197	158,748
- of which impaired	19,401	13,533	-	-	-	32	-	-	-	-	-	10,313	-	32	986	11,364
2. Guaranteed off-balance sheet credit exposures:	**161,137**	**160,519**	**9,108**	**-**	**1,152**	**11,058**	**-**	**-**	**-**	**-**	**-**	**21,367**	**42**	**2,964**	**103,433**	**149,125**
2.1 fully guaranteed	130,770	130,282	9,108	-	818	7,831	-	-	-	-	-	11,177	42	2,794	98,512	130,282
- of which impaired	3,486	3,309	11	-	-	297	-	-	-	-	-	193	-	-	2,808	3,309
2.2 partially guaranteed	30,367	30,237	-	-	334	3,228	-	-	-	-	-	10,190	-	170	4,921	18,843
- of which impaired	1,424	1,423	-	-	-	95	-	-	-	-	-	446	-	-	44	585

A.4 FINANCIAL AND NON-FINANCIAL ASSETS OBTAINED BY ENFORCEMENT OF GUARANTEES RECEIVED

(amounts in thousands of Euro)

	Derecognised credit exposure	Gross value	Total impairment	Book value	
					Of which obtained during the financial year
A. Tangible assets	**1,560**	**2,698**	**-**	**2,641**	**-**
A.1 For functional use	1,560	2,698	-	2,641	-
A.2 For investment purposes	-	-	-	-	-
A.3 Inventories	-	-	-	-	-
B. Capital securities and debt securities	**-**	**-**	**-**	**-**	**-**
C. Other assets	**-**	**-**	**-**	**-**	**-**
D. Non-current assets and groups of assets held for sale	**-**	**-**	**-**	**-**	**-**
D.1 Tangible assets	-	-	-	-	-
D.2 Other assets	-	-	-	-	-
Total (T)	**1,560**	**2,698**	**-**	**2,641**	**-**
Total (T-1)	**1,560**	**2,698**	**-**	**2,698**	**2,698**

B – DISTRIBUTION AND CONCENTRATION OF CREDIT EXPOSURES

B.1 SECTORAL DISTRIBUTION OF ON- AND OFF-BALANCE SHEET CREDIT EXPOSURES TO CUSTOMERS

(amounts in thousands of Euro)

Exposures/Counterparties	Public Administrations		Financial companies		Financial companies (of which: insurance companies)		Non-financial companies		Households	
	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment
A. On-balance sheet credit exposures										
A.1 Non-performing	-	-	148	32	1	-	45,455	5,552	58,826	3,851
- of which: exposures subject to forbearance	-	-	-	-	-	-	1,579	1,681	577	785
A.2 Probable defaults	-	-	21	-	-	-	36,777	8,418	23,532	4,369
- of which: exposures subject to forbearance	-	-	-	-	-	-	11,473	3,430	3,461	1,661
A.3 Impaired past due exposures	-	-	-	-	-	-	6,225	765	1,858	191
- of which: exposures subject to forbearance	-	-	-	-	-	-	650	79	151	16
A.4 Non-impaired exposures	1,779,278	453	124,733	739	57	2	574,426	4,679	187,997	1,421
- of which: exposures subject to forbearance	-	-	-	-	-	-	22,417	661	7,017	160
Total A	**1,779,278**	**453**	**124,903**	**771**	**58**	**2**	**662,883**	**36,388**	**272,212**	**9,832**
B. Off-balance sheet exposures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Impaired exposures	-	-	-	-	-	-	4,617	139	396	41
B.2 Non-impaired exposures	-	-	5,266	2	-	-	229,723	545	22,979	30
Total B	**-**	**-**	**5,266**	**2**	**-**	**-**	**234,341**	**684**	**23,375**	**70**
Total (A+B) 31/12/2024	**1,779,278**	**453**	**130,169**	**773**	**58**	**2**	**897,224**	**37,072**	**295,587**	**9,902**
Total (A+B) 31/12/2023	**1,041,435**	**266**	**100,828**	**915**	**-**	**-**	**1,046,864**	**12,177**	**309,706**	**5,223**

B.2 TERRITORIAL DISTRIBUTION OF ON- AND OFF-BALANCE SHEET CREDIT EXPOSURES TO CUSTOMERS

(amounts in thousands of Euro)

Exposures/ Geographic areas	Italy		Other European countries		America		Asia		Rest of the world	
	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment
A. On-balance sheet credit exposures	-	-	-	-	-	-	-	-	-	-
A.1 Non-performing	104,285	18,702	112	795	18	1	-	-	15	1
A.2 Probable defaults	58,738	19,617	1,591	81	-	-	-	-	-	-
A.3 Impaired past due exposures	8,083	956	-	-	-	-	-	-	-	-
A.4 Non-impaired exposures	2,654,474	7,132	10,453	139	1,376	20	130	-	-	-
Total A	**2,825,580**	**46,407**	**12,157**	**1,015**	**1,394**	**21**	**130**	**-**	**15**	**1**
B. Off-balance sheet credit exposures	-	-	-	-	-	-	-	-	-	-
B.1 Impaired exposures	4,798	180	216	-	-	-	-	-	-	-
B.2 Non-impaired exposures	255,493	572	2,036	-	395	5	43	-	-	-
Total B	**260,291**	**751**	**2,252**	**-**	**395**	**5**	**43**	**-**	**-**	**-**
Total (A+B) 31/12/2024	**3,085,871**	**47,158**	**14,409**	**1,015**	**1,790**	**26**	**173**	**-**	**15**	**1**
Total (A+B) 31/12/2023	**2,481,954**	**17,736**	**14,676**	**814**	**2,156**	**21**	**1**	**-**	**46**	**10**

(amounts in thousands of Euro)

Exposures/ Geographic areas	North West Italy		North East Italy		Central Italy		South Italy and Islands	
	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment
A. On-balance sheet credit exposures	-	-	-	-	-	-	-	-
A.1 Non-performing	22,430	1,226	32,517	13,560	23,011	2,890	26,326	1,026
A.2 Probable defaults	6,650	1,298	36,004	16,033	5,888	2,253	10,197	32
A.3 Impaired past due exposures	90	11	6,797	796	1,084	136	113	13
A.4 Non-impaired exposures	93,648	1,034	681,201	4,893	1,874,702	1,139	4,923	67
Total A	**122,818**	**3,569**	**756,519**	**35,281**	**1,904,685**	**6,418**	**41,559**	**1,138**
B. Off-balance sheet credit exposures	-	-	-	-	-	-	-	-
B.1 Impaired exposures	-	-	3,429	137	1,369	42	-	-
B.2 Non-impaired exposures	15,730	79	197,984	419	40,372	63	1,407	11
Total B	**15,730**	**79**	**201,413**	**556**	**41,741**	**106**	**1,407**	**11**
Total (A+B) 31/12/2024	**138,548**	**3,648**	**957,932**	**35,838**	**1,946,425**	**6,524**	**42,966**	**1,149**
Total (A+B) 31/12/2023	**126,161**	**1,066**	**1,087,420**	**13,821**	**1,241,304**	**1,979**	**27,068**	**826**

B.3 TERRITORIAL DISTRIBUTION OF ON- AND OFF-BALANCE SHEET CREDIT EXPOSURES TO BANKS

(amounts in thousands of Euro)

Exposures/ Geographic areas	Italy		Other European countries		America		Asia		Rest of the world	
	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment
A. On-balance sheet credit exposures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Non-performing	-	-	-	-	-	-	-	-	-	-
A.2 Probable defaults	-	-	-	-	-	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-	-	-	-	-	-
A.4 Non-impaired exposures	164,145	92	1,098	11	897	27	-	-	-	-
Total A	**164,145**	**92**	**1,098**	**11**	**897**	**27**	**-**	**-**	**-**	**-**
B. Off-balance sheet credit exposures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Impaired exposures	-	-	-	-	-	-	-	-	-	-
B.2 Non-impaired exposures	4,388	-	17	-	-	-	-	-	-	-
Total B	**4,388**	**-**	**17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A+B) 31/12/2024	**168,533**	**92**	**1,115**	**11**	**897**	**27**	**-**	**-**	**-**	**-**
Total (A+B) 31/12/2023	**118,842**	**131**	**63**	**-**	**89**	**3**	**-**	**-**	**-**	**-**

(amounts in thousands of Euro)

Exposures/ Geographic areas	North West Italy		North East Italy		Central Italy		South Italy and Islands	
	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment
A. On-balance sheet credit exposures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Non-performing	-	-	-	-	-	-	-	-
A.2 Probable defaults	-	-	-	-	-	-	-	-
A.3 Impaired past due exposures	-	-	-	-	-	-	-	-
A.4 Non-impaired exposures	56,585	87	2,711	3	104,849	2	-	-
Total A	**56,585**	**87**	**2,711**	**3**	**104,849**	**2**	**-**	**-**
B. Off-balance sheet credit exposures	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Impaired exposures	-	-	-	-	-	-	-	-
B.2 Non-impaired exposures	700	-	3,688	-	-	-	-	-
Total B	**700**	**-**	**3,688**	**-**	**-**	**-**	**-**	**-**
Total (A+B) 31/12/2024	**57,285**	**87**	**6,399**	**3**	**104,849**	**2**	**-**	**-**
Total (A+B) 31/12/2023	**79,238**	**118**	**582**	**-**	**39,022**	**13**	**-**	**-**

B.4 LARGE EXPOSURES

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
a) Book value	3,688,968	2,400,942
b) Weighted value	116,531	137,055
b) Number	**7**	**12**

C – SECURITISATION TRANSACTIONS

QUALITATIVE INFORMATION

Securitisation of non-performing loans acquired through the merger by incorporation of Banca Popolare Valconca.

During 2020, Banca Popolare Valconca participated in a multi-originator securitisation transaction of a portfolio of non-performing loans with submission of an application to the Ministry of Economy and Finance (MEF) for the purpose of admission to the State guarantee scheme on the liabilities issued (so-called "GACS") pursuant to Decree-Law No. 18 of 14 February 2016, converted by Law No. 49 of 8 April 2016, implemented by Decree of the Ministry of Economy and Finance of 3 August 2016, by Decree of the Ministry of Economy and Finance of 21 November 2017 and by Decree of the Ministry of Economy and Finance of 10 October 2018 and subsequently amended by Law No. 41 of 20 May 2019, converting into law, with amendments, Decree-Law No. 22 of 25 March 2019 (the Transaction), in which Iccrea Banca and – together with its subsidiaries – the "Gruppo Bancario Cooperativo Iccrea" (GBCI) intervene as both transferor and promoter and joint arranger together with JP Morgan Securities Limited.
The Transaction involved 88 Banks belonging to Gruppo Bancario Cooperativo Iccrea and two Banks that are not part of the GBCI, including Banca Popolare Valconca, which transferred, pursuant to Law No. 130 of 30 April 1999, portfolios of unsecured and mortgage loans, mainly backed by a first-degree mortgage, deriving from loans classified as non-performing at the date of sale (the "Portfolio") for a total Loan Receivable Claim of about Euro 2.3 billion at the effective date, in favour of a securitisation special purpose vehicle specifically set up and named "BCC NPLs 2020 S.r.l." (SPV), as well as the simultaneous granting of a management mandate (servicing) by the latter to a third-party servicer independent of the Transferors.
In this Transaction, the Bank sold a loan portfolio with a gross value of Euro 18.320 million (divided among 90 debtors) at a price of 25%. The amount net of value adjustments was Euro 4.407 million.
On 30 July 2018, the Board of Directors of Banca Popolare Valconca resolved to adhere, together with 16 other Banks, to a multi-originator securitisation transaction of credit positions classified as non-performing, assisted by a guarantee issued by the Ministry of Economy and Finance pursuant to Decree-Law No. 18/2016 (so-called "GACS"). The Transaction was finalised on 16 November 2018 for a total gross book value as at 31 December 2017 of Euro 1,578.3 million of NPLs, comprising 65.7% secured loans and 34.3% unsecured loans. On 16 November

2018, an application was also submitted to the MEF to obtain the GACS (State guarantee provided for in Decree-Law No. 18 of 14/2/2016, as amended by conversion Law No. 49 of 8/4/2016) on Senior bonds, and on 4 December 2018, following evidence from the managing entity Consap, an amendment to the application was sent. By Decree of 18 January 2019, the MEF granted the State guarantee "GACS" in favour of the holder of the Senior bond, in accordance with Decree-Law No. 18 of 14 February 2016, converted into Law No. 49 of 8 April 2016 and according to the process set out in the MEF Decree of 3 August 2016.

QUANTITATIVE INFORMATION

C.1 EXPOSURES DERIVING FROM THE MAIN "OWN" SECURITISATION TRANSACTIONS BROKEN DOWN BY TYPE OF SECURITISED ASSETS AND BY TYPE OF EXPOSURE

Type of securitisation/ Exposures	On-balance sheet exposures						Guarantees given						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Book value	Impairment/Reversal of impairment	Book value	Impairment/Reversal of impairment	Book value	Impairment/Reversal of impairment	Net exposure	Impairment/Reversal of impairment	Net exposure	Impairment/Reversal of impairment	Net exposure	Impairment/Reversal of impairment	Net exposure	Impairment/Reversal of impairment	Net exposure	Impairment/Reversal of impairment	Net exposure	Impairment/Reversal of impairment
A. Fully derecognised	**28,720**	**147**	**5**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
POP NPLS 2018 S.r.l. securitisation	25,078	137	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BCC NPLS 2020 S.r.l. securitisation	2,533	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cherry Blossom securitisation	1,109	8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B. Partially derecognised	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Not derecognised	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

C.2 EXPOSURES DERIVING FROM THE MAIN "THIRD-PARTY" SECURITISATION TRANSACTIONS BROKEN DOWN BY TYPE OF SECURITISED ASSETS AND BY TYPE OF EXPOSURE

Type of securitisation/ Exposures	On-balance sheet exposures						Guarantees given						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Book value	Impairment/Reversal of impairment	Book value	Impairment/Reversal of impairment	Book value	Impairment/Reversal of impairment	Net exposure	Impairment/Reversal of impairment	Net exposure	Impairment/Reversal of impairment	Net exposure	Impairment/Reversal of impairment	Net exposure	Impairment/Reversal of impairment	Net exposure	Impairment/Reversal of impairment	Net exposure	Impairment/Reversal of impairment
PROJECT 1906/5	933	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

C.3 SPECIAL PURPOSE VEHICLES FOR SECURITISATION

Securitisation name/ Special purpose vehicle name	Registered office	Consolidation	Assets			Liabilities		
			Loans	Debt securities	Other	Senior	Mezzanine	Junior
POP NPLS 2018 SRL	Conegliano Veneto (TV)	NO	114,151	-	19,019	225,840	50,000	15,780
BCC NPLS 2020 SRL	Conegliano Veneto (TV)	NO	182,161	-	98,871	293,544	41,000	24,000
CHERRY BLOSSOM SPV SRL	Conegliano Veneto (TV)	NO	8,915	-	2,457	11,000	-	-

E – SALE TRANSACTIONS

A. FINANCIAL ASSETS SOLD AND NOT FULLY DERECOGNISED

QUALITATIVE INFORMATION

The realised self-securitisation transaction, from an accounting point of view, results in the recognition of the amounts among the assets sold and not fully derecognised. These are performing mortgage and unsecured loans granted to customers in the SME category.

The transactions were resolved and carried out as part of the process of operational and prospective management of the Bank's liquidity; the related risks correspond to those related to the underlying assets (the loans sold), while the returns are represented by the interest income on the securities issued by the special purpose vehicles, for the portion held in the Bank's portfolio, which corresponds to the interest on the mortgage loans sold net of the expenses related to the operation of the transaction.

The securities issued by the special purpose vehicle Magnolia Btv are included in its proprietary portfolio (senior and junior tranches), and had the following ratings at the time of drafting this document: Magnolia Btv: "AA (high) (sf)" by DBRS and "A (sf)" by S&P. Liabilities include an amount of Euro 51.4 million for the related assets sold but not derecognised.

Banca Popolare Valconca, merged at the end of the 2023 financial year, implemented two self-securitisation transactions in 2018 concerning residential mortgages and loans to SMEs. The securities issued by Valconca SPV are rated "A (sf)" by DBRS and "A (sf)" by S&P.

QUANTITATIVE INFORMATION

E.1 Financial assets sold recognised in full and associated financial liabilities: book values

(amounts in thousands of Euro)

Technical forms/Portfolio	Financial assets sold recognised in full				Associated financial liabilities		
	Book value	of which: subject to securitisation transactions	of which: subject to sales contracts with repurchase agreement	of which: impaired	Book value	of which: subject to securitisation transactions	of which: subject to sales contracts with repurchase agreement
A. Financial assets held for trading	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	X	-	-	-
2. Capital securities	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivatives	-	-	-	X	-	-	-
B. Other financial assets obligatorily measured at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Capital securities	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. Financial assets designated at fair value	-	-	-	-	-	-	-
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. Financial assets measured at fair value through other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Capital securities	-	-	-	-	-	-	-
3. Loans	-	-	-	-	-	-	-
E. Financial assets measured at amortised cost	**467,960**	**467,960**	**171,243**	**14,407**	**(236,780)**	**(63,338)**	**(173,442)**
1. Debt securities	171,243	-	171,243	-	173,442	-	173,442
2. Loans	348,495	348,495	-	14,407	(63,338)	(63,338)	-
Total 31/12/2024	**519,738**	**348,495**	**171,243**	**14,407**	**(236,780)**	**(63,338)**	**(173,442)**
Total 31/12/2023	**498,412**	**467,960**	**30,452**	**10,383**	**(81,853)**	**(51,410)**	**(30,443)**

F – MODELS FOR MEASURING CREDIT RISK

Cherry Bank does not use internal portfolio models to measure credit risk exposure, nor does it use internal models to calculate credit risk capital requirements. However, management methods are in use – the main one being the aforementioned CRS (Credit Rating System) – for assigning a counterparty rating to customers. Ratings constitute one of the information elements supporting the analysis of positions within the framework of credit risk management and monitoring; they are used, together with other parameters, to define the perimeter of automatic renewals and to manage files within the credit monitoring procedure, which regulates the intervention of control structures in cases of anomalies on potentially dangerous credit positions. The same classification of customers by rating classes (homogeneous risk categories) is used to quantify the collective assessment of performing loans.

Section 2 – MARKET RISKS

2.1 INTEREST RATE RISK AND PRICE RISK – SUPERVISORY TRADING BOOK

QUALITATIVE INFORMATION

A. GENERAL ASPECTS

The investment process of the proprietary portfolio is structured and formalised in the resolutions of the Board of Directors; the asset allocation takes into account: the management trend in terms of volumes, profitability and capital absorption; market analysis and forecasts on evolutions; the risk profile of the investments.

The profitability and composition targets are set in line with the capital allocation and interest rate risk management policies outlined in the Business Plans and the budget, and appropriately take into account the Bank's overall liquidity position from time to time, with a view to supporting the treasury function.
The interest rate risk of the trading book for supervisory purposes is reviewed periodically; with regard to price risk, investment activity in equity instruments is also marginal and that in mutual funds and Sicavs is very limited.
Within the scope of market risk should also be placed all the business that Cherry Bank does in its own right with regard to the purchase and sale of tax credits.

B. MANAGEMENT PROCESSES AND METHODS FOR MEASURING INTEREST RATE RISK AND PRICE RISK

Market risk management and related responsibilities are the responsibility of the CEO, who relies on the Finance Function and in particular the Treasury and Finance Office.

No internal models are used to calculate market risk capital requirements.

QUANTITATIVE INFORMATION

At 31/12/2024, the VaR inherent in the trading portfolio arising from interest rate risk was nil, as there were no securities classified in this type of portfolio. This exposure was constantly verified and monitored.
The equity VaR on the trading portfolio was nil, as there was no exposure in capital securities at the reporting date.

1. SUPERVISORY TRADING BOOK: DISTRIBUTION BY RESIDUAL MATURITY (REPRICING DATE) OF ON-BALANCE SHEET FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL DERIVATIVES

Currency: Euro

(amounts in thousands of Euro)

Type/Residual maturity	sight	Up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years up to 10 years	Over 10 years	indefinite maturity
1. On-balance sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	**-**	**-**	**-**	**-**		**-**	**-**	**-**
2.1 Reverse repurchase agreements	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives	**-**	**39**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying securities	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities	-	39	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	39	-	-	-	-		-
- Long positions	-	43	-	-	-	-	-	-
- Short positions	-	4	-	-	-	-	-	-

Currency: US Dollar

(amounts in thousands of Euro)

Type/Residual maturity	sight	Up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years up to 10 years	Over 10 years	indefinite maturity
1. On-balance sheet assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	**-**	**-**	**-**	**-**		**-**	**-**	**-**
2.1 Reverse repurchase agreements	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives	**-**	**(1)**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying securities	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities	-	(1)	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	(1)	-	-	-	-		-
- Long positions	-	-	-	-	-	-	-	-
- Short positions	-	1	-	-	-	-	-	-

2.2 INTEREST RATE RISK AND PRICE RISK – BANKING BOOK

QUALITATIVE INFORMATION

A. GENERAL ASPECTS, MANAGEMENT PROCESSES AND METHODS FOR MEASURING INTEREST RATE RISK AND PRICE RISK

The main sources of interest rate risk on financial assets and liabilities, other than those discussed in the previous point, derive from the financial profile and the types of indexation to which the various items are subject. Fixed-rate items have a significant impact on both assets and, above all, liabilities. The exposure of the banking book to interest rate risk is monitored by Risk Management, which verifies on a monthly basis (using a special tool provided by Cedacri and Prometeia) the Bank's sensitivity to interest rate risk in terms of the impact of a change in rates on the net asset value and interest margin, applying the methodology proposed by the EBA. For the calculation of the regulatory capital requirement, Cherry Bank uses the standard methodology proposed by the EBA (implemented by EU Regulation No. 857/2024). The rationale of this approach is to identify the potential loss that the Bank may suffer in the event of a shock of +/-200 basis points rather than in the EBA shock scenarios.

QUANTITATIVE INFORMATION

1. BANKING BOOK: DISTRIBUTION BY RESIDUAL MATURITY (BY REPRICING DATE)OF FINANCIAL ASSETS AND LIABILITIES

Currency: Euro

Type/Residual maturity	sight	Up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years up to 10 years	Over 10 years	indefinite maturity
1. On-balance sheet assets	**396,769**	**633,551**	**1,555,218**	**38,081**	**191,190**	**57,093**	**35,722**	**-**
1.1 Debt securities	2,511	93,264	1,482,759	27,666	156,802	48,372	13,752	-
- with early redemption option	419	3,181	25,151	1,951	54	1,015	933	-
- other	2,092	90,083	1,457,609	25,716	156,748	47,357	12,819	-
1.2 Loans to banks	121,852	26,882	-	-	703	-	-	-
1.3 Loans to customers	272,406	513,405	72,459	10,415	33,685	8,721	21,970	-
- current account	99,609	1,181	3,552	581	3,601	487	-	-
- other loans	172,798	512,225	68,908	9,834	30,084	8,233	21,970	-
- with early redemption option	141,642	361,312	23,657	7,239	26,984	7,875	10,650	-
- other	31,156	150,913	45,250	2,595	3,100	358	11,320	-
2. On-balance sheet liabilities	**1,063,549**	**1,614,390**	**192,677**	**410,235**	**894,068**	**14,393**	**-**	**-**
2.1 Payables to customers	1,063,232	515,867	192,677	410,235	849,068	14,393	-	-
- current account	1,030,066	105,651	76,500	145,852	478,329	94	-	-
- other payables	33,166	410,215	116,177	264,383	370,739	14,299	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	33,166	410,215	116,177	264,383	370,739	14,299	-	-
2.2 Payables to banks	317	1,098,523	-	-	-	-	-	-
- current account	317	-	-	-	-	-	-	-
- other payables	-	1,098,523	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives	**-**	**472**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying securities	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities	-	472	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	472	-	-	-	-	-	-
+ Long positions	-	472	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4. Other off-balance sheet transactions	**9,981**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ Long positions	4,991	-	-	-	-	-	-	-
+ Short positions	4,991	-	-	-	-	-	-	-

Currency: US Dollar

Type/Residual maturity	sight	Up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years up to 10 years	Over 10 years	indefinite maturity
1. On-balance sheet assets	**9,630**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	9,630	-	-	-	-	-	-	-
1.3 Loans to customers	1	-	-	-	-	-	-	-
- current account	1	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	**8,133**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Payables to customers	8,133	-	-	-	-	-	-	-
- current account	8,133	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Payables to banks	-	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying securities	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-		-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4. Other off-balance sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

Currency: GB Pound

Type/Residual maturity	sight	Up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years up to 10 years	Over 10 years	indefinite maturity
1. On-balance sheet assets	**35**	**463**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	35	-	-	-	-	-	-	-
1.3 Loans to customers	-	463	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other loans	-	463	-	-	-	-	-	-
- with early redemption option	-	463	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	**11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Payables to customers	11	-	-	-	-	-	-	-
- current account	11	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Payables to banks	-	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives	**-**	**(482)**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying securities	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities	-	(482)	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	(482)	-	-	-	-		-
+ Long positions	-		-	-	-	-	-	-
+ Short positions	-	482	-	-	-	-	-	-
4. Other off-balance sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

Currency: Swiss Franc

Type/Residual maturity	sight	Up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years up to 10 years	Over 10 years	indefinite maturity
1. On-balance sheet assets	**58**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	58	-	-	-	-	-	-	-
1.3 Loans to customers	-	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	**48**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Payables to customers	48	-	-	-	-	-	-	-
- current account	48	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Payables to banks	-	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying securities	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-		-
+ Long positions	-		-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4. Other off-balance sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

Currency: South Africa and Namibia Rand

Type/Residual maturity	sight	Up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years up to 10 years	Over 10 years	indefinite maturity
1. On-balance sheet assets	**44**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	44	-	-	-	-	-	-	-
1.3 Loans to customers	-	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Payables to customers	-	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Payables to banks	-	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying securities	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-		-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4. Other off-balance sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

Currency: Japanese Yen

Type/Residual maturity	sight	Up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years up to 10 years	Over 10 years	indefinite maturity
1. On-balance sheet assets	**141**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	141	-	-	-	-	-	-	-
1.3 Loans to customers	-	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	**137**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Payables to customers	137	-	-	-	-	-	-	-
- current account	137	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Payables to banks	-	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying securities	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-		-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4. Other off-balance sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

Currency: Other currencies

Type/Residual maturity	sight	Up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years up to 10 years	Over 10 years	indefinite maturity
1. On-balance sheet assets	**44**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	44	-	-	-	-	-	-	-
1.3 Loans to customers	-	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	**17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Payables to customers	17	-	-	-	-	-	-	-
- current account	17	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Payables to banks	-	-	-	-	-	-	-	-
- current account	-	-	-	-	-	-	-	-
- other payables	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early redemption option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.1 With underlying securities	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-		-
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4. Other off-balance sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

2. BANKING BOOK: INTERNAL MODELS AND OTHER METHODOLOGIES FOR SENSITIVITY ANALYSIS

The analysis of interest rate risk on the banking book during the period was performed using the standard methodology proposed by the EBA. The Delta Economic Value ("Delta EVE") and the Delta Interest Margin ("Delta NII") as at 30/12/2024 comply with the minimum thresholds (20% and 5%, respectively) in all the stress scenarios envisaged by the regulations; please note that the scenarios are:

- Parallel +/- 200 basis points;
- Flattener shock (short rates up and long rates down);
- Steepener (short rates down and long rates up);
- Short rates shock up; Short rates shock down.

2.3 EXCHANGE RATE RISK

QUALITATIVE INFORMATION

A. GENERAL ASPECTS, MANAGEMENT PROCESSES AND METHODS FOR MEASURING EXCHANGE RATE RISK

The role of the Bank's foreign currency operations is very limited overall, as is the imbalance between foreign currency-denominated assets and liabilities. This is reflected in an almost zero risk for currencies other than the Euro.

B. EXCHANGE RATE RISK HEDGING ACTIVITIES

In view of the low overall amount of the exposures, which would make the use of derivative hedges not very convenient, no specific exchange rate risk hedges are made.

QUANTITATIVE INFORMATION

1. DISTRIBUTION BY CURRENCY OF ASSETS, LIABILITIES AND DERIVATIVES

(amounts in thousands of Euro)

Items	Currencies					
	US Dollar	GB Pound	Japanese Yen	Swiss Franc	South Africa Rand	Other currencies
A. Financial assets	**(9,631)**	**(498)**	**(141)**	**(58)**	**(44)**	**(44)**
A.1 Debt securities	-	-	-	-	-	-
A.2 Capital securities	-	-	-	-	-	-
A.3 Loans to banks	(9,630)	(35)	(141)	(58)	(44)	(44)
A.4 Loans to customers	(1)	(463)	-	-	-	-
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**(281)**	**(92)**	**-**	**(4)**	**-**	**-**
C. Financial liabilities	**8,133**	**11**	**137**	**48**	**-**	**17**
C.1 Payables to banks	-	-	-	-	-	-
C.2 Payables to customers	8,133	11	137	48	-	17
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**106**	**4**	**-**	**-**	**-**	**-**
E. Financial derivatives	**1**	**482**	**-**	**-**	**41**	**(3)**
- Options	-	-	-	-	-	-
+ Long positions	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-
- Other derivatives	1	482	-	-	41	(3)
+ Long positions	-	-	-	-	-	(4)
+ Short positions	1	482	-	-	41	1
Total assets	**(9,912)**	**(590)**	**(141)**	**(62)**	**(44)**	**(48)**
Total liabilities	**8,240**	**498**	**137**	**48**	**41**	**19**
Imbalance (+/-)	**(1,672)**	**(92)**	**(4)**	**(14)**	**(4)**	**(29)**

2. INTERNAL MODELS AND OTHER METHODOLOGIES FOR SENSITIVITY ANALYSIS

The Bank has not adopted internal models.

Section 3 – DERIVATIVE INSTRUMENTS AND HEDGING POLICIES

3.1 TRADING DERIVATIVE INSTRUMENTS

Cherry Bank has two derivative transactions ("Currency-Swaps") outstanding as at 31 December 2024 for its own account only. Said transactions are aimed at temporarily transforming the liquidity expressed in one currency into that of another currency, without changing the exchange rate risk, within the foreign exchange position and the liquid position of all currencies in which the Treasury operates (mainly in Euro).

A – FINANCIAL DERIVATIVES

A.1 Trading financial derivatives: notional values at end of period

(amounts in thousands of Euro)

Underlying assets/Derivative types	Total 31/12/2024				Total 31/12/2023			
	Over the counter				Over the counter			
		Without central counterparties				Without central counterparties		
	Central counterparties	With compensation agreements	Without compensation agreements	Organised markets	Central counterparties	With compensation agreements	Without compensation agreements	Organised markets
1. Debt securities and interest rates	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Capital securities and equity indices	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forward	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**-**	**482**	**-**	**-**	**-**	**5,337**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forward	-	-	482	-	-	-	5,337	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Goods	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Other underlying	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**482**	**-**	**-**	**-**	**5,337**	**-**

A.2 Trading financial derivatives: positive and negative gross fair value – breakdown by product

(amounts in thousands of Euro)

Underlying assets/Derivative types	Total 31/12/2024				Total 31/12/2023			
	Over the counter				Over the counter			
		Without central counterparties				Without central counterparties		
	Central counterparties	With compensation agreements	Without compensation agreements	Organised markets	Central counterparties	With compensation agreements	Without compensation agreements	Organised markets
1. Positive fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forward	-	-	-	-	-	(1)	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**(1)**	**-**	**-**
2. Negative fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forward	-	-	11	-	-	44	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	**-**	**-**	**11**	**-**	**-**	**44**	**-**	**-**

A.3 OTC trading financial derivatives: notional values, positive and negative gross fair value by counterparty

(amounts in thousands of Euro)

Underlying assets	Governments and Central Banks	Banks	Other Financial Companies	Other subjects
Contracts not covered by compensation agreements	**-**	**-**	**-**	**-**
1) Debt securities and interest rates	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Capital securities and equity indices	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold	-	493	-	-
- notional value	-	482	-	-
- positive fair value	-	-	-	-
- negative fair value	-	11	-	-
4) Goods	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
Contracts covered by compensation agreements	**-**	**-**	**-**	**-**
1) Debt securities and interest rates	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Capital securities and equity indices	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Goods	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC trading financial derivatives: notional values

(amounts in thousands of Euro)

Underlying/Residual maturity	Up to 1 year	Over 1 year up to 5 years	Over 5 years	TOTAL
A1. Financial derivatives on debt securities and interest rates	-	-	-	-
A2. Financial derivatives on capital securities and equity indices	-	-	-	-
A3. Financial derivatives on currencies and gold	482	-	-	482
A4. Financial derivatives on goods	-	-	-	-
A5. Other financial derivatives	-	-	-	-
Total 31/12/2024	**482**	**-**	**-**	**482**
Total 31/12/2023	**5,337**	**-**	**-**	**5,337**

Section 4 – LIQUIDITY RISK

QUALITATIVE INFORMATION

A. GENERAL ASPECTS, MANAGEMENT PROCESSES AND METHODS FOR MEASURING LIQUIDITY RISK

Liquidity risk typically manifests itself in the form of a failure to meet payment commitments or an inability to fund assets with the necessary timeliness and in an economical manner due to an inability to raise funds or to obtain them at a reasonable cost (funding liquidity risk) or due to an inability to sell a position at economically advantageous market prices (market liquidity risk). Cherry Bank’s overall liquidity risk management strategy provides for the adoption of specific management guidelines with the aim of reducing the probability of the occurrence of the favourable circumstances described above.
The liquidity position at 31 December 2024 had an abundant liquidity reserve.

Liquid assets are determined by reference to the assets that can be refinanced with the Central Bank, net of the appropriate haircuts (i.e. the discount to the value of the asset), plus the eligible securities (senior tranches for open market operations with the ECB) resulting from the self-securitisation transaction.

The Bank’s policy on raising funds for its activities saw greater recourse to funding through institutional channels in the course of 2024, with a view to proper diversification of funding sources; funding from businesses and individuals (mainly realised through online channels), however, increased in the course of 2024 despite the downward adjustment of lending rates to the systemic benchmark.
The proprietary securities portfolio at 31 December 2024 includes an important portion of ECB-eligible securities that could be used to manage any liquidity gaps in case of need and that still allow the Bank’s liquidity management policy to be confirmed as reliable even in stress situations.

From the perspective of risk governance, the Board of Directors is responsible for defining the liquidity risk tolerance threshold and policies related to this type of risk. The same Board also approved the RAF and the Contingency Funding Plan in which these thresholds are described, as well as the organisational and methodological choices made to monitor, control and manage liquidity risk.

The risk assessment meets the minimum requirements of the Supervisory Authority's provisions, in which no indication is given for capital to be set aside for supervisory purposes, but risk monitoring methodologies are indicated with the following tools:

- LCR – Liquidity Coverage Ratio;
- NSFR – Net Stable Funding Ratio;
- Maturity Ladder;
- Concentration indices;
- Contingency Funding Plan.

These methodologies used by the Bank make it possible to monitor risk and identify appropriate risk management policies in the event of a crisis.

Liquidity risk is controlled at several levels:

- operationally, the Treasury and Finance Office makes management decisions regarding the day-to-day maintenance of the balance of the liquidity position through the management of short-term interbank relationships;
- on a daily basis, the Treasury and Finance Office prepares a report comparing 1-week and 1-month incoming and outgoing amounts in order to verify the balance between short-term liquidity needs and the Bank's liquidity position;
- on a weekly and monthly basis, the Risk Management monitors the LCR indicator; on a monthly basis it monitors the incoming and outgoing amounts related to contractual maturities for assets and liabilities and the counterbalancing capacity, i.e. the assets that are readily liquid and available to meet immediate liquidity needs;
- on a monthly basis, it monitors the concentration level of funding, while on a quarterly basis, it monitors the trend of the NSFR against the reporting templates.

QUANTITATIVE INFORMATION

4.1 TIME DISTRIBUTION OF FINANCIAL ASSETS AND LIABILITIES BY CONTRACTUAL RESIDUAL MATURITY. CURRENCY: EURO

(amounts in thousands of Euro)

Items/Time frames	sight	over 1 day up to 7 days	over 7 days up to 15 days	over 15 days up to 1 month	over 1 month up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years	indefinite maturity
On-balance sheet assets	**236,921**	**7,717**	**4,025**	**57,728**	**107,059**	**100,728**	**198,883**	**546,925**	**1,705,540**	**49,327**
A.1 Government securities	93	-	203	-	12,331	41,344	103,363	187,000	1,468,000	-
A.2 Other debt securities	2,673	-	23	22	304	5,584	364	3,855	34,711	-
A.3 UCITS units	33,090	-	-	-	-	-	-	-	-	-
A.4 Loans	201,065	7,717	3,799	57,706	94,424	53,800	95,156	356,071	202,830	49,327
- Banks	121,943	-	-	-	-	-	-	703	-	26,884
- Customers	79,122	7,717	3,799	57,706	94,424	53,800	95,156	355,368	202,830	22,444
On-balance sheet liabilities	**1,063,975**	**46,349**	**1,152,640**	**56,149**	**362,420**	**195,335**	**422,121**	**834,613**	**14,179**	**-**
B.1 Deposits and current accounts	1,063,522	46,347	53,329	56,128	362,195	194,569	420,794	829,239	13,054	-
- Banks	317	-	-	-	-	-	-	-	-	-
- Customers	1,063,206	46,347	53,329	56,128	362,195	194,569	420,794	829,239	13,054	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	453	2	1,099,311	20	225	766	1,327	5,374	1,125	-
Off-balance sheet transactions	**(4,991)**	**39**	**130**	**472**	**1,787**	**50**	**827**	**2,028**	**168**	**-**
C.1 Financial derivatives with capital exchange	-	39	-	472	-	-	-	-	-	-
- Long positions	-	43	-	472	-	-	-	-	-	-
- Short positions	-	4	-	-	-	-	-	-	-	-
C.2 Financial derivatives without capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds	(4,991)	-	130	-	1,787	50	827	2,028	168	-
- Long positions	-	-	130	-	1,787	50	827	2,028	168	-
- Short positions	4,991	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

4.1 TIME DISTRIBUTION OF FINANCIAL ASSETS AND LIABILITIES BY CONTRACTUAL RESIDUAL MATURITY. CURRENCY: US DOLLAR

(amounts in thousands of Euro)

Items/Time frames	sight	over 1 day up to 7 days	over 7 days up to 15 days	over 15 days up to 1 month	over 1 month up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years	indefinite maturity
On-balance sheet assets	**9,659**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 UCITS units	-	-	-	-	-	-	-	-	-	-
A.4 Loans	9,659	-	-	-	-	-	-	-	-	-
- Banks	9,658	-	-	-	-		-	-	-	-
- Customers	1	-	-	-	-	-	-	-	-	-
On-balance sheet liabilities	**8,133**					**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	8,133	-	-	-	-	-	-	-	-	-
- Banks	-	-	-	-	-	-	-	-	-	-
- Customers	8,133	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions	**-**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Financial derivatives with capital exchange	-	1	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	1	-	-	-	-	-	-	-	-
C.2 Financial derivatives without capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

4.1 TIME DISTRIBUTION OF FINANCIAL ASSETS AND LIABILITIES BY CONTRACTUAL RESIDUAL MATURITY. CURRENCY: GB POUND

(amounts in thousands of Euro)

Items/Time frames	sight	over 1 day up to 7 days	over 7 days up to 15 days	over 15 days up to 1 month	over 1 month up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years	indefinite maturity
On-balance sheet assets	**35**	**-**	**-**	**472**	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 UCITS units	-	-	-	-	-	-	-	-	-	-
A.4 Loans	35	-	-	472	-	-	-	-	-	-
- Banks	35	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	472	-	-	-	-	-	-
On-balance sheet liabilities	**11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	11	-	-	-	-	-	-	-	-	-
- Banks	-	-	-	-	-	-	-	-	-	-
- Customers	11	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions	**-**	**-**	**-**	**482**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Financial derivatives with capital exchange	-	-	-	482	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	482	-	-	-	-	-	-
C.2 Financial derivatives without capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

4.1 TIME DISTRIBUTION OF FINANCIAL ASSETS AND LIABILITIES BY CONTRACTUAL RESIDUAL MATURITY. CURRENCY: SWISS FRANC

(amounts in thousands of Euro)

Items/Time frames	sight	over 1 day up to 7 days	over 7 days up to 15 days	over 15 days up to 1 month	over 1 month up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years	indefinite maturity
On-balance sheet assets	**58**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 UCITS units	-	-	-	-	-	-	-	-	-	-
A.4 Loans	58	-	-	-	-	-	-	-	-	-
- Banks	58	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-
On-balance sheet liabilities	**48**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	48	-	-	-	-	-	-	-	-	-
- Banks	-	-	-	-	-	-	-	-	-	-
- Customers	48	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Financial derivatives with capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

4.1 TIME DISTRIBUTION OF FINANCIAL ASSETS AND LIABILITIES BY CONTRACTUAL RESIDUAL MATURITY. CURRENCY: SOUTH AFRICA AND NAMIBIA RAND

(amounts in thousands of Euro)

Items/Time frames	sight	over 1 day up to 7 days	over 7 days up to 15 days	over 15 days up to 1 month	over 1 month up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years	indefinite maturity
On-balance sheet assets	**44**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 UCITS units	-	-	-	-	-	-	-	-	-	-
A.4 Loans	44	-	-	-	-	-	-	-	-	-
- Banks	44	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-
On-balance sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	-	-	-	-	-	-	-	-	-	-
- Banks	-	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions	**-**	**41**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Financial derivatives with capital exchange	-	41	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	41	-	-	-	-	-	-	-	-
C.2 Financial derivatives without capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

4.1 TIME DISTRIBUTION OF FINANCIAL ASSETS AND LIABILITIES BY CONTRACTUAL RESIDUAL MATURITY. CURRENCY: JAPANESE YEN

(amounts in thousands of Euro)

Items/Time frames	sight	over 1 day up to 7 days	over 7 days up to 15 days	over 15 days up to 1 month	over 1 month up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years	indefinite maturity
On-balance sheet assets	**141**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 UCITS units	-	-	-	-	-	-	-	-	-	-
A.4 Loans	141	-	-	-	-	-	-	-	-	-
- Banks	141	-	-	-	-	-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-
On-balance sheet liabilities	**137**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	137	-	-	-	-	-	-	-	-	-
- Banks	-	-	-	-	-	-	-	-	-	-
- Customers	137	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Financial derivatives with capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

4.1 TIME DISTRIBUTION OF FINANCIAL ASSETS AND LIABILITIES BY CONTRACTUAL RESIDUAL MATURITY. CURRENCY: OTHER CURRENCIES

(amounts in thousands of Euro)

Items/Time frames	sight	over 1 day up to 7 days	over 7 days up to 15 days	over 15 days up to 1 month	over 1 month up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years	indefinite maturity
On-balance sheet assets	**44**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 UCITS units	-	-	-	-	-	-	-	-	-	-
A.4 Loans	44	-	-	-	-	-	-	-	-	-
- Banks	44	-	-	-		-	-	-	-	-
- Customers	-	-	-	-	-	-	-	-	-	-
On-balance sheet liabilities	**17**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1 Deposits and current accounts	17	-	-	-	-	-	-	-	-	-
- Banks	-	-	-	-	-	-	-	-	-	-
- Customers	17	-	-	-	-	-	-	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-
Off-balance sheet transactions	**-**	**3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Financial derivatives with capital exchange	-	3	-	-	-	-	-	-	-	-
- Long positions	-	4	-	-	-	-	-	-	-	-
- Short positions	-	1	-	-	-	-	-	-	-	-
C.2 Financial derivatives without capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without capital exchange	-	-	-	-	-	-	-	-	-	-
- Long positions	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-

Section 5 – OPERATIONAL RISKS

QUALITATIVE INFORMATION

A. GENERAL ASPECTS, MANAGEMENT PROCESSES AND METHODS FOR MEASURING OPERATIONAL RISK

Operational risk is the risk of suffering losses resulting from inadequate or failed procedures, human resources and internal systems, or from exogenous events. This includes, *inter alia*, losses resulting from fraud, human errors, business disruptions, system unavailability, breach of contracts, legal risks, and natural disasters.
Operational risks are monitored by the various units that follow operations through first-level, i.e. line controls.
Risk Management adopted a best practice-oriented methodology for operational risk management, which included the strengthening of the Loss Data Collection process and the set up of a Risk Self Assessment framework, as well as training was provided to all the Bank's structures. LDC activities continued during the first half of 2024.

In addition, to guard against the occurrence of operational risks, the "Business Continuity Plan" has been prepared and is constantly updated, aimed at protecting the Bank against critical events that may affect its full operations. In this regard, it should be noted that the Business Continuity Plan was implemented starting from the spread of Covid-19 Coronavirus in order to maintain an adequate level of the Bank's operations, aimed also at favouring agile forms of work underpinning a solid IT architecture protected from and against potential operational risks.

Cherry Bank adopts the BIA Basic Indicator Approach required by the Bank of Italy's Supervisory Provisions to calculate the capital requirement for operational risk.

Operational losses against this risk are monitored by Risk Management, which is also responsible for validating the calculation of the relevant capital requirement. Over the last three years, the sum of these losses was well below the capital requirement of the regulations, calculated by applying the coefficient of 15% of the average relevant indicator of the last three financial years.

Part F –
Information on Equity

Section 1 – COMPANY EQUITY

A. Qualitative information

Company equity consists of the share capital and reserves, howsoever constituted.
In particular, the Bank is subject to the capital adequacy requirements of the Supervisory Provisions issued by the Bank of Italy. According to these rules, the ratio of capital to risk-weighted assets (Total SREP Capital Requirement Ratio) must be at least equal to the following parameters in 2024:

- Common Equity Tier 1 (CET 1) of 6%;
- Tier 1 ratio of 8%;
- Total Capital ratio of 10.7%.

Compliance with the aforementioned parameters is not only monitored on a quarterly basis, but is also the subject of prospective analysis and simulations during strategic and operational planning (drafting of Strategic Plans and budgets). Similarly, assessments of how to pursue asset management objectives are one of the cornerstones of strategic planning, as capital adequacy is an essential driver for any development project.

B. Quantitative information

B.1 COMPANY EQUITY: BREAKDOWN

(amounts in thousands of Euro)

Items/Values	31/12/2024	31/12/2023
1. Capital	49,598	49,598
2. Share premiums	716	716
3. Reserves	94,218	15,736
Profits	94,217	15,736
a) legal	5,672	1,697
b) statutory	3,321	3,321
c) treasury shares	-	-
d) other	85,225	10,718
Other	-	-
4. Capital instruments	10,000	10,000
5. (Treasury shares)	-	-
6. Valuation reserves	9,863	9,504
Capital securities designated at fair value through other comprehensive income	553	-
Hedges of capital securities designated at fair value through other comprehensive income	-	-
Financial assets (other than capital securities) measured at fair value through other comprehensive income	1,012	1,204
Tangible assets	-	-
Intangible assets	-	-
Hedges of foreign investments	-	-
Cash flow hedges	-	-
Hedging instruments [items not designated]	-	-
Exchange rate differences	-	-
Non-current assets and groups of assets held for sale	-	-
Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)	-	-
Actuarial gains (losses) on defined benefit pension plans	21	23
Portion of valuation reserves relating to equity-accounted investees	-	-
Special revaluation laws	8,277	8,277
7. Profit (Loss) for the year	30,110	79,496
Total	**194,505**	**165,050**

Shareholders' Equity at the end of the financial year amounted to Euro 194.5 million, an increase of 17.8% compared to the previous year. The change is essentially represented by the result for the year.
In view of the necessary path to strengthen the Bank's capital and the capital levels achieved, the Board of Directors deems it appropriate, also for the financial year 2024, to propose the preservation of the profit for the benefit of the Bank's assets.

B.2 VALUATION RESERVES OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: BREAKDOWN

(amounts in thousands of Euro)

Assets/Values	31/12/2024		31/12/2023	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	71	-	9	-
2. Capital securities	553	-	-	-
4. Loans	941	-	1,195	-
Total	**1,565**	**-**	**1,204**	**-**

The positive reserve on Loans refers to NPL measured at fair value through other comprehensive income.

B.3 VALUATION RESERVES OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: CHANGES IN THE YEAR

(amounts in thousands of Euro)

	Debt securities	Capital securities	Loans
1. Opening balance	**9**	**-**	**1,195**
2. Positive changes	**131**	**553**	**-**
2.1 Increases in fair value	112	553	-
2.2 Impairment for credit risk	-	X	-
2.3 Reversal to income statement of negative reserves from disposals	19	X	-
2.4 Reclassified to other equity components (capital securities)	-	-	-
2.5 Other changes	-	-	-
3. Negative changes	**(69)**	**-**	**(254)**
3.1 Reductions in fair value	(27)	-	(254)
3.2 Reversals for credit risk	(10)	X	-
3.3 Reversal to income statement of positive reserves from disposals	-	-	-
3.4 Reclassified to other equity components (capital securities)	-	-	-
3.5 Other changes	(32)	-	-
4. Closing balance	**71**	**553**	**941**

Section 2 – CAPITAL AND CAPITAL RATIOS

2.1 CAPITAL

A. QUALITATIVE INFORMATION

SCOPE OF THE REGULATIONS

On 1 January 2014 was the entry into force of the new harmonised rules for banks and investment firms as contained in Regulation (EU) No. 575/2013 (CRR) and Directive 2013/36/EU (CRD IV), which transpose in the European Union the standards defined by the Basel Committee on Banking Supervision (so-called Basel III).
The CRR is directly applicable in national laws, while CRD IV has to be transposed into them. The transposition took place with the issuance of Circular No. 285 by the Bank of Italy, published on 17 December 2013.

CAPITAL

Capital consists of:

- Tier 1 capital (Tier 1);
- Tier 2 capital (Tier 2).

Tier 1 capital is equal to the sum of:

- Common Equity Tier 1 (CET 1);
- Additional Tier 1 (AT1).

1. COMMON EQUITY TIER 1 – (CET 1)

It consists of the following positive and negative elements:

(amounts in thousands of Euro)

	31/12/2024
Share capital	49,598
Share premiums	716
Profit reserves	124,328
Positive and negative valuation reserves through OCI	9,864
Other reserves	-
Previous CET 1 instruments subject to transitional arrangements (grandfathering)	-
Prudential filters	(1,191)
Deductions	(15,243)
Total Common Equity Tier 1 – CET 1	**168,072**

Deductions are represented by intangible assets and deferred tax assets.

2. ADDITIONAL TIER 1 (AT1)

Additional Tier 1 is represented by a perpetual bond.

	31/12/2024
Total Common Equity Tier 1 – CET 1	168,072
Tier 1 capital instruments (AT1)	10,000
Total Tier 1 capital – TIER 1	178,072

3. TIER 2 CAPITAL (T2)

There are no Tier 2 capital elements.

B. QUANTITATIVE INFORMATION

(amounts in thousands of Euro)

	31/12/2024
A. Common Equity Tier 1 (CET 1) – instruments and reserves	184,506
- of which CET 1 instruments subject to transitional arrangements	-
B. CET 1 prudential filters (+/-)	(1,191)
C. CET 1 before deductions and transitional regime effects (A+/- B)	183,315
D. Items to be deducted from CET 1	(15,243)
E. Transitional regime – Impact on CET 1 (+/-)	-
F. Total Common Equity Tier 1 (CET 1) (C - D +/- E)	168,072
G. Additional Tier 1 (AT1) before deductions and transitional regime effects	10,000
- of which AT1 instruments subject to transitional arrangements	-
H. Elements to be deducted from AT1	-
I. Transitional regime – Impact on AT1 (+/-)	-
L. Total Additional Tier 1 (AT1) (G - H +/- I)	10,000
M. Tier 2 capital (Tier 2 – T2) before deductions and transitional regime effects	-
of which T2 instruments subject to transitional arrangements	-
N. Elements to be deducted from T2	-
O. Transitional regime – Impact on T2 (+/-)	-
P. Total Tier 2 capital (Tier 2 – T2) (M-N +/- O)	-
Q. Total Capital (F + L + P)	178,072

2.1 CAPITAL ADEQUACY

A. QUALITATIVE INFORMATION

The Bank complies with the limits required by the new Basel III regulation on capital ratios. The regulations introduced by the Bank of Italy in Circular No. 285/2013 provide for the following minimum ratios:

- CET 1 capital ratio of 4.50%;
- Tier 1 capital ratio of 6%;
- Total Capital ratio of 8%.

In addition to the above-mentioned constraints, further constraints were introduced consisting of:

- Capital Conservation Buffer (CCB), which provides for an additional 2.5% requirement of Common Equity Tier 1 aimed at preserving the minimum level of regulatory capital in adverse market conditions;
- Countercyclical capital buffer to protect the banking sector during periods of excessive credit growth; it is to be constituted during periods of economic growth with primary-quality capital to meet possible losses in the downturns of the cycle on the basis of a specific coefficient established on a national basis;
- Additional reserves always to be constituted with primary capital for global and other systemically relevant entities. The buffer for entities with global relevance can vary from a minimum of 1% to a maximum of 3.5%, for the others there is a non-binding maximum threshold of 2%;
- Capital reserve against systemic risk, which is set by each individual Member State and must be at least 1%.

The sum of the regulatory requirements and the additional reserves gives the minimum level of required capital, which for 2024 is as follows:

- CET 1 capital ratio of 8.50%;
- Tier 1 capital ratio of 10.50%;
- Total Capital ratio of 13.20%.

Banks that do not hold capital reserves to the required extent are subject to the limits on distributions, and must also have a capital conservation plan in place that sets out the measures the Bank intends to take to restore the level of capital required to maintain capital reserves to the required extent within a reasonable period of time.

Moreover, the Bank of Italy, in order to ensure compliance with the binding measures even in the event of a deterioration of the economic and financial context, has identified a Target Component (Pillar 2 Guidance) against a higher risk exposure in stress conditions of 1%. Therefore, the requirements, including the Pillar 2 Guidance, for the year 2022 are as follows:

- CET 1 capital ratio of 9.50%;
- Tier 1 capital ratio of 11.50%;
- Total Capital ratio of 14.20%.

The Bank's investment policies are geared towards maintaining a constant balance in the ratio of "economic and financial investments to asset size" with a focus on minimising the cost of capital for utilisation.
A thorough self-assessment of capital adequacy is carried out as part of the process known as ICAAP (Internal Capital Adequacy Assessment Process).

B. QUANTITATIVE INFORMATION

(amounts in thousands of Euro)

Categories/Values	Non-weighted amounts		Weighted amounts/ Requirements	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
A. Risk assets				
A.1 Credit and counterparty risks	4,940,672	3,720,825	754,775	720,674
1. Standardised methodology	4,913,417	3,662,643	753,842	719,657
2. Methodology based on internal ratings	-	-	-	-
2.1 Basic	-	-	-	-
2.2 Advanced	-	-	-	-
3. Securitisation	27,255	58,182	933	1,017
B. Regulatory capital requirements				
B.1 Credit and counterparty risks	X	X	60,382	57,654
B.2 Credit assessment adjustment risks	X	X	1	7
B.3 Regulatory risk	X	X	-	-
B.4 Market risks	X	X	2,464	1,563
1. Standard methodology	X	X	2,464	1,563
2. Internal models	-	-	-	-
3. Concentration risk	-	-	-	-
B.5 Operational risk	X	X	18,834	12,026
1. Basic method			18,834	12,026
2. Standardised method	X	X	X	X
3. Advanced method	X	X	X	X
B.6 Other calculation elements	-	-	-	-
B.7 Total prudential requirements	X	X	81,681	71,250
C. Risk assets and capital ratios				
C.1 Risk-weighted assets	X	X	1,021,006	890,630
C.2 Common Equity Tier 1/Risk-weighted assets (CET 1 capital ratio)	X	X	16.46%	15.03%
C.3 Tier 1 capital/Risk-weighted assets (TIER 1 capital ratio)	X	X	17.44%	16.15%
C.4 Total Capital/Risk-weighted assets (Total Capital ratio)	X	X	17.44%	16.15%

Part H – Transactions with related parties

1. Information on Directors' and Executives' remuneration

Directors' and Statutory Auditors' fees:

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
Directors	1,675	1,237
Board of Statutory Auditors	332	273

Directors receive remuneration exclusively in a fixed amount plus attendance fees approved by the Shareholders' Meeting.
In addition, a variable remuneration of Euro 300 thousand for the CEO was resolved for the year 2024.
The amount indicated is the company cost including contribution charges.

The remuneration of the Board of Statutory Auditors is determined by the Shareholders' Meeting as follows:

- Euro 80 thousand to the Chair;
- Euro 60 thousand to Standing Auditors.

To the above-mentioned fixed amounts were added attendance fees and the reimbursement of out-of-pocket expenses incurred in the performance of the assignment plus VAT and social security charges.

The Board of Directors, following the renewal of corporate offices, with a resolution of 09/05/2024, set up the new Supervisory Body, pursuant to Legislative Decree No. 231/2001. A Standing member of the Board of Auditors, the Head of Internal Audit and the Head of Compliance were appointed as members of this Body. A remuneration of Euro 10 thousand was established for the sole Standing member of the Board of Statutory Auditors.

2. Information on transactions with related parties

With reference to Provision No. 262 of 22 December 2005 issued by the Bank of Italy on instructions for the preparation of the Statutory Financial Statements of banks in accordance with IAS/IFRS and in compliance with the provisions of IAS 34 on Interim Financial Statements, the tables below show the data on the Bank's Related Parties as defined by IAS 24; in particular, it should be noted that there are no guarantees given in favour of related parties.

TABLE RECEIVABLES OUTSTANDING AT 31/12/2024

(amounts in thousands of Euro)

Related Party categories	Deposit	Unsecured
Directors and Executives with strategic responsibilities	7	-
Close family member of one of the above persons	-	-
Parent company, subsidiary, associated company or company subject to significant influence by the above parties	450	-
Other entities with significant influence	-	-

Receivables consist of Euro 302 thousand in loans and Euro 155 thousand in unused loans with insignificant asset amounts.

TABLE FUNDING AT 31/12/2024

(amounts in thousands of Euro)

Related Party categories	Amounts
Directors and Executives with strategic responsibilities	2,588
Close family member of one of the above persons	775
Parent company, subsidiary, associated company or company subject to significant influence by the above parties	111
Other entities with significant influence	-

Funding consisted of Euro 3,474 thousand in current account deposits. Accrued liabilities amounted to a total of Euro 41 thousand.

All transactions with related parties were conducted on terms equivalent to those prevailing in arm's length transactions.

OTHER TRANSACTIONS

The issuance of the AT1 perpetual bond for Euro 10.0 million was resolved by the Board of Directors pursuant to Article 136 of Legislative Decree No. 385/1993 as it was fully subscribed by related party. The Bond was issued on market-equivalent terms to qualified investors.

2. Information on the Independent Auditors' fees

(amounts in thousands of Euro)

	31/12/2024	31/12/2023
Statutory audit activities	257	127
Other legally required services	21	53
Other attestation services	-	-

Part I –
Equity-settled share-based payment agreements

Cherry Bank has no such agreements in place.

Part L –
Sector reporting

As Cherry Bank is not a "listed" intermediary, it has availed itself of the option granted by the Bank of Italy in Circular No. 262 of 22 December 2005 – 8th update of 29/10/2021 not to draw up this section on sector reporting.

Part M –
Lease disclosure

Section 1 – LESSEE

Qualitative information

As a lessee, the Bank entered into lease contracts for properties and cars as well as hardware acquired with the incorporation of Banca Popolare Valconca.
In terms of right-of-use value, real estate leases represent the most significant area and concern properties for office and branch use. Contracts usually have a duration of more than 12 months and provide for renewal and termination options exercisable by the lessee and the lessor in accordance with the law and/or specific contractual provisions. These contracts do not provide for purchase options.
Car lease contracts are long-term rentals for company cars made available to employees.

For further information on the scope of application, accounting rules and processes, see "Part A – Accounting Policies – A.1 General Part – Section 4 – Other aspects".
For the criteria for recognition, classification, measurement and derecognition, please refer to "Part A – Accounting Policies – A.2 Part related to the main items of the Financial Statements".

Quantitative information

With regard to the quantitative information on the impact on the Bank's Balance Sheet and Income Statement, as required by the regulations, please refer to the specific sections of the Notes to the Financial Statements, and in particular:

- for rights of use acquired through leases, to "Part B – Information on the Balance Sheet – Assets – Section 8";
- for lease payables, to as commented in "Part B – Information on the Balance Sheet – Liabilities – Section 1";
- for the economic impacts, to "Part C – Information on the Income Statement" under items "Interest expense" and "Impairment on tangible assets", respectively.

Section 2 – LESSOR

Cherry Bank did not enter into any contracts as lessor.

Padua, 24 March 2025

For the Board of Directors

The Chief Executive Officer
Giovanni Bossi

4 Annexes

Statements of revaluations carried out on real estate

(Art. 10 of Law No. 72/83)

Description of assets	Revaluations carried out				Total real estate at 29/12/2024	Total accumulated depreciation 29/12/2024
	Law No. 576 of 02/12/1975	Law No. 72 of 19/03/1983	Law No. 413 of 30/12/1991	IAS Revaluation – Sworn appraisal of 27/02/2006		
CARTOCETO	-	-	-	-	948,944	292,341
Hamlet Lucrezia						
Via Flaminia 130						
CATTOLICA	36,152	41,331	495,901	1,394,994	3,160,141	1,398,124
Via XXIV Maggio 18						
MISANO	-	-	-	166,052	1,385,198	496,348
Via Piemonte 20						
MONDAINO	15,494	80,439	69,282	349,744	772,905	333,084
Via Borgo 35						
MORCIANO	-	175,355	374,639	283,926	2,188,282	798,429
Via Bucci 11						
MORCIANO	-	97,664	578,238	2,080,518	4,523,030	1,957,160
Via Bucci 61						
RICCIONE	-	-	1,175,459	4,208,205	7,552,969	3,986,906
Via San Lorenzo 37						
RIMINI	-	-	-	(481,576)	1,457,833	431,674
Via Euterpe 2						
RIMINI	-	-	-	(148,365)	316,984	194,441
Via Siracusa						
RIMINI	-	-	-	(99,267)	257,366	110,746
Via Lucio Lando 31						
RIMINI	-	-	-	(129,781)	997,027	412,230
Via Sacramora						
SAN GIOVANNI IN M.	-	-	-		250,927	117,169
Via Roma 52						
SANTARCANGELO	-	-	-	(33,022)	619,132	259,949
Via Montevecchi 15						
SAVIGNANO SUL R.	-	-	-	-	1,134,302	425,683
Via Roma 34						

Description of assets	Revaluations carried out				Total real estate at 29/12/2024	Total accumulated depreciation 29/12/2024
	Law No. 576 of 02/12/1975	Law No. 72 of 19/03/1983	Law No. 413 of 30/12/1991	IAS Revaluation – Sworn appraisal of 27/02/2006		
TAVERNA DI MONTECOLOMBO	10,329	83,716	89,310	233,527	606,268	227,587
Via Provinciale 36						
VILLA VERUCCHIO	-	-	-	-	705,993	231,496
Piazzetta Valle del Marecchia 4						
SANT'ANDREA	-	-	-	-	173,929	49,046
Via Tavoleto 69/C						
CATTOLICA	-	-	-	-	1,807,402	294,136
Via Viole 75						
PESARO – Hotel Elvezia						
Viale Fiume 67	-		-	-	3,007,118	527,992
MONTEFIORE CONCA						
Via Provinciale 3601					695,115	78,467
Total	**61,975**	**478,505**	**2,782,829**	**7,824,955**	**32,560,866**	**12,623,010**

5 Board of Statutory Auditors' Report to the 2024 Financial Statements


cherry
bank

BILANCIO ESERCIZIO 2024
RELAZIONE del COLLEGIO SINDACALE
all'ASSEMBLEA degli AZIONISTI ai sensi dell'art. 2429, c. 2°, c.c.

Signori Azionisti di CHERRY Bank S.p.A.,

con la presente relazione – redatta ai sensi dell'art. 2429, comma 2°, c.c. – il Collegio Sindacale riferisce Loro sull'attività di vigilanza e controllo svolta, nell'adempimento dei propri doveri, nel corso dell'esercizio conclusosi il 31 dicembre 2024.

1. Attività del Collegio Sindacale

Nel corso dell'esercizio 2024 il Collegio Sindacale ha svolto i propri compiti istituzionali nel rispetto delle norme di legge e dello statuto, in conformità alle istruzioni emanate dalla Banca d'Italia (circolare n. 285/2013), tenendo altresì in considerazione le Norme di Comportamento del Collegio Sindacale raccomandate dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili nella versione aggiornata nel dicembre 2024.
Il Collegio ha altresì verificato il processo annuale di autovalutazione con riferimento all'esercizio 2024 effettuato, nel rispetto della normativa vigente, dal Consiglio di Amministrazione. I punti di miglioramento emersi sono stati oggetto di discussione ed hanno portato all'individuazione di specifiche azioni correttive, tra le quali il proseguimento e l'integrazione del piano di formazione volto al rafforzamento delle competenze.
Il Collegio ha inoltre verificato, nel corso dell'esercizio, l'applicazione dei criteri e delle procedure di accertamento adottati dal Consiglio di Amministrazione per valutare il possesso dei requisiti e criteri di *fit & proper* dei propri membri richiesti dalla normativa di riferimento.
In conformità a quanto previsto dalle Disposizioni di Vigilanza della Circolare di Banca d'Italia n. 285/2013, nonché da appositi Regolamenti interni adottati in autoregolamentazione (tra cui il "Regolamento del Collegio Sindacale", aggiornato, da ultimo, in data 1° giugno 2023), il Collegio Sindacale ha effettuato la propria autovalutazione con riferimento all'esercizio 2024, redigendo l'apposito documento conclusivo approvato in data 7 aprile 2025 per il quale il Collegio si è avvalso, in continuità con i precedenti esercizi, del supporto di un qualificato consulente esterno: gli esiti

dell'autovalutazione hanno portato alla conclusione della sostanziale adeguatezza del collegio, tanto in merito alla sua composizione quanto in merito al suo funzionamento.

Il Collegio, in particolare, ha concluso che la composizione collettiva del Collegio è rispondente ai requisiti normativi, coerente con gli standard di *diversity* promossi dall'istituto, nonché conforme ai requisiti di professionalità, competenza, onorabilità, incompatibilità, correttezza e indipendenza e agli altri requisiti, tra cui in particolare la disponibilità di tempo e le situazioni di potenziale conflitto di interesse in capo ai singoli componenti.

Nell'anno 2024 il Collegio Sindacale ha partecipato a tutte le n° 28 sedute del Consiglio di Amministrazione ed alle n° 32 sedute del Comitato Controllo, Rischi e Sostenibilità.

Il Collegio Sindacale ha svolto, nel corso dell'esercizio, la propria attività effettuando n° 30 riunioni, di cui n° 5 congiunte con il CCRS.

Nel 2024 i componenti del Collegio Sindacale hanno altresì partecipato a tutte le n° 8 sessioni formative del piano di formazione dedicato agli esponenti della Banca, svolto con il supporto di consulenti esterni.

2. Operazioni significative dell'esercizio

Nell'espletamento dell'attività di vigilanza e controllo, il Collegio Sindacale ha ottenuto periodicamente dagli Amministratori, anche attraverso la partecipazione alle riunioni del Consiglio di Amministrazione dell'esercizio 2024 e del primo trimestre 2025, informazioni sull'attività svolta e sulle operazioni di maggior rilievo economico, finanziario e patrimoniale deliberate e poste in essere, assicurandosi che le azioni stabilite fossero conformi alla legge ed allo statuto sociale e non fossero manifestamente imprudenti, azzardate, in potenziale conflitto di interesse o tali da compromettere l'integrità del patrimonio sociale.

Tra i fatti significativi dell'esercizio, che il Collegio Sindacale ritiene opportuno richiamare in considerazione della loro rilevanza, si ricordano:

- in data 24 maggio 2024 si è conclusa l'attività di migrazione dei sistemi informatici della incorporata Banca Popolare Valconca S.p.A. in Amministrazione Straordinaria nei sistemi di Cherry Bank .
- in esecuzione della delibera consiliare del 12 febbraio 2024, la Banca ha acquistato, in data 10 aprile 2024, una partecipazione pari al 9,6% del capitale sociale di Banca Macerata S.p.A. Per effetto dell'operazione, la Banca è divenuta la prima azionista di Banca Macerata ma non esercita alcuna influenza notevole

sulla partecipata né ha nominato ad oggi alcun esponente negli organi della medesima.

- la Banca ha strutturato un veicolo di cartolarizzazione denominato "Cherry Blossom", rivolto ad investitori istituzionali, interamente dedicato all'acquisto di crediti derivanti da operazioni di *specialized financing* originati e strutturati dalla divisione di Special Situations della Banca. La Banca è *servicer* esclusivo e co-investitore del veicolo con una quota target del 10% del valore di emissione dei crediti.

Inoltre, avendo superato i 500 dipendenti medi durante l'esercizio 2024, la Banca rientra tra i soggetti obbligati a fornire la rendicontazione di sostenibilità secondo la Direttiva Europea 2022/2464/UE "*Corporate Sustainability Reporting Directive*" (CSRD) recepita nell'ordinamento italiano con il D.lgs. 125/2024. Essa prevede una rendicontazione di sostenibilità obbligatoria, al fine di rendere le informazioni necessarie alla comprensione dell'impatto della società sulle c.d. questioni di sostenibilità come definite dall'articolo 1 del decreto citato, nonché le informazioni necessarie alla comprensione del modo in cui le questioni di sostenibilità influiscono sull'andamento della stessa, sui suoi risultati e sulla sua situazione; la Banca ha incluso l'informativa di sostenibilità all'interno della Relazione sulla Gestione del Bilancio.

Ai sensi dell'art. 2325 *ter* c.c. (introdotto dalla legge n° 21/2024, cd. DDL Capitali), a seguito della perfezionata fusione per incorporazione di Banca Popolare Valconca S.p.A. in Amministrazione Straordinaria – operazione i cui effetti giuridici si sono prodotti con decorrenza dal 30 dicembre 2023 – la Banca ha assunto la qualifica di "emittente strumenti finanziari diffusi tra il pubblico in misura rilevante".

Rinviando per ogni approfondimento ritenuto utile alla Relazione sulla gestione, il Collegio evidenzia come l'esercizio 2024 sia stato caratterizzato da:

- il consolidamento della struttura all'esito dell'ampliamento del perimetro delle attività ottenuta tramite l'incorporazione dell'ex Banca Popolare Valconca;
- la prosecuzione dell'attività sui crediti fiscali;
- l'ulteriore implementazione del servizio di gestione dei portafogli e in generale del comparto *Wealth Management* arricchitosi anche dei prestiti garantiti cosiddetti "Lombard";
- la progressiva riduzione dei tassi di rendimento dei depositi fruttiferi, con la connessa riduzione delle masse acquisite.

Le azioni descritte sono state messe in atto con una puntuale attenzione al capitale regolamentare ed al mantenimento di livelli di liquidità adeguati.

Nel gennaio 2025 il Consiglio di Amministrazione ha approvato il Piano Strategico 2025-2027.

Nell'esercizio, il Collegio ha esaminato il resoconto ICLAAP – con cui si formalizza l'esecuzione dei processi interni di determinazione dell'adeguatezza patrimoniale, attuale e prospettica, della Banca (ICAAP) e dell'adeguatezza del sistema di governo e di gestione del rischio di liquidità (ILAAP) – approvato dal Consiglio di Amministrazione del 27.5.2024. L'ICAAP e l'ILAAP confermano l'adeguatezza della Banca nell'ambito del capitale e liquidità.

Il Collegio ha esaminato il nuovo documento Risk Appetite Framework (RAF), che evidenzia l'appetito al rischio della Banca, a valere dall'esercizio 2025 tenendo conto delle raccomandazioni fornite dalle Autorità di Vigilanza e delle indicazioni normative. In coerenza con le nuove previsioni di piano, sono state settate nuove soglie e, nel complesso, il RAF conferma la solidità della Banca, con *ratio* patrimoniali e di liquidità, riflessi nell'appetite prospettico 31.12.2025, superiori ai minimi regolamentari.

In particolare, si evidenzia sul punto come al 31 dicembre 2024 il CET1 *ratio* si sia attestato al 16,46% e il Total Capital *ratio* (TCR) al 17,44%, a fronte di un requisito vincolante previsto dello SREP (con Capital Guidance) rispettivamente del 9,50% e del 14,20%. Analogo discorso vale per gli indicatori di liquidità, NSFR e LCR attestatisi a fine periodo al 149% ed al 449%, solidi rispetto alle soglie previste nel RAF 2024, rispettivamente del 125% e del 505%.

3. Attività di vigilanza

Nel corso dell'esercizio in esame, il Collegio ha acquisito le informazioni necessarie all'esercizio dei propri doveri mediante indagini dirette, raccolta di dati e di informazioni dai Responsabili delle principali Funzioni Aziendali interessate e dalla Società incaricata della revisione legale dei conti EY S.p.A. (di seguito anche "EY" o "Revisore"). Nel corso dell'esercizio chiuso al 31 dicembre 2024 la nostra attività di vigilanza è stata ispirata, come già detto, alle disposizioni di legge ed alle Norme di Comportamento del Collegio Sindacale raccomandate dal Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili.

3.1 – Attività di vigilanza sull'osservanza della legge e dello statuto

Il Collegio Sindacale ha ottenuto dagli Amministratori, anche attraverso la partecipazione alle riunioni del Consiglio di Amministrazione e del Comitato Controllo Rischi e Sostenibilità, ogni informazione strumentale allo svolgimento dell'attività di vigilanza e controllo, ossia ogni informazione utile relativa sia all'attività svolta che alle operazioni di maggior rilievo economico, finanziario e patrimoniale deliberate ed attuate dalla società.

Il Collegio Sindacale ha svolto le proprie verifiche sul Sistema di Controllo Interno e di Gestione dei Rischi, avvalendosi della presenza del Responsabile della funzione di Internal Audit nelle proprie riunioni, cui hanno partecipato sovente anche i Responsabili delle funzioni di conformità alle norme, antiriciclaggio, controllo e gestione dei rischi (Risk Management), nonché dei loro collaboratori diretti.
Come già riferito, sulla base delle informazioni acquisite attraverso la propria attività di vigilanza, il Collegio Sindacale non è venuto a conoscenza di operazioni non improntate al rispetto dei principi di corretta amministrazione, deliberate e poste in essere in difformità rispetto alla legge ed allo statuto sociale, non rispondenti all'interesse della Banca, in contrasto con le delibere assunte dall'Assemblea, manifestamente imprudenti o azzardate o tali da compromettere l'integrità del patrimonio sociale.
Il Collegio Sindacale può, quindi, ragionevolmente affermare che le operazioni effettuate sono improntate ai principi di corretta amministrazione e che le scelte gestionali sono state assunte avendo a disposizione flussi informativi adeguati ed avendo adeguata consapevolezza della loro rischiosità.
Per quanto riguarda le operazioni di maggior rilievo, esse rispettano i canoni di prudenza, non contrastano con le delibere consigliari e non sono tali da recare pregiudizio al patrimonio sociale.
Il Collegio ha vigilato sull'adeguatezza degli assetti organizzativi della Banca effettuando incontri con le strutture operative della stessa al fine di verificare l'adeguatezza dell'organigramma aziendale, del sistema delle deleghe e poteri, del sistema dei controlli interni e dei rischi e dei flussi informativi.
La struttura organizzativa della Banca ha subito una significativa evoluzione nel corso dell'esercizio in ragione dell'integrazione con la ex Banca Popolare Valconca, che ha comportato una intensa attività di razionalizzazione e di riorganizzazione interna.
Quanto al documento di bilancio annuale nel suo complesso, il Collegio ha valutato che il Consiglio di Amministrazione, nella Relazione sulla Gestione e nella Nota Integrativa, abbia fornito un'adeguata informativa sulle operazioni con parti correlate, tenuto conto di quanto previsto dalla vigente disciplina. Per quanto noto al Collegio Sindacale non risultano operazioni con parti correlate poste in essere nell'esercizio 2024 in contrasto con l'interesse della Società. Esse sono dettagliatamente indicate nella sezione H della nota integrativa.
I rapporti con le parti correlate sono stati attentamente monitorati dal Collegio.
Cherry Bank, nell'esercizio 2024, non ha effettuato operazioni atipiche o inusuali, né con terzi soggetti né con parti correlate.

Nel corso dell'esercizio è proseguita l'operazione di maggior rilievo con parti correlate che ha avuto avvio nel 2023, conclusa a condizioni equivalenti a quelle di mercato per investitori qualificati: si tratta dell'emissione di uno strumento obbligazionario di tipo AT1 per un valore di Euro 10 milioni.

Le operazioni in potenziale conflitto di interesse sono state deliberate in conformità alle disposizioni normative interne ed esterne in materia e sono state peraltro oggetto di specifica attenzione: sulla base delle informazioni disponibili, il Collegio Sindacale può ragionevolmente ritenere che le operazioni siano state congrue nel corrispettivo e rispondenti all'interesse della Banca.

Il Collegio Sindacale ha verificato che il Consiglio di Amministrazione abbia fornito un'adeguata informativa sulle operazioni con parti correlate e soggetti collegati, tenuto conto di quanto previsto dalla vigente disciplina.

Con riferimento ai rapporti con l'Autorità di Vigilanza, il Collegio Sindacale è stato sempre tenuto aggiornato dalle funzioni aziendali preposte, in particolare dalla Funzione Legale e di Risk Management, delle richieste ricevute e delle verifiche effettuate.

Il Collegio Sindacale è stato informato sulle comunicazioni tra la Banca d'Italia e la Società, nonché sugli interventi emersi a seguito di richieste di dettaglio su specifici ambiti di attività.

In data 1° ottobre 2024 Banca d'Italia ha avviato, nell'ambito delle proprie ordinarie attività di vigilanza e controllo, un'ispezione generale sulla Banca che si è conclusa in data 24 gennaio 2025. Il Collegio ha collaborato con il team ispettivo partecipando a due riunioni dedicate ed al *closing meeting*. Alla data di redazione della presente relazione non sono noti gli esiti dell'ispezione.

3.2 – Attività di vigilanza sull'adeguatezza del sistema di controllo interno, dei sistemi di gestione del rischio e dell'assetto organizzativo

Il sistema di controllo interno e di gestione dei rischi è costituito dall'insieme delle regole, delle procedure e delle strutture organizzative volte a consentire – attraverso un adeguato processo di identificazione, misurazione, gestione e monitoraggio dei principali rischi – una conduzione dell'impresa sana, corretta e coerente con gli obiettivi prefissati.

Nell'ambito di un progressivo percorso di razionalizzazione ed irrobustimento organizzativo, anche a seguito dell'integrazione di Banca Popolare Valconca, nel corso dell'esercizio sono state aggiornate e riviste molteplici politiche e procedure interne. Al riguardo il Collegio prosegue nel proprio puntuale monitoraggio (anche con il supporto delle Funzioni di controllo della Banca) circa la coerenza dell'assetto organizzativo e del corpo normativo interno rispetto alle accresciute dimensioni ed alla maggior complessità dell'Istituto.

Il Collegio Sindacale ha vigilato sull'adeguatezza del sistema di controllo interno e di gestione del rischio attraverso:

- incontri con i vertici della Banca;
- incontri periodici con le Funzioni di Controllo – Internal Audit, Compliance & AML e Risk Management – al fine di valutare le modalità di pianificazione del lavoro, basato sull'identificazione e valutazione dei principali rischi presenti nei processi e nelle unità organizzative;
- esame delle Relazioni periodiche delle Funzioni di controllo e delle informative periodiche sugli esiti delle attività di audit e sul monitoraggio dell'attuazione delle azioni correttive individuate;
- acquisizione di informazioni dai responsabili di Funzioni aziendali;
- discussione dei risultati del lavoro della società di revisione;
- interlocuzioni con l'Organismo di Vigilanza 231;
- partecipazione ai lavori del Comitato Controllo, Rischi e Sostenibilità e, quando gli argomenti lo richiedevano, trattazione congiunta degli stessi con il Comitato.

Nello svolgimento della propria attività di controllo il Collegio Sindacale ha mantenuto un'interlocuzione continua con le Funzioni di Controllo.

Le Funzioni di controllo presentano relazioni periodiche al Consiglio di Amministrazione ed al Collegio Sindacale sulle attività svolte e le principali osservazioni. Trimestralmente vengono presentati i *Tableau de Bord*, strumenti informativi che forniscono un aggiornamento sui rischi e sullo stato avanzamento del piano annuale di ciascuna Funzione. A fine esercizio, come richiesto dalla normativa, le Funzioni presentano la Relazione annuale che, oltre ad evidenziare il lavoro svolto nel corso dell'esercizio, conclude con una valutazione sintetica circa l'adeguatezza del sistema di controllo interno per gli aspetti e le sfere di propria competenza.

Il Collegio Sindacale dà atto che le Relazioni annuali delle Funzioni di controllo di Internal Audit, Compliance, AML e Risk Management concludono, per gli aspetti di rispettiva competenza, con un giudizio di prevalente adeguatezza sull'assetto dei controlli interni della Società.

Considerato lo sviluppo della Banca, non solo dal punto di vista quantitativo, il Collegio ha continuato a prestare attenzione all'approntamento di congrui presidi organizzativi per un continuo miglioramento del monitoraggio dei principali rischi.

Il Collegio ha posto attenzione all'articolazione organizzativa delle funzioni di controllo, orientata al presidio dei rischi nell'ambito della nuova configurazione della Banca risultante dalla fusione.

Il percorso di sviluppo che la Banca sta affrontando – condivisibile anche sotto il profilo strategico e premiato sino ad oggi da risultati positivi – ha reso, a parere del Collegio, di sensibile rilevanza sia l'esigenza di un costante dialogo tra le funzioni (di business, di supporto e di controllo) che le iniziative e le attività di previsione e monitoraggio nel continuo delle dinamiche patrimoniali ed economiche, di capitale e di liquidità condotte e sviluppate dal Risk Management. Sul punto, il Collegio raccomanda venga prestata costante attenzione alle capacità delle unità di adempiere ai propri crescenti compiti e del sistema tutto di assegnare correttamente le priorità, anche in ottica di dimensionamento quali-quantitativo a supporto di una sana, prudente e sostenibile gestione della Banca.

Nel corso del 2024 il Collegio ha inoltre monitorato la manutenzione del *Risk Appetite Framework* e vigilato sull'adeguatezza e sulla rispondenza dell'intero processo ICLAAP ai requisiti richiesti dalla normativa.

Con riferimento alle attività ed alle criticità individuate sono stati predisposti puntuali piani di intervento, la cui tempestiva attuazione è giudicata dal Collegio Sindacale essenziale e che richiedono particolare attenzione da parte dell'Organo con Funzione di Gestione.

In particolare:

- le attività pianificate dalla Funzione di **Internal Audit** per questo esercizio hanno coperto la maggior parte del perimetro di attività che la stessa si era impegnata ad eseguire. Talune analisi sono state ripianificate all'esercizio successivo in considerazione di alcune attività sopravvenute (non pianificabili) che hanno significativamente impattato sulla Funzione. Il mix di tipologia di interventi risulta sostanzialmente raggiunto. Le verifiche ed i *follow-up* svolti hanno comunque evidenziato la necessità di implementare talune azioni di *remediation*, anche significative, da parte delle competenti unità organizzative, al fine di mitigare i rischi insiti nei processi e nelle prassi operative, a fronte della rilevazione da parte della citata Funzione di alcune criticità. Tali aspetti non hanno, tuttavia, pregiudicato l'affidabilità del Sistema dei Controlli Interni nel suo complesso;
- la Funzione **Compliance** ha presentato al Collegio le relazioni istituzionali e periodiche per l'esercizio 2024 – dalle quali emerge il completamento delle attività pianificate – unitamente al piano di interventi per l'esercizio 2025 ai sensi della normativa di vigilanza Banca d'Italia. La Relazione annuale contiene anche informazioni sulle verifiche effettuate, i risultati emersi, i punti di debolezza rilevati – che non evidenziano criticità significative – e gli interventi da adottare per la loro rimozione;

- per quanto riguarda la Funzione **Antiriciclaggio** si segnala che le valutazioni, espresse dalla Funzione nell'ambito della relazione annuale 2024, fanno emergere una esposizione complessiva al rischio (residuo) di riciclaggio e finanziamento al terrorismo valutata a rischio medio (scala 3 su 4), principalmente in ragione al fatto che la Banca è ancora in attesa della messa a regime, da parte del fornitore Cedacri, di strumenti di *transaction monitoring* più efficienti, nonché in relazione all'aumento dei volumi previsto per i *business* Finanza strutturata e *Special Situations* caratterizzati dall'elevata complessità soggettiva ed oggettiva delle operazioni societarie oggetto di analisi.
  Il Collegio, pur riscontrata l'attuale capacità della Banca di svolgere le attività di intercettazione dei comportamenti anomali, raccomanda di dotarsi di strumenti informatici adeguati in tema di *transaction monitoring* in ragione del crescente incremento dei volumi.
  Per quanto attiene ai controlli *ex post* svolti sul rispetto delle procedure antiriciclaggio, la Funzione ha completato le attività previste dal Piano annuale delle attività e dei controlli ed è stata rilevata una situazione prevalentemente adeguata;
- la Funzione **Risk Management** svolge una attività di gestione e di monitoraggio dei rischi a cui è esposta la Banca, con particolare riferimento ai rischi di credito, ai rischi finanziari, di mercato ed ai rischi operativi. Nell'esercizio è proseguito il rafforzamento dei processi di monitoraggio anche grazie al sostanziale potenziamento della Funzione di Risk Management;
- a livello sistemico sono sempre più frequenti i rischi informatici che possono mettere a repentaglio la continuità operativa; ciò porta il Collegio, alla luce della rapida crescita dimensionale della Banca a ribadire di:
  - proseguire all'allineamento dei processi interessati con idonee implementazioni informatiche e di processo, a presidio dei rischi di accessi non autorizzati e per un rafforzamento del complessivo del sistema dei controlli interni IT;
  - assicurare adeguata ed aggiornata formazione del personale in materia.

A tale riguardo il Collegio ha prestato particolare attenzione al Piano ICT che, nel corso del 2024, ha registrato l'avvio del programma di adeguamento al regolamento DORA, che rappresenta un'iniziativa da parte dell'Unione Europea volta ad armonizzare il Framework di resilienza operativa digitale e sicurezza informatica tra gli Stati membri. Le attività di adeguamento al regolamento sono condotte regolarmente e l'Istituto è ad oggi allineato ai *peers* di settore.

L'esecuzione di tutte le attività previste dalle disposizioni normative richiederà alle strutture un *effort* aggiuntivo. In tale contesto, il *report* della Funzione ICT sulla situazione del rischio ICT e di sicurezza informatica spinge ad una accelerazione nell'implementazione degli strumenti e delle procedure utili in tale direzione, anche in considerazione delle carenze di efficienza e di tempestività nel rilascio di talune soluzioni ICT, riscontrate nel rapporto con il fornitore CEDACRI.

Per quanto riguarda lo stato di attuazione delle iniziative di sicurezza, e nel quadro attuale di profonda criticità a livello generale sul punto, particolare attenzione è stata data al rafforzamento delle attività svolte in ambito Cyber e Information Security. Nel corso del 2024 sono state rilevate anche nel perimetro Cherry Bank molteplici attività e minacce, che hanno portato la Banca a rafforzare i presidi sul punto. In particolare, è stato dato corso ad un potenziamento dei presidi di processo e di sistema, al fine di irrobustire il perimetro difensivo. Conclusivamente si rileva positivamente l'opportunità delle iniziative avviate comprensive del necessario costante monitoraggio e della sistematica formazione ed informazione dell'elemento umano dell'agire della banca, ad un tempo (i) aspetto irrinunciabile quanto all'esecuzione delle operazioni eppure (ii) generatore di rischi operativi potenzialmente forieri di conseguenze anche di rilievo.

Il Collegio Sindacale, sulla base dell'attività svolta ed anche dei risultati delle verifiche sviluppate dall'Internal Audit e dalle Funzioni Risk Management e Compliance & AML – e considerata la crescita e la diversificazione della Banca – ritiene che vi siano sul punto ambiti di possibile ulteriore rafforzamento, evidenziando nel contempo come non vi siano allo stato elementi di criticità tali da inficiare il sistema dei controlli interni e di gestione dei rischi.

Il sistema di controllo interno e di gestione dei rischi contempla anche il Modello Organizzativo 231, vale a dire quel modello di organizzazione, gestione e controllo volto a prevenire la commissione dei reati che possono comportare una responsabilità della Società ai sensi del D.lgs. n. 231/2001.

Il Modello Organizzativo 231 intende, infatti, intercettare i reati presupposto enunciati dalla disciplina di riferimento e riconducibili all'operatività caratteristica della Società.

La Società – attese le più recenti novità normative e, più profondamente, attese le sostanziali modifiche di carattere organizzativo dimensionale – sta attualmente completando il proprio processo di revisione (nell'ottica di maggiore coerenza con il corpo normativo interno) ed aggiornamento (recependo le ultime novità normative in materia, di non significativo impatto) del Modello Organizzativo volto ad adeguare i

comportamenti e, ove del caso, il corpo normativo interno alle necessità che le novelle intervenute hanno imposto.
Le funzioni dell'Organismo di Vigilanza sono distinte da quelle del Collegio Sindacale, in ragione della specificità dei compiti attribuiti all'Organismo di Vigilanza; ricordiamo che l'Organismo di Vigilanza è stato nominato il 9 maggio 2024 nelle persone di Carlo Regoliosi, Giacomo Montesel (responsabile della funzione Internal Audit) e Francesco Silverj (responsabile della funzione Compliance & AML).
Per quanto riguarda le risorse, il Collegio Sindacale ha interloquito con tutte le Funzioni di controllo ed ha espresso le proprie considerazioni sulla coerenza delle risorse a fine esercizio 2024 con il piano di attività predisposto delle stesse per l'anno 2025, richiedendo di essere costantemente aggiornato sulla loro adeguatezza.
In conclusione: il Collegio Sindacale, sulla base dell'attività svolta e delle informazioni acquisite, evidenzia che con riferimento all'esercizio 2024 non sono emerse inadeguatezze significative nel sistema di controllo interno nel suo complesso.

3.3 – Attività di vigilanza sul sistema amministrativo-contabile e sul processo di informativa finanziaria

Il Collegio Sindacale ha monitorato il processo e verificato l'efficacia dei sistemi di controllo interno e di gestione del rischio per quanto attiene l'informativa finanziaria.
Il Collegio ha interloquito periodicamente con il CFO per lo scambio di informazioni sul sistema amministrativo-contabile, nonché sull'affidabilità di quest'ultimo ai fini di una corretta rappresentazione dei fatti di gestione.
Nel corso di tali incontri il CFO non ha segnalato significative carenze nei processi operativi e di controllo tali da poter inficiare il giudizio di adeguatezza ed effettiva applicazione delle procedure amministrativo contabili. Il Collegio rimarca la necessità di completare le attività di irrobustimento e formalizzazione dei processi interni per la produzione dell'informativa finanziaria ed in particolare delle basi segnaletiche.
Il controllo del corretto funzionamento del modello della Banca è garantito da una serie di verifiche svolte in *self assessment* dai singoli *process owner*, integrate da verifiche svolte dalla società di revisione.
Il Revisore Legale, con cui il Collegio si è interfacciato più volte nel 2024, non ha segnalato significative carenze nei processi operativi e di controllo né situazioni di criticità tali da poter inficiare il sistema di controllo interno inerente alle procedure amministrative e contabili; non ha, infine, evidenziato fatti ritenuti censurabili o irregolarità.
Alla luce di quanto sopra non emergono elementi tali da far ritenere che l'attività di produzione dei dati contabili e finanziari non sia stata svolta nel rispetto dei principi

di corretta amministrazione né che l'assetto organizzativo, il sistema dei controlli interni e l'apparato contabile-amministrativo non siano, nel loro complesso, adeguati alle esigenze e dimensioni aziendali.

3.4 – Attività di vigilanza sulla presenza di una struttura idonea a consentire la predisposizione della rendicontazione di sostenibilità

Come richiesto dalla nuova norma di comportamento n° 3.4 il Collegio Sindacale, nell'esercizio delle proprie funzioni, ha vigilato sull'osservanza delle disposizioni contenute nel D.lgs. n° 125/2024, con particolare riferimento all'esistenza (i) di un'adeguata struttura organizzativa e (ii) di direttive, procedure e prassi operative che garantiscano che la rendicontazione di sostenibilità sia tempestiva, completa e attendibile.
Quanto alla struttura organizzativa, la Banca ha scelto di affidare alla gestione del CFO le tematiche relative al monitoraggio dei dati della rendicontazione di sostenibilità e, in questo contesto, è stata aggregata una risorsa dotata di specifica esperienza e capacità. Il Collegio ritiene che l'assetto organizzativo sia idoneo sia al perseguimento degli obiettivi ESG strategici definiti dal Consiglio di Amministrazione che alla produzione ed alla raccolta dei dati necessari per la redazione del *reporting* di sostenibilità. Ritiene altresì che il sistema di controllo interno e di gestione dei rischi sia adeguato all'effettuazione dei necessari controlli per la gestione dei rischi ESG.
Quanto alle direttive, il Consiglio di Amministrazione ha integrato i fattori ESG nel modello di *business* e nei sistemi di gestione dei rischi della Banca, inserendo la sostenibilità nelle strategie e nella cultura aziendale, allineando i processi e le procedure agli obiettivi di sostenibilità e promuovendo la cultura della valorizzazione delle diversità. Particolare attenzione è stata dedicata all'analisi della c.d. doppia materialità richiesta dalla CSRD, ossia la valutazione degli impatti della Banca sull'ambiente e sulla società, da un lato, e dei rischi e delle opportunità che le tematiche di sostenibilità possono generare sul *business*, dall'altro.

3.5 – Attività di vigilanza ai sensi del D.Lgs. n. 39/2010

Il Collegio Sindacale, quale "Comitato per il controllo interno e la revisione contabile", ha svolto l'attività di vigilanza sull'operatività del Revisore, come previsto dall'art. 19 del D.Lgs. n. 39/2010.
Come già detto il Collegio Sindacale ha interloquito – ai sensi dell'art. 2409 *septies* c.c. ed in conformità a quanto suggerito dalla norma di comportamento n° 5.3 – con il Revisore al fine di scambiare dati e informazioni attinenti all'attività svolta nell'espletamento dei rispettivi compiti.

Il Revisore non ha comunicato fatti o circostanze, irregolarità o criticità che dovessero essere portate a conoscenza del Collegio né, quindi, che debbano essere evidenziate nella presente relazione.

Oltre a quello della revisione legale, il Revisore ha:

- eseguito le attività di revisione aggiuntive rispetto al servizio di sottoscrizione delle dichiarazioni fiscali per l'apposizione del visto di conformità, ai fini della compensazione dei crediti tributari;
- eseguito attività di verifica ed attestazione di *profit verification* sui risultati preliminari al 31 dicembre 2024.

Con riferimento a queste ultime, il Collegio ha verificato che tali attività non rientrano tra quelle vietate nonché la congruità dei compensi.

EY S.p.a. in data 11 aprile 2025 ha rilasciato – ai sensi dell'art. 14 del D.Lgs. n. 39/2010 – la relazione di certificazione dalla quale risulta che il bilancio d'esercizio chiuso al 31 dicembre 2024 fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della società, del risultato economico e dei flussi di cassa di CHERRY BANK S.p.a. per l'esercizio chiuso a tale data. A giudizio del Revisore, inoltre, la Relazione sulla Gestione è coerente con il bilancio d'esercizio al 31 dicembre 2024.

Sempre in data 11 aprile 2025 la Società di Revisione ha sottoposto al Collegio la Relazione Aggiuntiva, prevista ai sensi dell'art. 11 del Regolamento (UE) n° 537/2014, che questo Collegio porterà all'attenzione del Consiglio di Amministrazione nel corso della prossima riunione, già convocata per il 29 aprile.

Dalla Relazione Aggiuntiva non risultano individuate carenze significative nel sistema di controllo interno per l'informativa finanziaria e/o nel sistema contabile meritevoli di essere portate all'attenzione dei responsabili delle attività di "governance" e parimenti non risultano individuate questioni significative riguardanti casi di non conformità, effettiva o presunta, a leggi e regolamenti o disposizioni statutarie.

Nella Relazione Aggiuntiva, il Revisore ha presentato al Collegio Sindacale la dichiarazione relativa all'indipendenza, così come richiesto dall'art. 6 par. 2 del Regolamento (UE) n. 537/2014, dalla quale non emergono situazioni che possano comprometterne l'indipendenza o costituire cause di incompatibilità ai sensi del D.Lgs. n° 39/2010.

Con riferimento agli adempimenti CSRD, che prevedono, tra l'altro, un'apposita attestazione di conformità della rendicontazione di sostenibilità, nella seduta assembleare del 4 febbraio 2025 la Banca, previo parere favorevole del Collegio, ha provveduto ad assegnare a EY lo specifico incarico per l'esame limitato della Rendicontazione di Sostenibilità per gli esercizi 2024, 2025 e 2026.

All'esito, EY ha rilasciato la propria limited review senza aver riscontrato elementi che facciano ritenere che la rendicontazione di sostenibilità e l'informativa ai sensi dell'art. 8 del Reg. UE 2020/852 "Tassonomia" non siano state redatte secondo la normativa vigente.

Il Collegio ha preso, infine, atto della Relazione di Trasparenza al 30 giugno 2024 predisposta dalla società di revisione e pubblicata in data 30 ottobre 2024 sul proprio sito internet ai sensi del D.Lgs. n. 39/2010.

3.6 – Rapporti con l'Organismo di Vigilanza

Dalla Relazione dell'Organismo per l'esercizio 2024, trasmessa all'organo amministrativo ed ivi esaminata in data 7 aprile 2025, non emergono criticità particolari.
Non sono stati altresì segnalati al Collegio fatti o notizie rilevanti o di carenze del Modello Organizzativo 231; non emergono quindi elementi tali da far ritenere che il Modello Organizzativo 231 non sia idoneo, a livello di impostazione ed in applicazione del principio di proporzionalità sulla base della dimensione e complessità della Società, alla prevenzione dei reati presupposto individuati.
È peraltro già noto al Collegio che la Società sta completando il proprio percorso di adeguamento del Modello Organizzativo 231 già aggiornato in conseguenza della significativa riorganizzazione della Società (con l'introduzione di nuove funzioni, nuovi ruoli, nuove procedure e nuove responsabilità) e che oggi è in corso di revisione formale e in ottica di maggiore efficienza e fruibilità e di aggiornamento per tener conto delle più recenti non significative nuove previsioni normative nell'ambito dei reati presupposto.
Non sono pervenute denunce/segnalazioni ai sensi della normativa c.d. Whistleblowing.

3.7 – Politiche di remunerazione

Il Collegio ha preso atto che il Consiglio di Amministrazione, nella seduta del 7 aprile 2025, ha approvato il documento "*Politiche di remunerazione e incentivazione per l'anno 2025 a favore dei componenti degli organi con funzione supervisione strategica, gestione e controllo, del restante personale e dei collaboratori non legati da rapporto di lavoro subordinato*".
Il Collegio sulla base delle informazioni disponibili e tenuto conto del parere formulato dalla Funzione Compliance & AML in merito alla rispondenza delle Politiche alla disciplina di contesto, ritiene che i principi contenuti nel predetto documento, che sarà sottoposto all'approvazione della prossima assemblea degli Azionisti, non siano

in contrasto con gli obiettivi aziendali, le strategie e le politiche di prudente gestione dei rischi.

Il Collegio Sindacale non è a conoscenza di fatti o esposti di cui riferire all'Assemblea. Nel corso dell'attività di vigilanza svolta e sulla base delle informazioni ottenute non sono state infatti presentate denunce ex art. 2408 c.c. né rilevate omissioni, fatti censurabili, limitazioni, eccezioni, irregolarità o fatti significativi tali da richiederne la segnalazione all'Autorità di Vigilanza o la menzione nella presente relazione.
Nel corso dell'esercizio 2024, oltre a quelli già citati, non sono stati rilasciati pareri ad eccezione di:

- il parere sul Funding Plan e sul Contingency Funding Plan;
- preso atto della relazione predisposta dall'Internal Audit, il parere in ordine alla Relazione sulle Esternalizzazioni;
- il parere sulla Policy in ordine a Remunerazioni e Incentivazioni per l'anno 2024 oltre al parere non vincolante sulla scheda MBO relativa all'Amministratore Delegato.

Il Collegio ha svolto le proprie considerazioni sul Piano strategico 2025-2027.
Inoltre, il Collegio ha formulato le proprie considerazioni in ordine alla Relazione sulle Esternalizzazioni 2024 e si è espresso favorevolmente sulla proposta di aggiornamento degli elementi essenziali dell'architettura complessiva del sistema dei controlli, tra cui i flussi informativi.

Il Collegio dà altresì atto di non aver effettuato segnalazioni ai sensi dell'art. 52 del T.U.B.
Infine, il Collegio dà atto di (i) non aver effettuato segnalazioni al Consiglio di Amministrazione ai sensi e per gli effetti di cui all'art. 15 del D.L. n. 118/2021 o ai sensi e per gli effetti di cui all'art. 25 *octies* del D.lgs. n. 14/2019 e (ii) di non aver ricevuto segnalazioni da parte dei creditori pubblici ai sensi e per gli effetti di cui all'art. 25 *novies* del D.lgs. n. 14/2019, o ai sensi e per gli effetti di cui all'art. 30 *sexies* del D.L. n. 152/2021.

Bilancio d'esercizio

Il bilancio d'esercizio chiuso al 31 dicembre 2024 che gli amministratori sottopongono al Vostro esame ed approvazione è stato redatto sulla base degli International Financial Reporting Standard adottati dall'Unione Europea ed alle disposizioni emanate da Banca d'Italia con la Circolare n. 262 del 22 novembre 2005 nel suo VIII° aggiornamento del 17 novembre 2022.

Esso comprende gli schemi di bilancio (stato patrimoniale, conto economico, prospetto della redditività complessiva, prospetto delle variazioni del patrimonio netto e rendiconto finanziario) e la nota integrativa e rappresenta la situazione patrimoniale, finanziaria, economica ed i flussi finanziari della Loro Società. La Relazione degli Amministratori sulla Gestione illustra la situazione della Società, l'andamento della gestione, l'evoluzione prevedibile della gestione stessa ed i fatti salienti avvenuti nell'esercizio e successivamente alla chiusura dello stesso.

Per quanto riguarda l'esercizio 2024, la gestione evidenzia un risultato positivo, rappresentato nel bilancio, che risponde ai fatti ed alle informazioni di cui abbiamo avuto conoscenza – a seguito dell'espletamento dei nostri doveri di vigilanza e dei nostri poteri di ispezione e controllo – e non abbiamo osservazioni al riguardo.

Tale complesso di documenti è stato messo a disposizione del Collegio Sindacale anticipatamente all'adunanza consiliare tenutasi il 24 marzo 2025 che ha approvato il Progetto di Bilancio 2024.

Non essendo il Collegio incaricato della revisione legale, e non avendo, quindi, alcun potere di controllo analitico di merito sul contenuto del bilancio, abbiamo vigilato sull'impostazione generale data allo stesso e sulla sua conformità alla legge per quel che riguarda la sua formazione e la sua struttura: a tale riguardo non abbiamo osservazioni particolari da riferire.

Abbiamo inoltre verificato – per quanto a nostra conoscenza – che gli amministratori, nella redazione del bilancio, non abbiano derogato a quanto previsto dai principi contabili adottati.

In conformità a quanto suggerito dalle norme di comportamento del Collegio Sindacale n° 3.8 abbiamo verificato:

- ✓ l'osservanza, da parte degli amministratori, dei principi contabili adottati per il procedimento di formazione del bilancio d'esercizio;
- ✓ la conformità del prospetto della situazione patrimoniale-finanziaria, del prospetto di conto economico, del prospetto della redditività complessiva, del rendiconto finanziario e del prospetto delle variazioni del patrimonio netto a quanto disposto dai principi contabili IAS/IFRS;
- ✓ la corretta indicazione nelle Note esplicative dei criteri di valutazione e la loro conformità alla legge ed ai principi contabili adottati;
- ✓ la conformità del contenuto della nota integrativa e della relazione sulla gestione a quanto disposto dagli artt. 2427, 2427 bis e 2428 c.c.;

- ✓ la completezza e la chiarezza informativa della nota integrativa e della relazione sulla gestione, nel rispetto dei principi di verità, correttezza e chiarezza richiesti dalla legge. In particolare, diamo atto che la relazione sulla gestione contiene un'adeguata informativa in merito al sistema dei controlli interni ed alla gestione dei rischi e che le informazioni fornite dagli amministratori con riguardo alle operazioni con le parti correlate, inerenti e connesse all'oggetto sociale, sono da considerarsi complete;
- ✓ la completezza e la chiarezza informativa della rendicontazione di sostenibilità e della informativa ai sensi dell'art. 8 del Reg. UE 2020/852 "Tassonomia", redatte, a quanto consta, secondo la normativa in materia.

Conclusioni

Concludendo, il Collegio Sindacale – tenuto conto degli specifici compiti spettanti alla Società di revisione in tema di controllo della contabilità e di verifica dell'attendibilità del bilancio di esercizio, che ha emesso il proprio parere senza riserve – non ha osservazioni da formulare all'Assemblea in merito all'approvazione del bilancio dell'esercizio al 31 dicembre 2024, accompagnato dalla relazione sulla gestione, come presentato dal Consiglio di Amministrazione e, pertanto, non ha obiezioni circa l'approvazione del bilancio e la proposta di destinazione dell'utile d'esercizio.

Padova, 11 aprile 2025

IL COLLEGIO SINDACALE

dott. Piero de Bei

dott. Giovanna Ciriotto

dott. Carlo Regoliosi

6

Independent Auditors' Reports

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Cherry Bank S.p.A.

Bilancio d'esercizio al 31 dicembre 2024

**Relazione della società di revisione indipendente
ai sensi dell'art. 14 del D. Lgs. 27 gennaio 2010, n. 39 e
dell'art. 10 del Regolamento (UE) n. 537/2014**

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Relazione della società di revisione indipendente ai sensi dell'art. 14 del D. Lgs. 27 gennaio 2010, n. 39 e dell'art. 10 del Regolamento (UE) n. 537/2014

Agli azionisti della
Cherry Bank S.p.A.

Relazione sulla revisione contabile del bilancio d'esercizio

Giudizio

Abbiamo svolto la revisione contabile del bilancio d'esercizio della Cherry Bank S.p.A. (la Società), costituito dallo stato patrimoniale al 31 dicembre 2024, dal conto economico, dal prospetto della redditività complessiva, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario per l'esercizio chiuso a tale data e dalla nota integrativa che include le informazioni rilevanti sui principi contabili applicati.

A nostro giudizio, il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria della Società al 31 dicembre 2024, del risultato economico e dei flussi di cassa per l'esercizio chiuso a tale data, in conformità ai principi contabili IFRS emanati dall'International Accounting Standards Board e adottati dall'Unione Europea e ai provvedimenti emanati in attuazione dell'art. 43 del D. Lgs. 18 agosto 2015, n. 136.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio* della presente relazione. Siamo indipendenti rispetto alla Società in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti e appropriati su cui basare il nostro giudizio.

Aspetti chiave della revisione contabile

Gli aspetti chiave della revisione contabile sono quegli aspetti che, secondo il nostro giudizio professionale, sono stati maggiormente significativi nell'ambito della revisione contabile del bilancio dell'esercizio in esame. Tali aspetti sono stati da noi affrontati nell'ambito della revisione contabile e nella formazione del nostro giudizio sul bilancio d'esercizio nel suo complesso; pertanto su tali aspetti non esprimiamo un giudizio separato.

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Abbiamo identificato i seguenti aspetti chiave della revisione contabile:

Aspetto chiave	Risposte di revisione
Classificazione e valutazione dei crediti verso la clientela per finanziamenti	
I crediti verso la clientela per finanziamenti valutati al costo ammortizzato, iscritti nella Voce 40 b) dello stato patrimoniale, al 31 dicembre 2024 ammontano a circa Euro 998 milioni, di cui circa Euro 104 milioni riconducibili a *purchased or originated credit impaired assets* (POCI) valutati al costo ammortizzato, e rappresentano circa il 23% del totale dell'attivo. La composizione di tali crediti è riportata nelle tabelle 4.2 e 4.3 della sezione 4, Parte B, della nota integrativa. Al 31 dicembre 2024, le rettifiche di valore nette per rischio di credito inerenti a tali crediti, iscritte nel conto economico nella voce 130. a), ammontano a circa Euro 2 milioni. La composizione di tali riprese di valore nette è riportata nella tabella 8.1 della sezione 8, Parte C, della nota integrativa. L'informativa circa l'evoluzione della qualità del portafoglio dei crediti verso la clientela per finanziamenti e sui criteri di classificazione e valutazione adottati è fornita nella Parte A - *Politiche contabili*, nella Parte B - *Informazioni sullo stato patrimoniale*, nella Parte C - *Informazioni sul conto economico* e nella Parte E - *Informazioni sui rischi e sulle relative politiche di copertura* della nota integrativa. La classificazione e valutazione dei crediti verso la clientela per finanziamenti valutati al costo ammortizzato è rilevante per la revisione contabile, sia perché il loro valore è significativo per il bilancio nel suo complesso, sia perché gli amministratori ne determinano il valore recuperabile attraverso processi di stima caratterizzati da un elevato grado di complessità e soggettività, anche in relazione all'attuale contesto di incertezza sull'evoluzione del quadro macroeconomico.	In relazione a tale aspetto chiave, le nostre procedure di revisione, svolte anche con il supporto di nostri esperti, principalmente in materia di *risk management* e di sistemi informatici, hanno incluso, tra l'altro: • l'aggiornamento della comprensione delle policy, dei modelli valutativi, dei processi e dei controlli posti in essere dalla Società in relazione alla classificazione e valutazione dei crediti verso la clientela per finanziamenti e lo svolgimento di procedure di conformità sui controlli ritenuti chiave, compresi quelli relativi ai presidi informatici, al fine di verificarne l'efficacia operativa; • l'analisi comparativa dei crediti verso la clientela per finanziamenti rispetto all'esercizio precedente e discussione con la direzione aziendale in merito agli scostamenti ritenuti maggiormente significativi; • lo svolgimento di procedure di validità finalizzate alla verifica su base campionaria della corretta classificazione e valutazione delle esposizioni creditizie; • l'esame dell'adeguatezza dell'informativa fornita nella nota integrativa.

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In particolare, ai fini della classificazione dei crediti verso la clientela per finanziamenti, gli amministratori effettuano le proprie analisi ricorrendo all'utilizzo di modelli che considerano sia informazioni interne, legate all'andamento storico delle esposizioni, sia a informazioni esterne relative al settore di riferimento o all'esposizione complessiva dei debitori verso il sistema bancario, nonché a elementi soggettivi per individuare le esposizioni che mostrano evidenze di un significativo incremento del rischio di credito rispetto alla data di rilevazione iniziale o di perdite di valore.

Inoltre, la stima del valore di tali crediti è caratterizzata da elevati gradi di incertezza e soggettività nella quale gli amministratori effettuano stime che tengono in considerazione numerosi elementi quantitativi e qualitativi quali, tra gli altri, i dati storici relativi agli incassi, i flussi di cassa attesi e i relativi tempi di recupero, la valutazione delle eventuali garanzie, l'impatto di variabili macroeconomiche, di scenari futuri e dei rischi dei settori nei quali operano i clienti della Società.

Aspetto chiave	Risposte di revisione
Valutazione dei Crediti NPL iscritti tra le attività finanziarie valutate al *fair value* con impatto sulla redditività complessiva	
La Società acquisisce, gestisce, incassa e vende taluni portafogli di finanziamenti di difficile esigibilità (i Crediti NPL), secondo cioè un *business model* che, dall'esercizio 2023, è stato affiancato da un differente *business model* orientato alla gestione dei flussi di cassa mediante il recupero dei crediti e, solo marginalmente, dalla loro cessione. Tali Crediti NPL, iscritti nella Voce 30 dello stato patrimoniale, sono valutati al *fair value* con impatto sulla redditività complessiva e ammontano, al 31 dicembre 2024, a circa Euro 22 milioni e a circa lo 0,5% del totale dell'attivo, mentre l'impatto delle relative rettifiche di	In relazione a tale aspetto chiave, le nostre procedure di revisione, svolte anche con il supporto di nostri esperti, principalmente in materia di *risk management* e di sistemi informatici, hanno incluso, tra l'altro: • l'aggiornamento della comprensione delle politiche, dei processi e dei controlli posti in essere dalla Società in relazione all'acquisizione, alla rilevazione, alla gestione e all'incasso dei Crediti NPL, nonché lo svolgimento di procedure di conformità sui controlli ritenuti chiave, compresi quelli relativi ai presidi informatici, tra quelli rilevati;

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valore nette, iscritto nel conto economico nella voce 130.b), ammonta a circa Euro 7 milioni.

La composizione dei Crediti NPL è riportata nelle tabelle 3.1 e 3.3 della sezione 3, Parte B, della nota integrativa, mentre quella relativa alle correlate rettifiche di valore nette è riportata nella tabella 8.2 della sezione 8, Parte C, della nota integrativa.

La valutazione dei Crediti NPL rappresenta un aspetto chiave per la revisione in considerazione dell'elevato grado di complessità e soggettività insiti nel processo di stima. In particolare, i metodi e modelli di stima adottati dalla Società, in aderenza al principio IFRS 9, prevedono l'applicazione del criterio contabile del *fair value* fondato su specifiche ipotesi di recupero, ove disponibili, ovvero su stime dei flussi di cassa attesi, articolate per *cluster* di posizioni tra loro omogenee, frutto dell'esperienza storica maturata e aggiornate sulla base dell'attività di recupero di natura giudiziale o stragiudiziale.

L'informativa circa i criteri di rilevazione e valutazione di tali finanziamenti, nonché i rischi e le incertezze legati all'utilizzo delle stime sottese dal loro processo valutativo è fornita nella Parte A - *Politiche contabili*, nella Parte B - *Informazioni sullo stato patrimoniale*, nella Parte C - *Informazioni sul conto economico* e nella Parte E - *Informazioni sui rischi e sulle relative politiche di copertura* della nota integrativa.

- l'aggiornamento della comprensione delle modalità di stima dei flussi di cassa attesi e dei relativi tassi di sconto utilizzati dalla Società per determinarne il *fair value*;
- lo svolgimento di procedure di conformità sui controlli ritenuti chiave e di validità su base campionaria finalizzate a verificare la completezza e accuratezza dei dati utilizzati e la coerente applicazione a essi dei metodi e dei modelli di stima;
- lo svolgimento su base campionaria di procedure di validità finalizzate a verificare la ragionevolezza delle assunzioni chiave utilizzate nei modelli di stima;
- lo svolgimento di procedure di analisi comparativa e di correlazione, per ciascuna strategia di recupero e valutazione, tra i dati patrimoniali e i relativi effetti economici e finanziari, nonché discussione con la direzione aziendale in merito agli scostamenti ritenuti maggiormente significativi;
- la verifica dell'adeguatezza dell'informativa fornita in nota integrativa.

Aspetto chiave	Risposte di revisione
Valutazione dei crediti fiscali acquistati da terzi con finalità di negoziazione	
La Società ha iscritto, nella voce 120 "Altre Attività" dell'attivo di stato patrimoniale, crediti fiscali acquisiti con finalità di negoziazione e originanti da operazioni agevolate ai sensi del D. L. n. 18/2020 e L. n. 34/2020 (i Crediti Fiscali). Tali Crediti Fiscali, che al 31 dicembre 2024 ammontano a circa Euro 1.181 milioni e circa il 26,7% del totale dell'attivo, vengono inizialmente rilevati al corrispettivo pagato ai cedenti e sono valutati al *fair value* con impatto a conto economico, iscritto nella voce 80	In relazione a tale aspetto chiave, le nostre procedure di revisione hanno incluso, tra l'altro: • la comprensione delle *policy*, dei modelli valutativi, dei processi e dei controlli posti in essere dalla Società in relazione alla valutazione dei Crediti Fiscali; • lo svolgimento su base campionaria di procedure di validità finalizzate a verificare la completezza e accuratezza dei dati utilizzati e la coerente applicazione dei modelli di stima;

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"Risultato netto dell'attività di negoziazione" del conto economico, il cui saldo al 31 dicembre 2024 ammonta a quasi Euro 151 milioni, riconducibile ai proventi derivanti dalla valutazione e dal realizzo di operazioni di cessione di tali strumenti nel corso dell'esercizio.

Nello stimare il *fair value* dei Crediti Fiscali, la Società ricorre all'utilizzo di modelli che considerano sia informazioni interne, legate all'andamento storico delle transazioni, sia a informazioni esterne relative all'andamento corrente delle transazioni effettuate con altri operatori nel settore, tenendo altresì in considerazione la dinamica di ulteriori parametri, incluso il fattore temporale, ritenuti dalla Società rilevanti per gli operatori di mercato al fine di determinarne il valore.

La valutazione dei Crediti Fiscali è rilevante per la revisione contabile sia per la significatività del loro valore per il bilancio nel suo complesso per la complessità e la soggettività dei modelli e dei parametri utilizzati dalla Società.

L'informativa circa i criteri di valutazione dei Crediti Fiscali nonché i rischi legati alla loro negoziazione è fornita nella Parte A - Politiche contabili, nella Parte B - Informazioni sullo stato patrimoniale, nella Parte C - Informazioni sul conto economico e nella Parte E - Informazioni sui rischi e sulle relative politiche di copertura della nota integrativa.

- lo svolgimento di procedure di validità finalizzate a verificare la complessiva ragionevolezza del *fair value* dei Crediti Fiscali determinato dalla Società;
- l'esame dell'adeguatezza dell'informativa fornita nella nota integrativa.

Responsabilità degli amministratori e del collegio sindacale per il bilancio d'esercizio

Gli amministratori sono responsabili per la redazione del bilancio d'esercizio che fornisca una rappresentazione veritiera e corretta in conformità ai principi contabili IFRS emanati dall'International Accounting Standards Board e adottati dall'Unione Europea e ai provvedimenti emanati in attuazione dell'art. 43 del D. Lgs. 18 agosto 2015, n. 136 e, nei termini previsti dalla legge, per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli amministratori sono responsabili per la valutazione della capacità della Società di continuare a operare come un'entità in funzionamento e, nella redazione del bilancio d'esercizio, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale, nonché per una adeguata informativa in materia. Gli amministratori utilizzano il presupposto della continuità aziendale nella redazione del bilancio d'esercizio a meno che abbiano valutato che sussistono le condizioni per la liquidazione della Società o per l'interruzione dell'attività o non abbiano alternative realistiche a tali scelte.

Il collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sul processo di predisposizione dell'informativa finanziaria della Società.

Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio d'esercizio nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche degli utilizzatori prese sulla base del bilancio d'esercizio.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- abbiamo identificato e valutato i rischi di errori significativi nel bilancio d'esercizio, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti e appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze, e non per esprimere un giudizio sull'efficacia del controllo interno della Società;
- abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli amministratori e della relativa informativa;
- siamo giunti a una conclusione sull'appropriatezza dell'utilizzo da parte degli amministratori del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità della Società di continuare a operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione. Tuttavia, eventi o circostanze successivi possono comportare che la Società cessi di operare come un'entità in funzionamento;
- abbiamo valutato la presentazione, la struttura e il contenuto del bilancio d'esercizio nel suo complesso, inclusa l'informativa, e se il bilancio d'esercizio rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.

Abbiamo comunicato ai responsabili delle attività di governance, identificati a un livello appropriato come richiesto dai principi di revisione internazionali (ISA Italia), tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

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Abbiamo fornito ai responsabili delle attività di governance anche una dichiarazione sul fatto che abbiamo rispettato le norme e i principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano e abbiamo comunicato loro ogni situazione che possa ragionevolmente avere un effetto sulla nostra indipendenza e, ove applicabile, le azioni intraprese per eliminare i relativi rischi o le misure di salvaguardia applicate.

Tra gli aspetti comunicati ai responsabili delle attività di governance, abbiamo identificato quelli che sono stati più rilevanti nell'ambito della revisione contabile del bilancio dell'esercizio in esame, che hanno costituito quindi gli aspetti chiave della revisione. Abbiamo descritto tali aspetti nella relazione di revisione.

Altre informazioni comunicate ai sensi dell'art. 10 del Regolamento (UE) n. 537/2014

L'assemblea degli azionisti della Cherry Bank S.p.A. ci ha conferito in data 28 aprile 2022 l'incarico di revisione legale del bilancio d'esercizio della Società per gli esercizi con chiusura dal 31 dicembre 2022 al 31 dicembre 2030.

Dichiariamo che non sono stati prestati servizi diversi dalla revisione contabile vietati ai sensi dell'art. 5, par. 1, del Regolamento (UE) n. 537/2014 e che siamo rimasti indipendenti rispetto alla Società nell'esecuzione della revisione legale.

Confermiamo che il giudizio sul bilancio d'esercizio espresso nella presente relazione è in linea con quanto indicato nella relazione aggiuntiva destinata al collegio sindacale, nella sua funzione di comitato per il controllo interno e la revisione contabile, predisposta ai sensi dell'art. 11 del citato Regolamento.

Relazione su altre disposizioni di legge e regolamentari

Giudizi e dichiarazione ai sensi dell'art. 14, comma 2, lettera e) e-bis) ed e-ter), del D. Lgs. 27 gennaio 2010, n. 39

Gli amministratori della Cherry Bank S.p.A. sono responsabili per la predisposizione della relazione sulla gestione della Cherry Bank S.p.A. al 31 dicembre 2024, incluse la sua coerenza con il relativo bilancio d'esercizio e la sua conformità alle norme di legge.

Abbiamo svolto le procedure indicate nel principio di revisione (SA Italia) n. 720B al fine di:

- esprimere un giudizio sulla coerenza della relazione sulla gestione con il bilancio d'esercizio;
- esprimere un giudizio sulla conformità alle norme di legge della relazione sulla gestione esclusa la sezione relativa alla rendicontazione di sostenibilità;
- rilasciare una dichiarazione su eventuali errori significativi nella relazione sulla gestione.

A nostro giudizio, la relazione sulla gestione è coerente con il bilancio d'esercizio della Cherry Bank S.p.A. al 31 dicembre 2024.

Inoltre, a nostro giudizio, la relazione sulla gestione, esclusa la sezione relativa alla rendicontazione di sostenibilità, è redatta in conformità alle norme di legge.

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Con riferimento alla dichiarazione di cui all'art. 14, comma 2, lettera e-ter), del D. Lgs. 27 gennaio 2010, n. 39, rilasciata sulla base delle conoscenze e della comprensione dell'impresa e del relativo contesto acquisite nel corso dell'attività di revisione, non abbiamo nulla da riportare.

Il nostro giudizio sulla conformità alle norme di legge non si estende alla sezione della relazione sulla gestione relativa alla rendicontazione di sostenibilità. Le conclusioni sulla conformità di tale sezione alle norme che ne disciplinano i criteri di redazione e all'osservanza degli obblighi di informativa previsti dall'art. 8 del Regolamento (UE) 2020/852 sono formulate da parte nostra nella relazione di attestazione ai sensi dell'art. 14-bis del D. Lgs. 27 gennaio 2010, n. 39.

Milano, 11 aprile 2025

EY S.p.A.

Mauro Iacobucci
(Revisore Legale)

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Cherry Bank S.p.A.

Relazione della società di revisione indipendente
sull'esame limitato della rendicontazione
di sostenibilità ai sensi dell'art. 14-bis
del D. Lgs. 27 gennaio 2010, n. 39

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Relazione della società di revisione indipendente sull'esame limitato della rendicontazione di sostenibilità ai sensi dell'art. 14-bis del D. Lgs. 27 gennaio 2010, n. 39

Agli azionisti della
Cherry Bank S.p.A.

Conclusioni

Ai sensi dell'art. 8, del D. Lgs. 6 settembre 2024, n. 125 (di seguito anche il "Decreto"), siamo stati incaricati di effettuare l'esame limitato ("*limited assurance engagement*") della rendicontazione di sostenibilità della Cherry Bank S.p.A. (di seguito anche la "Società") relativa all'esercizio chiuso al 31 dicembre 2024 predisposta ai sensi dell'art. 3 del Decreto, presentata nella specifica sezione della relazione sulla gestione.

Sulla base del lavoro svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che:

- la rendicontazione di sostenibilità della Cherry Bank S.p.A. relativa all'esercizio chiuso al 31 dicembre 2024 non sia stata redatta, in tutti gli aspetti significativi, in conformità ai principi di rendicontazione adottati dalla Commissione Europea ai sensi della Direttiva (UE) 2013/34/UE (*European Sustainability Reporting Standards*, nel seguito anche "ESRS");
- le informazioni contenute nel paragrafo "*Informativa ai sensi dell'art. 8 del Reg. (UE) 2020/852 (Tassonomia)*" della rendicontazione di sostenibilità non siano state redatte, in tutti gli aspetti significativi, in conformità all'art. 8 del Regolamento (UE) n. 852 del 18 giugno 2020 (nel seguito anche "Regolamento Tassonomia").

Elementi alla base delle conclusioni

Abbiamo svolto l'incarico di esame limitato in conformità al Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia). Le procedure svolte in tale tipologia di incarico variano per natura e tempistica rispetto a quelle necessarie per lo svolgimento di un incarico finalizzato ad acquisire un livello di sicurezza ragionevole e sono altresì meno estese. Conseguentemente, il livello di sicurezza ottenuto in un incarico di esame limitato è sostanzialmente inferiore rispetto al livello di sicurezza che sarebbe stato ottenuto se fosse stato svolto un incarico finalizzato ad acquisire un livello di sicurezza ragionevole. Le nostre responsabilità ai sensi di tale Principio sono ulteriormente descritte nel paragrafo "*Responsabilità della società di revisione per l'attestazione sulla rendicontazione di sostenibilità*" della presente relazione.

Siamo indipendenti in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili all'incarico di attestazione della rendicontazione di sostenibilità nell'ordinamento italiano.

La nostra società di revisione applica il Principio Internazionale sulla Gestione della Qualità 1 (ISQM Italia 1) in base al quale è tenuta a configurare, mettere in atto e rendere operativo un sistema di gestione della qualità che includa direttive o procedure sulla conformità ai principi etici, ai principi professionali e alle disposizioni di legge e regolamentari applicabili.

Riteniamo di aver acquisito evidenze sufficienti e appropriate su cui basare le nostre conclusioni.

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Responsabilità degli amministratori e del collegio sindacale della Cherry Bank S.p.A. per la rendicontazione di sostenibilità

Gli amministratori sono responsabili per lo sviluppo e l'implementazione delle procedure attuate per individuare le informazioni incluse nella rendicontazione di sostenibilità in conformità a quanto richiesto dagli ESRS (nel seguito il "processo di valutazione della rilevanza") e per la descrizione di tali procedure nel paragrafo "*Gestione degli impatti, dei rischi e delle opportunità: Analisi di doppia rilevanza*" della rendicontazione di sostenibilità.

Gli amministratori sono inoltre responsabili per la redazione della rendicontazione di sostenibilità, che contiene le informazioni identificate mediante il processo di valutazione della rilevanza, in conformità a quanto richiesto dall'art. 3 del Decreto, inclusa:

- la conformità agli ESRS;
- la conformità all'art. 8 del Regolamento Tassonomia delle informazioni contenute nel paragrafo "*Informativa ai sensi dell'art. 8 del Reg. (UE) 2020/852 (Tassonomia)*".

Tale responsabilità comporta la configurazione, la messa in atto e il mantenimento, nei termini previsti dalla legge, di quella parte del controllo interno ritenuta necessaria dagli amministratori al fine di consentire la redazione di una rendicontazione di sostenibilità in conformità a quanto richiesto dall'art. 3 del Decreto, che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali. Tale responsabilità comporta altresì la selezione e l'applicazione di metodi appropriati per elaborare le informazioni nonché l'elaborazione di ipotesi e stime in merito a specifiche informazioni di sostenibilità che siano ragionevoli nelle circostanze.

Il collegio sindacale ha la responsabilità della vigilanza, nei termini previsti dalla legge, sull'osservanza delle disposizioni stabilite nel Decreto.

Limitazioni intrinseche nella redazione della rendicontazione di sostenibilità

Ai fini della rendicontazione delle informazioni prospettiche in conformità agli ESRS, agli amministratori è richiesta l'elaborazione di tali informazioni sulla base di ipotesi, descritte nella rendicontazione di sostenibilità, in merito a eventi che potranno accadere in futuro e a possibili future azioni da parte della Società. A causa dell'aleatorietà connessa alla realizzazione di qualsiasi evento futuro, sia per quanto concerne il concretizzarsi dell'accadimento sia per quanto riguarda la misura e la tempistica della sua manifestazione, gli scostamenti fra i valori consuntivi e le informazioni prospettiche potrebbero essere significativi.

L'informativa fornita in merito alle emissioni *Scope* 3 è soggetta a maggiori limitazioni intrinseche rispetto a quelle *Scope* 1 e 2, a causa della scarsa disponibilità e della precisione relativa delle informazioni utilizzate per definire le informazioni sulle emissioni *Scope* 3, sia di natura quantitativa sia di natura qualitativa, relative alla catena del valore.

Responsabilità della società di revisione per l'attestazione sulla rendicontazione di sostenibilità

I nostri obiettivi sono pianificare e svolgere procedure al fine di acquisire un livello di sicurezza limitato che la rendicontazione di sostenibilità non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, ed emettere una relazione contenente le nostre conclusioni. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni degli utilizzatori prese sulla base della rendicontazione di sostenibilità.

Nell'ambito dell'incarico finalizzato ad acquisire un livello di sicurezza limitato in conformità al Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata dell'incarico.

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Le nostre responsabilità includono:

- la considerazione dei rischi per identificare l'informativa nella quale è probabile che si verifichi un errore significativo, sia dovuto a frodi o a comportamenti o eventi non intenzionali;
- la definizione e lo svolgimento di procedure per verificare l'informativa nella quale è probabile che si verifichi un errore significativo. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno;
- la direzione, la supervisione e lo svolgimento dell'esame limitato della rendicontazione di sostenibilità e l'assunzione della piena responsabilità delle conclusioni sulla rendicontazione di sostenibilità.

Riepilogo del lavoro svolto

Un incarico finalizzato ad acquisire un livello di sicurezza limitato comporta lo svolgimento di procedure per ottenere evidenze quale base per la formulazione delle nostre conclusioni.

Le procedure svolte si sono basate sul nostro giudizio professionale e hanno compreso colloqui, prevalentemente con il personale della Cherry Bank S.p.A. responsabile per la predisposizione delle informazioni presentate nella rendicontazione di sostenibilità, nonché analisi di documenti, ricalcoli e altre procedure volte all'acquisizione di evidenze ritenute utili.

In particolare, abbiamo svolto le seguenti principali procedure:

- comprensione del modello di *business*, delle strategie della Società e del contesto in cui opera con riferimento alle questioni di sostenibilità;
- comprensione dei processi che sottendono alla generazione, rilevazione e gestione delle informazioni qualitative e quantitative incluse nella rendicontazione di sostenibilità;
- comprensione del processo posto in essere dalla Società per l'identificazione e la valutazione degli impatti, rischi e opportunità rilevanti, in base al principio di doppia rilevanza, in relazione alle questioni di sostenibilità e, sulla base delle informazioni ivi acquisite, svolgimento di considerazioni in merito ad eventuali elementi contraddittori emersi che possono evidenziare l'esistenza di questioni di sostenibilità non considerate dall'impresa nel processo di valutazione della rilevanza;
- identificazione dell'informativa nella quale è probabile che si verifichi un errore significativo;
- definizione e svolgimento delle procedure, basate sul nostro giudizio professionale, per rispondere ai rischi di errore significativi identificati;
- comprensione del processo posto in essere dalla Società per identificare le esposizioni ammissibili e determinarne la natura allineata in base alle previsioni del Regolamento Tassonomia, e verifica della relativa informativa inclusa nella rendicontazione di sostenibilità;
- riscontro delle informazioni riportate nella rendicontazione di sostenibilità con le informazioni contenute nel bilancio d'esercizio ai sensi del quadro sull'informativa finanziaria applicabile o con i dati contabili utilizzati per la redazione del bilancio d'esercizio stesso o con i dati gestionali di natura contabile;
- verifica della struttura e della presentazione dell'informativa inclusa nella rendicontazione di sostenibilità in conformità con gli ESRS;
- ottenimento della lettera di attestazione.

Milano, 11 aprile 2025

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3

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