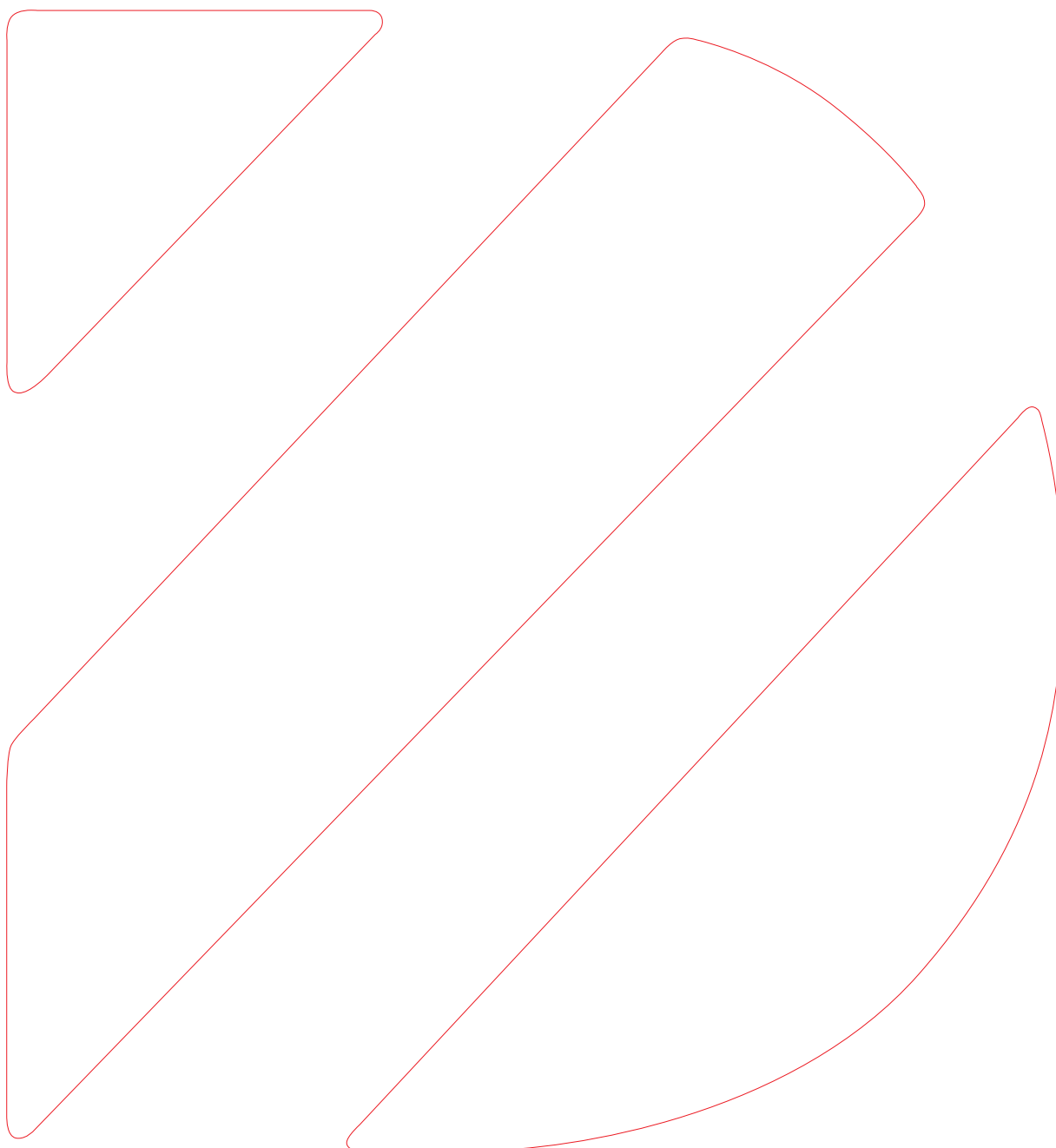




BASEL III PILLAR 3

PUBLIC DISCLOSURE AT 30 JUNE 2025

Banco di Desio e della Brianza S.p.A. | Registered Office via Rovagnati,1 – 20832 Desio (MB) | Tax Code No. 01181770155 | Registered with the Metropolitan Chamber of Commerce of Milan, Monza and Brianza and Lodi | Share Capital Euro 70,692,590.28 fully paid-up | Member of the Interbank Deposit Protection Fund | and of the National Guarantee Fund | Registered in the Banking Register under ABI Code No. 3440/5 | Parent Company of Gruppo Bancario Banco di Desio e della Brianza | Registered with the Banking Group Register under No. 3440/5

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This document is a courtesy translation into English, for the convenience of international readers, of the "Terzo Pilastro di Basilea 3 – Informativa al pubblico al 30 giugno 2025" of Banco Desio Group in PDF format. In case of any discrepancies or doubts between the English and the Italian versions of the Report, the Italian version prevails.

1. Introduction

As of 1 January 2014, the prudential regulations for banks and investment firms contained in Regulation (EU) No. 575/2013 (hereinafter referred to as "CRR" or the "Regulation") and Directive 2014/36/EU (hereinafter referred to as "CRD IV" or the "Directive") of 26 June 2014, which transpose the measures adopted by the Basel Committee on Banking Supervision (Basel III regulatory framework) into the EU regulatory framework, took effect.

In this context, the regulations concerning Pillar 3 require the publication of information on capital adequacy, risk exposure and the general characteristics of the systems designed to identify, measure and manage these risks. In particular, the regulatory development of the subject matter is summarised.

- The Public Disclosure is governed by Regulation (EU) No. 575/2013 (the so-called "CRR"), Part Eight and Part Ten, Titles I, Chapter 3 and the regulatory or implementing technical standards issued by the European Commission.
- Regulation (EU) No. 876/2019 ("CRR II"), in force since 28 June 2021, amended the Regulation (EU) No. 575/2013, updating the content of public disclosure (Articles 431 et seq.).
- Regulation (EU) 2021/637, which establishes implementing technical standards with regard to the publication by institutions of the information required by the "CRR", has instead organically regulated the tabular contents and qualitative information required to comply with each article of the "CRR" (replacing and supplementing several previously published guidelines on the individual topics).
- Finally, Commission Implementing Regulation (EU) 2022/631 of 13 April 2022 amends the implementing technical standards set out in Implementing Regulation (EU) 2021/637 with regard to the disclosure of interest rate risk exposures on positions not held in the trading book.
- EU Regulation 2024/1623 (CRR III) of the European Parliament and of the Council, of 31 May 2024, amending Regulation (EU) No. 575/2013 with regard to the requirements for credit risk, credit assessment adjustment risk, operational risk, market risk, and the output floor (Text relevant to the EEA).
- Directive (EU) 2024/1619 (CRD VI) of 31 May 2024 amending Directive 2013/36/EU with regard to supervisory powers, sanctions, third-country branches and environmental, social and governance risks.
- Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024, establishing implementing technical standards for the application of Regulation (EU) No. 575/2013 of the European Parliament and of the Council regarding the publication by entities of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637.
- Directive 2014/59/EU of the European Parliament and of the Council regarding supervisory reporting and public disclosure in the matter of the minimum requirement for own funds and eligible liabilities.

For each information area, tables and templates are prepared that provide the required quantitative and qualitative information, respectively. To facilitate the preparation of quantitative information, as well as to ensure greater consistency and quality of the data provided, the EBA has established, where applicable, specific connections between the information in the templates and the information in the supervisory reports.

To meet the disclosure obligations of this document, the Group has implemented an internal regulatory framework regarding the "Basel III Pillar 3 Disclosure Control Model", aimed at issuing the attestation pursuant to Article 431, paragraph 3 of EU Regulation 575/2013 ("CRR"), signed by the Chief Executive Officer and the Executive in Charge.

Capital requirements and related ratios at 30 June 2025 are determined in application of the new prudential framework set forth in Regulation (EU) No. 1623/2024 (the so-called CRR3 Regulation), which came into force on 1 January 2025, and determining the capital requirements for credit risk with the application of the AIR-B models (subject to authorisation from the Bank of Italy to use the internal credit risk measurement system A-IRB for 'retail' and 'corporate' exposures - starting from the supervisory reports of 30 June 2025).

The Bank applies the prudential filter on the gains/losses on government securities classified in the IFRS 9 portfolio of Financial assets measured at fair value through other comprehensive income (Article 468 of the CRR), as communicated to the Bank of Italy on 20 September 2024.

It is noted that the comparison statement of Own Funds and Prudential Ratios calculated with the application of Regulation (EU) 2017/2395 (application of transitional provisions) and with full application of impacts related to IFRS 9 transitional provisions is no longer applicable due to the expiration of the IFRS 9 transitional regime.

The preparation of the Public Disclosure is carried out through the cooperation of the various bodies and structures involved in the governance and execution of the processes, consistently with the powers provided for by the Group's internal

regulations. The Banco Desio Group has previously defined a formal policy to comply with disclosure requirements, with the aim of formalising the processes used for the construction and publication of Public Disclosures.

This document "Public Disclosure - Pillar 3 of Basel III as at 30 June 2025" is submitted for approval by the Board of Directors of Banco di Desio e della Brianza S.p.A. on 5 August 2025.

For the sake of completeness, we specify that the information published refers to the area of prudential consolidation relating to Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A., i.e. all entities subject to the prudential consolidation in question.

Any misalignments with respect to other sources (Consolidated financial statements prepared at the same reporting date) are therefore attributable to differences in the perimeter considered. In this regard, it should be noted that the scope of consolidation remained unchanged during the first half of the year, considering that on 23 June 2025, Banco Desio increased its controlling stake in Dynamica Retail S.p.A. to 100%. (from the previous 89.23%).

Unless otherwise indicated, the amounts in the tables and figures in this document are expressed in thousands of euros.

The Banco Desio Group publishes this Public Disclosure via its website (www.bancodesio.it).

2. Key Metrics under Art. 447 CRR

According to the provisions of Articles 11(2) and (3) and 13(2) of the CRR Regulation, banks controlled by a "parent financial holding company" are required to comply with the requirements of the Regulation on the basis of the consolidated situation of that financial holding company.

The consolidated ratios at the level of Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A., the parent company of 51.52% of Banco di Desio e della Brianza S.p.A., outstanding at the reporting date were calculated in accordance with the provisions of articles 11(2) and (3) and 13(2) of the CRR Regulation.

On 31 January 2025, it was announced that the Bank of Italy communicated to Banco Desio and the financial parent company Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A. its decision on capital at the conclusion of the periodic prudential review process ("SREP"), maintaining the capital requirements for the "CRR" Brianza Unione Group at consolidated level unchanged from 2024, as reported below:

- CET 1 ratio of 7.60%, comprising a binding measure of 5.10% (of which 4.50% against the regulatory minimum requirements and 0.60% against the "SREP" requirements) and the remainder from the capital conservation buffer component;
- Tier 1 ratio of 9.30%, comprising a binding measure of 6.80% (of which 6.00% against the regulatory minimum requirements and 0.80% against the "SREP" requirements) and the remainder from the capital conservation buffer component;
- Total Capital ratio of 11.50%, comprising a binding measure of 9.00% (of which 8.00% against the regulatory minimum requirements and 1.00% against the "SREP" requirements) and the remainder from the capital conservation buffer component.

The capital conservation buffer of 2.5%, in addition to the minimum requirements, is intended to provide banks with high-quality capital resources to be used in times of market stress to prevent disruptions in the banking system and to avoid interruptions in the lending process.

The Group is also required to comply with the systemic risk buffer ratio (SyRB) set at 30 June 2025 at 1% of credit and counterparty risk-weighted exposures to residents of Italy; this additional CET1 requirement with respect to the total RWAs is equal to 0.77%.

As part of its work in drafting the resolution plan, the Bank of Italy, as the National Resolution Authority, also determined the minimum requirement of own funds and eligible liabilities (MREL) for the Banco di Desio e della Brianza Group. This requirement is equivalent to the amount needed to absorb losses and coincides with the higher of the SREP binding Total Capital Ratio (9.00% binding level) and leverage (3.00%).

For the purposes of calculating "Risk Assets and Supervisory Ratios", EU regulations subject SMEs (Small and Medium-Sized Enterprises) to a facilitated risk weight (support factor of 0.7619 for exposures up to Euro 2.5 million and 0.85 for the part exceeding Euro 2.5 million).

In application of the changes introduced by "CRR II", the so-called "key metrics" required by Article 447, i.e., the main indicators of capital strength, debt and liquidity, and the related regulatory requirements to be met, with reference to the last 5 quarters subject to prudential reporting (i.e., for the period 30 June 2025 - 30 June 2024) are reported below.

Template EU KM1: key metrics

The model shows the Group's key indicators relating to own funds and risk-weighted exposures, leverage, and liquidity.

The use of A-IRB models involves applying a correction factor in terms of a floor to the total RWA, on both an individual and consolidated basis, in both cases amounting to 95 per cent of the RWA determined according to the standard methodology. At 30 June 2025, the Common Equity Tier 1 capital ratio, consisting of CET1 capital as a ratio of risk-weighted assets, was 13.5% (12.6% at 31 December 2024). The Tier1 ratio, consisting of total Tier 1 (T1) capital to risk-weighted assets, was 14.2% (13.3% at 31 December 2024), while the Total Capital ratio, consisting of total Own funds to risk-weighted assets, was 16.1% (15.1% at 31 December 2024).

		a	b	c	d	e
		30/06/2025	31/03/2025	31/12/2024	30/09/2024	30/06/2024
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	997,374	978,480	1,000,054	967,785	946,840
2	Tier 1 capital	1,051,297	1,035,101	1,058,571	1,032,201	1,010,881
3	Total capital	1,191,771	1,170,367	1,196,360	1,175,380	1,153,574
	Risk-weighted exposure amounts					
4	Total risk exposure amount	7,415,107	7,735,081	7,929,832	7,665,417	7,596,876
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	13.45%	12.65%	12.61%	12.63%	12.46%
6	Tier 1 ratio (%)	14.18%	13.38%	13.35%	13.47%	13.31%
7	Total capital ratio (%)	16.07%	15.13%	15.09%	15.33%	15.18%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (in %)	1.00%	1.00%	1.00%	1.00%	1.00%
EU 7b	Of which capital CET1 (%)	0.60%	0.60%	0.60%	0.60%	0.60%
EU 7c	Of which tier 1 capital (%)	0.80%	0.80%	0.80%	0.80%	0.80%
EU 7d	Total SREP own funds requirements (%)	9.00%	9.00%	9.00%	9.00%	9.00%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution-specific countercyclical capital buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 9a	Systemic risk buffer (%)	0.77%	0.42%	0.43%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Combined buffer requirement (%)	3.27%	2.92%	2.93%	2.50%	2.50%
EU 11a	Overall capital requirements (%)	12.27%	11.92%	11.93%	11.50%	11.50%
12	CET1 available after meeting the total SREP own funds requirements (%)	4.45%	3.65%	3.61%	3.63%	3.46%
	Leverage ratio					
13	Total exposure measure	19,608,260	19,270,342	19,574,947	19,162,370	19,143,914
14	Leverage ratio (%)	5.36%	5.37%	5.41%	5.39%	5.28%
	Additional own funds requirements to address risks of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (in %)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	Of which capital CET1 (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (weighted value - average)	2,951,178	2,937,306	3,098,713	3,362,550	3,514,624
EU 16a	Cash outflows - Total weighted value	2,063,868	2,056,335	2,202,996	2,090,375	2,251,753
EU 16b	Cash inflows - Total weighted value	633,388	631,947	852,673	623,732	818,226
16	Total net cash outflows (adjusted value)	1,430,480	1,424,387	1,365,020	1,466,643	1,444,509
17	Liquidity coverage ratio (%)	206.84%	206.77%	228.50%	229.55%	244.99%
	Net Stable Funding Ratio					
18	Total available stable funding	14,221,236	13,920,389	14,206,408	13,474,505	13,262,490
19	Total required stable funding	10,341,452	10,339,705	10,350,355	10,090,886	10,204,442
20	NSFR ratio (%)	137.52%	134.63%	137.26%	133.53%	129.97%

At 30 June 2025, the consolidated ratios calculated for the financial parent company were therefore confirmed to be above the regulatory thresholds, also considering the limits imposed by the Supervisory Authority through the SREP procedure mentioned above.

The Group complies with the LCR (Liquidity Coverage Ratio) regulatory requirement by placing itself above the regulatory limit. High-quality liquid and available assets consist entirely of the most liquid type (Level 1) of assets eligible for the numerator of the LCR.

The Net Stable Funding Ratio (NSFR) is a liquidity indicator that measures the availability of stable funding; banks are required to maintain a stable amount of funding or maturing beyond 12 months, which allows them to finance their activities over the long term.

3. Minimum Requirement for Own Funds and Eligible Liabilities (MREL)

Template EU KM2 - Key metrics – MREL

As regards the Minimum Requirement for Own Funds and Eligible Liabilities (MREL), the Banco Desio Group, on a consolidated basis, will have to comply with the following requirements:

- MREL in terms of TREA (Total Risk Exposure Amount) of 17.76% (excluding the CBR Combined Buffer Requirement).
- MREL in terms of LRE (Leverage Ratio Exposure) of 5.33%.

With regard to the date from which the MREL requirement will be binding, the Supervisory Authority confirmed the transitional period until 1 January 2027. No additional subordination requirements were attached.

MREL requirement is composed of:

- MREL-TREA minimum requirement, equal to 9.00% of risk-weighted assets,
- MREL-TEM minimum requirement, equal to 3.00% of the ratio's total exposure.

The following table provides summary information about the amount of own funds and eligible liabilities.

		Minimum requirement for own funds and eligible liabilities
		a
Own funds and eligible liabilities, ratios and components		30/06/2025
1	Own funds and eligible liabilities	2,352,918
EU-1a	Of which own funds and subordinated liabilities	1,450,216
2	Total amount of risk exposure (TREA) of the group subject to resolution	7,415,111
3	Own funds and eligible liabilities as a percentage of TREA	31.73%
EU-3a	Of which own funds and subordinated liabilities	19.56%
4	Measurement of total exposure (TEM) of the group subject to resolution	19,565,018
5	Own funds and eligible liabilities as a percentage of TEM	12.03%
EU-5a	Of which to satisfy with own funds or subordinated liabilities	7.41%
Minimum requirement for own funds and eligible liabilities (MREL)		
EU-7	MREL expressed as a percentage of TREA	9.00%
EU-8	Of which own funds and subordinated liabilities	0.00%
EU-9	MREL expressed as a percentage of TEM	3.00%
EU-10	Of which to satisfy with own funds or subordinated liabilities	0.00%

Template EU TLAC1: Composition - MREL

		Minimum requirement for own funds and
		30/06/2025
Own funds, eligible liabilities and adjustments		
1	Common Equity Tier 1 (CET1) capital	1,373,402
4	Additional Tier 1 (AT1) capital	0
6	Tier 2 (T2) capital	76,814
Own funds and eligible liabilities: adjustments to non-regulatory capital items		
13	Non-subordinated eligible liabilities to excluded liabilities	902,702
17	Eligible liability items before adjustments	902,702
27	CET1 (as a percentage of TREA) available after meeting the requirements of the group subject to resolution	7.65%

EU TLAC3: Ranking in the Register of Creditors - Entity Subject to Resolution

		Ranking in case of insolvency				
		1	2	3	4	Total
1	Ranking description	Equity (Lowest ranking)	Equity Instruments and Subordinated Loans	Unsecured Loans	Miscellaneous deposits (Highest ranking)	
2	Liabilities and own funds	1,384,932	76,813	1,932,469	1,963,999	5,358,214
3	Of which liabilities excluded	-	-	248,167	-	248,167
4	Equity and liabilities minus excluded liabilities	1,384,932	76,813	1,684,302	1,963,999	5,110,046
5	Subset of liabilities and own funds minus excluded liabilities that are own funds and potentially eligible liabilities	1,384,932	59,848	883,897	18,805	2,347,482
6	Of which residual maturity ≥ 1 year and < 2 years	-	-	388,035	-	388,035
7	Of which residual maturity ≥ 2 years and < 5 years	-	-	495,862	647	496,509
8	Of which residual maturity ≥ 5 years and < 10 years	-	59,848	-	11,409	71,256
9	Of which residual maturity ≥ 10 years, excluding perpetual securities	-	-	-	6,749	6,749
10	Of which perpetual securities	1,384,932	-	-	-	1,384,932

(1) The table is reported only for the Banco Desio perimeter.

Statement by the Financial Reporting Manager

The Financial Reporting Manager, Mauro Walter Colombo, declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this document "Basel III Pillar 3 at 30 June 2025" corresponds to the documented results, books and accounting records.

The Financial Reporting Manager
Mauro Walter Colombo

Attestation on policies and disclosure requirements pursuant to Part Eight, Art. 431 para. 3 of Regulation (EU) 575/2013 of 26 June 2013 as amended and supplemented¹

The undersigned Alessandro Decio, Chief Executive Officer, and Mauro Walter Colombo, Financial Reporting Manager of Banco di Desio e della Brianza S.p.A. certify, taking into account the provisions of Article 431 of Regulation (EU) 575/2013 ("CRR") and subsequent amendments and additions:

- the adequacy of the document "Basel III Pillar 3 at 30 June 2025" with respect to the requirements of "Part Eight - Disclosures by institutions" of the "CRR", and
- the application of administrative procedures in the preparation of public disclosures in accordance with formal policy and internal processes, systems and controls.

The CEO
Alessandro Maria Decio

The Financial Reporting Manager
Mauro Walter Colombo

Desio, 05 August 2025

¹ It should be noted in this regard that, to date, there is no defined attestation standard. In view of the fact that financial information and disclosures make up the bulk of the information provided, a joint attestation by the Chief Executive Officer and the Financial Reporting Manager was opted for.