Banco Desio

BASEL III PILLAR 3
PUBLIC DISCLOSURE AT 31 DECEMBER 2025

Desio, 12 March 2026

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 31 dicembre 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.

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1. Introduction

As of 1 January 2014, the prudential regulations for banks and investment firms took effect through Bank of Italy Circular No. 285/2013.

At EU level, disclosure is governed by:

- Regulation (EU) 575/2013 of 26 June 2013 (CRR), which sets out the prudential requirements for credit institutions and the public disclosure requirements, known as the Pillar 3 (Part Eight – "Disclosures by institutions");
- Directive 2013/36/EU of 26 June 2013 (CRD), which regulates access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms;
- Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 (BRRD), establishing a framework for the recovery and resolution of credit institutions and investment firms.

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.

- 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) amended by Commission Implementing Regulation (EU)2022/631 of 13 April 2022 as regards disclosure on exposures to interest rate risk on positions not held in the trading book.
- Implementing Regulation (EU) 2021/763 and subsequent updates, which establishes implementing technical standards regarding supervisory reporting and public disclosure in the matter of the minimum requirement for own funds and eligible liabilities.
- 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.
- 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).

For each area of information, tables and templates are provided within which the required quantitative and qualitative information is provided, respectively. In order to facilitate the preparation of quantitative information, as well as to ensure greater consistency and quality of the data provided, the EBA has prepared, where applicable, specific links between the information in the templates and the information in the supervisory reports.

In order to comply with the disclosure requirements of this document, the Group adopted an updated internal regulatory framework relating to the "Basel III Pillar 3 Disclosure Control Model", aimed at issuing the attestation pursuant to Article 431(3) of EU Regulation 575/2013 ("CRR") signed by the Chief Executive Officer and the Executive in charge.

Capital requirements and related ratios at 31 December 2025 are determined in application of the new prudential framework set forth in Regulation (EU) No. 1623/2024 (the CRRIII Regulation), which came into force on 1 January 2025, and determining the capital requirements for credit risk with the application of the A-IRB models (as per the communication of 25 June 2025 with which Banco Desio informed the market that the Bank

of Italy had authorised the Group to use the internal system for measuring A-IRB credit risk - "retail" and "corporate" exposures - starting from the supervisory reports of 30 June 2025).

Banco Desio 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 is no longer applicable due to the expiration of the aforementioned 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 31 December 2025" is submitted for approval by the Board of Directors of Banco di Desio e della Brianza S.p.A. on 12 March 2026.

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.

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).

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Reference to CRR Regulatory Requirements Part Eight

The following table shows the location in the Pillar 3 document of the disclosure requirements applicable to the Group as at 31 December 2025.

Articles – Implementing Regulation 2024/3172	Articles – Regulation 575/2013	Template or Table Name	Chapter
Section 1: Disclosure of the overall risk management framework, key prudential metrics and RWAs	Articles 437 bis, 438 and 447	Template EU OV1: Overview of risk weighted exposure amounts	2
		Template EU KM1: Key metrics	
		Template EU INS1: Insurance participations	(*)
		Template EU INS2: Financial conglomerates information on own funds and capital adequacy ratio	
		Table EU OVC: ICAAP Information	2
		Template EU CMS1: Comparison of modelled and standardised risk weighted exposures amounts at risk level	2
		Template EU CMS2: Comparison of modelled and standardised risk weighted exposure amounts for credit risk at asset class level	
Section 2: Disclosure of risk management objectives and policies	Art. 435	Table EU OVA: Institution risk management approach	3
		Table EU OVB: Disclosure on governance arrangements	
Section 3: Scope Disclosure	Art. 436	Template EU LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories	4
		Template EU LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements	
		Template EU LI3: Outline of the differences in the scopes of consolidation (entity by entity)	
		Table EU LIA: Explanations of differences between accounting and regulatory exposure amounts	(*)
		Table EU LIB: Other qualitative reporting information on the scope of application	
		Template EU PV1: Prudent valuation adjustments (PVA)	
Section 4: Own Funds Disclosure	Art. 437	Template EU CC1: Composition of regulatory own funds	5
		Template EU CC2: Reconciliation of regulatory own funds to balance sheet in the audited financial statements	
		Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments	
	Regulation (EU) 2021/763	Template EU KM2 - Key metrics - MREL	5
		Template EU TLAC1 - Composition - MREL	

		Template ILAC - Internal loss absorption capacity: Internal MREL	(*)
		Template EU TLAC2 - Creditor ranking - entities that are not resolution entities themselves	
		Template EU TLAC3 - Resolution entity - Creditor rating	5
Section 5: Disclosure on countercyclical capital buffers	Art. 440	Template EU CCyB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	(*)
		Template EU CCyB2: Amount of institution-specific countercyclical capital buffer	(*)
Section 6: Leverage ratio disclosure	Art. 451	Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures	6
		Template EU LR2 - LRCom: Leverage ratio common disclosure	
		Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	
		Table EU LRA: Disclosure of LR qualitative information	
Disclosure of liquidity requirements	Articles 435 and 451-bis	Table EU LIQA: Liquidity risk management	7
		Template EU LIQ1: Quantitative information of LCR	
		Table EU LIQB: Qualitative information on LCR, complementing template EU LIQ1	
		Template EU LIQ2: Net Stable Funding Ratio	
Disclosure of credit risk and dilution risk exposures and credit quality	Articles 435 and 442	Table EU CRA: General qualitative information about credit risk	8
		Table EU CRB: Additional disclosure related to the credit quality of assets	
		Template EU CR1: Performing and non-performing exposures and related provisions	
		Template EU CR1-A: Maturity of exposures	
		Template EU CR2: Changes in the stock of non-performing loans and advances	
		Template EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries	
		Template EU CQ1: Credit quality of forborne exposures	
		Template EU CQ2: Quality of forbearance measures	
		Template EU CQ3: Credit quality of performing and non-performing exposures by past due days	
		Template EU CQ4: Quality of non-performing exposures by geography	
		Template EU CQ5: Credit quality of loans and advances by industry	
		Template EU CQ6: Collateral valuation - loans and advances	

		Template EU CQ7: Collateral obtained by taking possession and execution processes	(*)
		Template EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown	
Disclosure of the use of credit risk mitigation techniques	Art. 453	Table EU CRC: Qualitative reporting requirements on CRM techniques	9
		Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	
Disclosure on the use of the standardised approach	Articles 444 and 453	Table EU CRD: Qualitative disclosure requirements related to standardised approach	10
		Template EU CR4 – Standardised approach – Credit risk exposure and CRM effects	
		Template EU CR5: Standardised approach	
Disclosure on the use of the IRB approach for credit risk	Articles 438, 452 and 453	Template EU CRE - Qualitative disclosure requirements related to IRB approach	11
		Template EU CR6 - IRB Approach - Credit risk exposures by exposure class and PD range	
		Template EU CR6-A - Scope of the use of IRB and SA approaches	
		Template EU CR7 - IRB approach - Effect on the RWEAs of credit derivatives used as CRM techniques	
		Template EU CR7-A - IRB Approach - Disclosure of the extent of the use of CRM techniques	
		Template EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach	
		Template EU CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale)	
Disclosure of specialised lending and equity exposures	Art. 438	Template EU CR10 - Specialised lending and equity exposures under the simple risk-weighted approach	(*)
Disclosure of counterparty risk exposures	Articles 438 and 439	Table EU CCRA: Qualitative disclosure related to CCR	12
		Template EU CCR1: Analysis of CCR exposure by approach	
		Template EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights	
		Template EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale	(*)
		Template EU CCR5 – Composition of collateral for CCR exposures	
		Template EU CCR6 – Credit derivatives exposures	
		Template EU CCR7 – RWEA flow statements of CCR exposures under the IMM	
		Template EU CCR8: Exposures to CCPs	12
Disclosure of exposures in securitisation positions	Art. 449	Table EU SECA: Qualitative disclosure requirements related to securitisation exposures	13
		Template EU-SEC1: Securitisation exposures in the non-trading book	

Market Risk Disclosure	Articles 435, 438 and 455	Template EU-SEC2: Securitisation exposures in the trading book	(*)
		Template EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements: institution acting as transferor or promoter	13
		Template EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements: institution acting as investor	
		Template EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	
		Table EU MRA: Qualitative disclosure requirements related to market risk	14
		Template EU MR1: Market risk under the standardised approach	
		Table EU MRB: Qualitative disclosure requirements for institutions using the internal Market Risk Models	(*)
		Template EU MR2 - Market risk under the alternative internal model approach (AIMA)	
		Template EU MR3 - Market risk under the simplified standardised approach (SSA)	
Disclosures on credit valuation adjustment risk	Articles 438, 439 and 445-bis	Template EU CVAA – Qualitative disclosure requirements related to credit valuation adjustment risk	(*)
		Template EU CVA1 – Credit valuation adjustment risk under the reduced basic approach	
		Template EU CVAB – Qualitative disclosure requirements related to CVA risk for institutions using the standardised approach	
		Template EU CVA2 – Credit valuation adjustment risk under the full basic approach	
		Template EU CVA3 – Credit valuation adjustment risk under the standardised approach	
		Template EU CVA4 - RWEA flow statements, credit valuation adjustment risk under the standardised approach	
Operational Risk Disclosure	Articles 435, 438 and 446	Table EU ORA: Qualitative Information on Operational Risk	15
		Template EU OR1: Operational risk own funds requirements and risk-weighted exposure amounts	(*)
		Template EU OR2 - Business indicator, components and sub-components	15
		Template EU OR3 - Operational risk own funds requirements and risk exposure amounts	(*)
Disclosure of interest rate risk exposures on positions not held in the trading book	Articles 448 and 450	Template IRRBB1: Interest rate risks of non-trading book activities	16
		Template IRRBBA: Qualitative information on interest rate risks of non-trading book activities	
Remuneration policy disclosure	Art. 450	Table EU REMA: Remuneration policy	17
		Template EU REM1: Remuneration awarded for the financial year	

		Template EU REM2: Special payments to staff whose professional activities have a material impact on institutions' risk profile (key personnel) Template EU REM3: Deferred remuneration	
		Template EU REM4: Remuneration of 1 million EUR or more per year	
		Template EU REM5: Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (key personnel)	
Disclosure on encumbered and unencumbered assets	Art. 443	Template EU AE1: Encumbered and unencumbered assets	18
		Template EU AE2: Collateral received and own debt securities issued	
		Template EU AE3: Sources of encumbrance	
		Table EU AE4: Accompanying narrative information	
Disclosure on environmental, social and governance risks	Art. 449 bis	Table 1: Qualitative Information on environmental risk	(*)
		Table 2: Qualitative Information on social risk	
		Table 3: Qualitative information about governance risk	
		Template 1: Banking book – Indicators of potential transition risk related to climate change: Credit quality of exposures by sector, emissions and residual maturity	
		Template 2: Banking book – Indicators of potential transition risk related to climate change: Loans secured by real estate – Energy efficiency of collateral	
		Template 3: Banking book – Indicators of potential transition risk related to climate change: alignment metrics	
		Template 4: Banking book – Indicators of potential transition risk related to climate change: Exposures to the top 20 carbon-intensive companies	
		Template 5: Banking book – Indicators of potential physical climate change risk: exposures subject to physical risk	
		Template 6: Summary of key performance indicators (KPIs) on Taxonomy-aligned exposures	
		Template 7: Mitigation actions: Assets for GAR calculation	
		Template 8: GAR (%)	
		Template 9: Mitigation actions: BTAR	
		Template 10 – Other climate change mitigation actions not covered by the EU Taxonomy	
		Table 1A: Qualitative information on ESG risks	
		Template 1A: Simplified ESG disclosures for SNCIs and other unlisted institutions, covering both transition risk and physical risk	
Disclosure on crypto-assets	Art. 501	Template EU CAE1: Exposures to crypto-assets	(*)

(*) Table or template not applicable on 31 December 2025.

2. Disclosure of the overall risk management framework, key prudential metrics and RWAs[1]

Prudential requirements

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, Banco Desio disclosed the capital decision taken by the Bank of Italy at the conclusion of the periodic prudential review process ("SREP"), keeping the capital requirements for the "CRR" Brianza Unione Group at consolidated level unchanged from 2024, as shown 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 additional requirements determined as a result of the SREP) and the remainder from the capital conservation buffer component;
- **Tier 1 ratio of 9.30%**, consisting of a binding measure of 6.80% (of which 6.00% against the regulatory minimum requirements and 0.80% against the additional requirements determined as a result of the SREP) 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 minimum regulatory requirements and 1.00% against the additional requirements determined as a result of the SREP) and the remainder from the capital conservation buffer component.

The Group is also required to comply with the systemic risk buffer ratio (SyRB) set at 31 December 2025 at 1% of credit and counterparty risk-weighted exposures to residents of Italy. At 31 December 2025, the additional CET1 requirement to total RWA was 0.76%.

In addition, on 21 January 2026, 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"), changing the capital requirements for the "CRR" Brianza Unione Group at consolidated level with respect to 2025, starting from the next COREP reporting (reference, 31 March 2026), as reported below:

- **CET 1 ratio of 7.80%**, comprising a binding measure of 5.30% (of which 4.50% against the regulatory minimum requirements and 0.80% against the additional requirements determined as a result of the SREP) and the remainder from the capital conservation buffer component;
- **Tier 1 ratio of 9.60%**, consisting of a binding measure of 7.10% (of which 6.00% against the regulatory minimum requirements and 1.10% against the additional requirements determined as a result of the SREP) and the remainder from the capital conservation buffer component;
- **Total Capital ratio of 11.90%**, comprising a binding measure of 9.40% (of which 8.00% against the minimum regulatory requirements and 1.40% against the additional requirements determined as a result of the SREP) and the remainder from the capital conservation buffer component.

The composition of RWA as at 31 December 2025 and the related capital requirements is shown below.

[1] See Art. 1 of Implementing Regulation (EU) 2021/637

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Template EU OV1: Overview of risk weighted exposure amounts

		Total Risk Exposure Amounts (TREA)		Total own funds requirements
		a	b	c
		31.12.2025	31.12.2024	31.12.2025
1	**Credit risk (excluding CCR)**	**6,535,204**	**7,010,640**	**522,816**
2	*Of which the standardised approach*	*3,191,710*	*7,010,640*	*255,337*
3	*Of which the foundation IRB (FIRB) approach*	*255,476*	-	*20,438*
4	*Of which: slotting approach*	-	-	-
EU 4a	*Of which: equities under the simple risk-weighted approach*	-	-	-
5	*Of which the advanced IRB (AIRB) approach*	*2,516,494*	-	*201,320*
6	**Counterparty credit risk - CCR**	**37,289**	**35,334**	**2,983**
7	*Of which the standardised approach*	-	-	-
8	*Of which Internal Model Method (IMM)*	-	-	-
EU 8a	*Of which exposures to a CCP*	*3,594*	*1,863*	*288*
9	*Of which other CCR*	*33,695*	*29,492*	*2,696*
10	**Credit valuation adjustment risk - CVA risk**	**3,743**	-	**299**
EU 10a	*Of which the standardised approach (SA)*	-	-	-
EU 10b	*Of which the basic approach (F-BA e R-BA)*	*3,743*	-	*299*
EU 10c	*Of which the simplified approach*	-	-	-
11	*Not applicable*			
12	*Not applicable*			
13	*Not applicable*			
14	*Not applicable*			
15	**Settlement risk**	**-**	-	**-**
16	**Securitisation exposures in the non-trading book (after the cap)**	**13,889**	**19,678**	**1,111**
17	*Of which SEC-IRBA approach*	-	-	-
18	*Of which SEC-ERBA (including IAA)*	-	-	-
19	*Of which SEC-SA approach*	*13,889*	*11,256*	*1,111*
EU 19a	*Of which 1250 %*	-	-	-
	Of which specific treatment for senior tranches of eligible securitisations of non-performing exposures	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**30,411**	**11,532**	**2,433**
21	*Of which the alternative standardised approach (ASA)*	-	-	-
EU 21a	*Of which the simplified standardised approach (S-SA)*	*30,411*	-	*2,433*
22	*Of which alternative internal model approach (AIMA)*	-	*11,532*	-
EU 22a	**Large exposures**	**-**	-	**-**
23	**Reclassifications between trading book and non-trading book positions**	**-**	-	**-**
24	**Operational risk**	**984,957**	**852,648**	**78,797**
EU 24a	**Exposures to crypto-assets**	**-**	-	**-**
25	**Amount below thresholds for deduction (subject to 250 % risk weight)**	**-**	-	**-**

26	**Output floor applied (%)**			
27	**Adjustment for the application of the minimum threshold (before the application of the transitional cap)**			
28	**Adjustment for the application of the minimum floor (after the application of the transitional cap)**			
29	**Total**	**7,605,493**	**7,077,184**	**608,439**

It should be noted that the amount shown in field 1, "Credit risk (excluding CCR)", includes the amount of EUR 571,524 thousand corresponding to the correction factor in terms of a floor on the total RWA, amounting to 95% of the RWA determined according to the standard methodology.

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Template EU KM1: Key metrics

In application of the changes introduced by "CRR II", the "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 31 December 2025 - 31 December 2024) are reported below.
The template 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% of the RWA determined according to the standard methodology.

		a	b	c	d	e
		31/12/2025	30/09/2025	30/06/2025	31/03/2025	31/12/2024
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	1,028,100	1,011,927	997,374	978,480	1,000,054
2	Tier 1 capital	1,083,408	1,065,483	1,051,297	1,035,101	1,058,571
3	Total capital	1,233,657	1,205,147	1,191,771	1,170,367	1,196,360
	Risk-weighted exposure amounts					
4	Total risk exposure amount	7,605,493	7,364,649	7,415,107	7,735,081	7,929,832
4a	Total risk exposure before application of the floor	7,605,493	7,364,649	7,415,107	n.a.	n.a.
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	13.52%	13.74%	13.45%	12.65%	12.61%
5b	Common Equity Tier 1 ratio taking into account the TREA without the minimum threshold (%)	13.52%	13.74%	13.45%	n.a.	n.a.
6	Tier 1 ratio (%)	14.25%	14.47%	14.18%	13.38%	13.35%
6b	Tier 1 capital ratio taking into account TREA without the minimum threshold (%)	14.25%	14.47%	14.18%	n.a.	n.a.
7	Total capital ratio (%)	16.22%	16.36%	16.07%	15.13%	15.09%
EU 7b	Total capital ratio taking into account the TREA without the minimum threshold (%)	16.22%	16.36%	16.07%	n.a.	n.a.
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d	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 7e	Of which: to be made up of CET1 capital (percentage points)	0.60%	0.60%	0.60%	0.60%	0.60%
EU 7f	Of which: to be made up of Tier 1 capital (percentage points)	0.80%	0.80%	0.80%	0.80%	0.80%
EU 7g	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 (%)	0.76%	0.76%	0.77%	0.42%	0.43%
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 (%)	3.26%	3.26%	3.28%	2.92%	2.93%
EU 11a	Overall capital requirements (%)	12.26%	12.26%	12.28%	11.92%	11.93%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.22%	7.36%	7.07%	6.13%	6.09%
	Leverage ratio					
13	Total exposure measure	20,914,076	19,680,181	19,608,260	19,270,342	19,574,947
14	Leverage ratio (%)	5.17%	5.40%	5.36%	5.37%	5.41%
	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: to be made up of CET1 capital (percentage points)	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 (%)	0.00%	0.00%	0.00%	0.00%	0.00%
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)	3,216,679	3,182,211	2,951,178	2,937,306	3,098,713
EU 16a	Cash outflows - Total weighted value	2,121,085	2,053,270	2,063,868	2,056,335	2,202,996
EU 16b	Cash inflows - Total weighted value	577,031	577,224	633,388	631,947	852,673
16	Total net cash outflows (adjusted value)	1,544,055	1,476,046	1,430,480	1,424,387	1,365,020
17	Liquidity coverage ratio (%)	208.04%	216.49%	206.84%	206.77%	228.50%
	Net Stable Funding Ratio					
18	Total available stable funding	14,716,152	14,034,933	14,221,236	13,920,389	14,206,408
19	Total required stable funding	10,641,663	10,310,942	10,341,452	10,339,705	10,350,355
20	NSFR ratio (%)	138.29%	136.12%	137.52%	134.63%	137.26%

As at 31 December 2025, the consolidated ratios calculated for the financial parent company were confirmed to be above the regulatory thresholds, also considering the limits imposed by the Supervisory Authority through the SREP procedure mentioned above. There has been a continuous and progressive strengthening of capital as a result of the regulatory and managerial actions undertaken in line with the D23 business plan (including the contribution to profitability, the derisking implemented on the loan portfolio and the proposed profit allocation that Banco Desio's Board of Directors intends to propose to the Shareholders' Meeting, scheduled for 29 April 2026.

The Group complies with the LCR (Liquidity Coverage Ratio) regulatory requirement by placing itself above the regulatory limit. The performance of the indicator is increasing compared to the last quarters surveyed; 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.

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Table EU OVC: ICAAP Information

The term capital adequacy refers to the assessment of the ability of the company's capital to withstand, in current and prospective terms, the unexpected losses inherent in the conduct of business, assuming that the expected losses - particularly with regard to credit risk - are covered by the net value adjustments (specific and portfolio) of equal magnitude already recognised in the profit and loss account.

Own Funds represent the primary safeguard against risks associated with banking activities and the priority criterion for the Supervisory Authority's assessment of capital adequacy. In this context, the bank not only complies with regulatory capital requirements (for credit, counterparty, market, and operational risks), but also has strategies and processes in place to assess and hold over time the total capital deemed adequate (in amount and composition) to cover all the risks to which it is or could be exposed (internal capital or capital at risk).

Through its Internal Capital Adequacy Assessment Process (ICAAP), the Group conducts an independent assessment of its capital adequacy, both current and prospective, in relation to the risks assumed and business strategies. This process is documented, known and shared by the corporate structures and is subject to internal review.

The scope of the ICAAP process is the Banking Group on a consolidated basis, as indicated by the supervisory regulations. With this in mind, the ICAAP process is carried out by the relevant functions of the Parent Company with the involvement, where applicable, of the subsidiaries.

The capital adequacy determination process consists of the following main steps:

- identification of the risks to be assessed, with reference both to regulatory or first-pillar risks, and risks falling under the second pillar, i.e. the following types of risk: single-name and geo-sector concentration risk, interest rate risk arising from activities other than trading, risk of credit differentials on the banking book, liquidity risk, risks arising from securitisations, strategic and business risk, reputation risk and compliance risk, IT risk, money laundering and terrorist financing risk, risk of excessive leverage, conduct risk any other types of risk related to the Group's specific operations;
- measurement/assessment of individual risks and related internal capital. Internal capital is calculated for regulatory risks and for quantifiable Pillar 2 risks and limited to those for which the Bank of Italy has indicated simplified methodologies for determining internal capital. For other types of risk, which are difficult to quantify, qualitative assessments are, however, provided and appropriate control and mitigation systems are in place;
- valuation of total internal capital. The Group determines total internal capital according to a simplified "building block" approach, which consists of adding to the regulatory requirements for Pillar 1 risks (or to the internal capital related to those risks calculated on the basis of internal methodologies, if any), the internal capital related to other relevant risks, if any. In accordance with supervisory regulations, the assessment of total internal capital is conducted under both normal business conditions and stress conditions.

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Template EU CMS1: Comparison of modelled and standardised risk weighted exposures amounts at risk level

		a	b	c	d	EU d
		RWEA for model-based approaches whose use by banks is authorised by the supervisory authority	RWEA for portfolios where standardised approaches are used	Total actual RWEA (a + b)	RWEA calculated using the full standardised approach	RWEA constituting the basis of the output floor
1	Credit risk (excluding counterparty risk)	2,771,970	3,191,710	5,963,680	(552,072)	(196,522)
2	Counterparty risk	-	37,289	37,289	37,289	37,289
3	Credit valuation adjustment		3,743	3,743	3,743	3,743
4	Securitisation exposures in the banking book	-	-	-	13,889	13,889
5	Market risk	-	-	-	-	30,411
6	Operational risk		984,957	984,957	984,957	984,957
7	Other amounts of risk-weighted exposures		615,824	615,824	615,824	6,776,465
8	**Total as at 31/12/2025**	**2,771,970**	**4,833,523**	**7,605,493**	**1,103,630**	**7,650,232**

Banco Desio

Template EU CMS2 - Comparison of modelled and standardised credit risk weighted exposure amounts

		a	B	c	d	EU d
		Risk-weighted exposure amounts (RWEA)				
		RWEA for model-based approaches that institutions are permitted to use by the supervisory authority	RWEA for column a) if recalculated using the Standardised Approach	Total actual RWEA	RWEA calculated using the full standardised approach	RWEA constituting the basis of the output floor
1	Central governments and central banks	-	512	158,499	159,011	159,011
EU 1a	Regional governments or local authorities	-	39	3,429	3,468	3,468
EU 1b	Public sector entities	-	-	6,772	6,772	6,772
EU 1c	Classified as multilateral development banks under the SA approach	-	228	17	244	244
EU 1d	Classified as international organisations under the SA	-	4	-	4	4
2	Institutions	-	1,725	415,087	416,812	416,812
3	Equity instruments	-	-	13,327	13,327	13,327
4	*Not applicable*	-	-	-	-	-
5	Corporates	1,016,190	1,268,233	1,476,967	2,082,115	1,729,011
5.1	*of which the FIRB approach is applied*	*241,172*	*286,674*	*241,172*	*391,507*	*286,674*
5.2	*of which the A-IRB approach is applied*	*775,017*	*1,317,894*	*775,017*	*1,568,610*	*1,317,894*
EU 5a	*of which undertakings – in general*	*799,849*	*1,268,233*	*799,849*	*1,621,337*	*1,268,233*
EU 5b	*of which corporates – specialised lending*	-	-	-	-	-
EU 5c	*of which undertakings – purchased receivables*	*203,509*	*294,664*	*203,509*	*390,677*	*294,664*
6	Retail	465,943	729,925	1,608,858	1,872,840	1,872,840
6.1	*of which retail – qualifying revolving*	-	-	-	-	-
EU 6.1a	*of which retail – purchased receivables*	*70,335*	*129,792*	*70,335*	*129,792*	*129,792*
EU 6.1b	*of which retail – other*	*388,992*	-	*388,992*	-	*600,134*
6.2	*of which retail - secured by residential property*	*2,314*	*689,050*	*2,314*	*689,050*	*689,050*
7	*Not applicable*	-	-	-	-	-
EU 7a	Exposures classified as secured by real estate and ADC exposures under the SA approach	1,186,672	1,302,059	1,382,039	1,302,059	1,302,059
EU 7b	Collective investment undertakings (CIU)	-	-	233,440	233,440	233,440
EU 7c	Classified as exposures in default under the SA approach	103,165	85,483	157,620	139,937	139,937
EU 7d	Classified as subordinated debt exposures under the SA approach	-	-	160,366	160,366	160,366
EU 7e	Classified as covered bonds under the SA approach	-	-	-	-	-
EU 7f	Classified as receivables due from institutions and corporates with a short-term credit assessment under the SA approach	-	-	-	-	-
8	Other non-credit assets	-	25	347,261	347,286	347,286
9	**Total as at 31/12/2025**	**2,771,970**	**3,388,233**	**5,963,682**	**6,737,681**	**6,384,577**

3. Disclosure of risk management objectives and policies[2]

Table EU OVA: Institution risk management approach

Publication of a short risk statement approved by the board of directors

In accordance with the Supervisory Provisions, the Board of Directors defines the Risk Appetite Framework (RAF), based on the Bank's business model, taking into account the Bank's operational and strategic objectives, management structure, Risk Capacity, the process for determining capital adequacy and the Internal Control System. The RAF, therefore, contributes to the implementation of the principle of sound and prudent management and improves the Bank's ability to manage risk with respect to its objectives and its Risk Tolerance.

Prudential supervisory regulations define the following concepts relevant to the RAF:

- ✓ risk capacity (maximum risk that can be taken): represents the maximum level of risk that a bank is technically capable of taking on without breaching regulatory requirements or other constraints imposed by shareholders or the supervisory authority;
- ✓ risk appetite (risk objective or appetite): the level of risk (overall and by type) that the bank intends to take in pursuit of its strategic objectives;
- ✓ risk tolerance (tolerance threshold): the maximum deviation from the risk appetite allowed. The tolerance threshold is set so as to ensure that the bank has sufficient margins in all cases to operate, even under stress conditions, within the maximum risk that can be assumed;
- ✓ risk profile (actual risk): the risk actually measured at a given point in time;
- ✓ risk limits: the structuring of risk objectives into operational limits defined in line with the principle of proportionality, by type of risk, business units and/or lines, product lines and types of customers.

The methodological approach adopted by the Group provides for a quantitative assessment based on three different types of indicators (first-level risk indicators, second-level risk indicators and key-risk indicators) and a qualitative assessment concerning the evaluation of organisational controls.

In addition, there are specific policies concerning the various types of risk that provide the criteria for their operational management from a group and individual perspective. A description of the three types of indicators used and of the qualitative assessment of the organisational controls for measuring, monitoring and managing the various types of risks is provided below. The values of the thresholds are described in specific documents approved by the relevant corporate bodies.

Level 1 risk indicators: these relate to specific macro-areas concerning the Group's risk exposure (capital adequacy, financial structure, liquidity, interest rate, profitability, operational risks, credit risks, asset quality and non-financial risks). For the indicators shared with the Recovery Plan, both the concepts of risk *appetite*, *risk tolerance* and *risk capacity* and a threshold value (*warning threshold*) are calibrated. For first-level RAF indicators only, the risk capacity threshold is not calibrated: if these thresholds are exceeded, this triggers specific corporate escalation processes. No top-level indicators are calibrated for the individual legal entities that make up the Group.

Level 2 risk indicators: these are attributable to the individual types of risk and are considered to be of particular significance for banking operations. A system of operational limits (risk limits) is calibrated on each indicator, structured on two different types of thresholds, and where these are exceeded this entails the activation of specific corporate escalation processes, depending on the lesser or greater level of seriousness identified (warning and tolerance thresholds respectively). The purpose of these thresholds is to provide early warning of any approach of the second-level risk indicators to a situation deemed particularly critical.

Key-risk indicators: these are attributable to the individual types of risk and deemed to be of particular significance with reference to operational and management aspects. Therefore, they provide additional information, from a different perspective, on the dynamics of the Group's risk exposure. There are no thresholds

[2] See Art. 2 of Implementing Regulation (EU) 2021/637

on these indicators, although they are monitored periodically in order to detect any anomalous data or possible atypical trends and identify any corrective actions accordingly.

The qualitative assessment of organisational safeguards: a qualitative assessment of the organisational safeguards currently in place against business risks. The objective of this activity is to analyse, through the examination of evidence from the second and third level control functions, the adequacy of the organisational configuration in place in relation to the risk appetite profile defined in the RAF. The evidence obtained makes it possible, firstly, to formulate a judgement of overall adequacy on the state of the art of organisational controls and, subsequently, to identify specific improvement measures to be activated in the next 12 months. Finally, an assessment of the expected adequacy profile of the organisational structures, following the implementation of the aforementioned measures, is carried out by sharing it with the structures concerned. Subsequently, the identified actions are approved with the definition of the relevant time-frames and responsibilities for implementation and coordination. The activities identified are carried out as part of the ICAAP self-assessment process.

This also includes the annual self-assessment carried out by the Anti-Money Laundering Office on money laundering and terrorist financing risks. The methods for analysing these risks are carried out in line with the provisions of the Bank of Italy[3] and implemented in the Anti-Money Laundering Policy.

The implementation of the RAF includes effective monitoring and reporting activities to analyse and assess the bank's risk profile. If the thresholds of the risk indicators are exceeded this triggers specific escalation processes aimed at assessing, first of all, the reasons behind the breach of limits and, subsequently, identifying corrective actions to restore normal business operations. Escalation processes differ depending on whether the thresholds are exceeded in respect of first- or second-tier risk indicators.

Information on the risk governance structure for each type of risk

In general terms, it is possible to define risk, in the economic-financial sphere, as the possibility that the outcome of any transaction carried out by an economic entity will be different from what was expected *ex ante*. It is therefore implicit that risk is an integral part of banking and that the medium/long-term stability of the Credit Institution and its competitiveness are a function of the risk/return ratio of the transactions implemented as a whole. In order to cope with the risks to which it is exposed, the bank has appropriate governance arrangements and adequate management and control mechanisms. These safeguards cover each type of business risk assumed consistently with the characteristics, size and complexity of the activities performed by the intermediary. In compliance with Bank of Italy Circular No. 285/2013, the Banking Group prepared the Risk Appetite Framework (RAF), which is updated on an annual basis in line with the evolution of the bank's risk objectives and strategies

Group-wide strategic decisions on risk management are left to the corporate bodies of the Parent Company, and these choices take into account the specific operations and related risk profiles of each of the Group's member Companies. As far as the other components of the Group are concerned, the corporate bodies are aware of the risk profile and management policies defined by the Parent Company and are responsible for implementing these policies in a manner consistent with their own corporate situation. With a view to an effective and efficient risk management and control system, the Group places specific responsibilities on its organisational structure. With this in mind, the Group applies the principle of separation of the functions involved in the risk control process in accordance with prudential supervisory regulations.

The Internal Control and Risk Management System consists of the set of rules, procedures and organisational structures designed to enable the identification, measurement, management and monitoring of the main risks. This system is integrated into the organisational and corporate governance structures adopted by the Group. The guidelines of the system are defined in internal regulations. Detailed operational and disclosure provisions concerning the controls put in place, at the various levels, on company processes are contained in specific function regulations and Internal Procedures. On this point, it should be noted in particular that, in compliance with Memorandum 285, Banco Desio has adopted a Policy on the Coordination and Information Flows of the

3 See Communication No. 1115097/15 of 21/10/2015

Group Control System, most recently updated by a Board resolution of 24 July 2025.

The Bodies and Functions involved in the Internal Control System are organised as follows:

- Board of Directors, approves and evaluates the adequacy of the corporate governance, organisational, administrative and accounting structure of the Bank and the Group, with particular reference to the system of internal controls and management of all risks, ensuring a clear distinction of duties between functions, as well as the prevention of conflicts of interest;
- Board of Statutory Auditors, i.e. the body with control functions that is responsible for supervising compliance with laws, regulations and by-laws, the proper implementation and adequacy of control functions (Supervisory Board pursuant to Legislative Decree No. 231/2001);
- Executive Committee to which ordinary management tasks are assigned;
- Risk Control Committee, which performs advisory and investigative functions for the Board of Directors, with particular reference to assessments relating to the internal control and risk management system;
- Sustainability Committee dedicated to the implementation of sustainability in business operations, its interactions with stakeholders and transparency in reporting on its commitment to sustainable development;
- Risk Management Committee for its specific decision-making and advisory purposes in the area of risk management;
- CEO, in the "Internal Control and Risk Management System" area, without prejudice to the prerogatives of the Board of Directors, of the Control and Risk Committee and of the Board of Statutory Auditors, carries out, with the support of the internal control functions, the tasks of monitoring and coordination of the Internal Control and Risk Management System as a whole, with the aim of ensuring that its effectiveness is maintained. In this regard, it should be noted that the role of the AISCI (Director in Charge of the Internal Control and Risk Management System), as defined by the GC Code, was absorbed by that of the CEO as of 23 April 2020. The Chief Executive Officer is a body with management functions, also pursuant to Circular 285;
- General Manager (a role held, as mentioned, by the same person as the CEO), who is responsible, in particular, for implementing the resolutions of the Board of Directors and the Executive Committee;
- Executive in charge, who is responsible for defining and maintaining an organisational and control model for the Group's financial and sustainability reporting[4], aimed at ensuring the reliability and integrity of accounting and management information;
- Compliance and Anti-Money Laundering Department
    - Compliance Area, which is assigned the task of managing and overseeing, at Group level, the risk of non-compliance with regulations, reporting to the Compliance and Anti-Money Laundering Department;
    - Anti-Money Laundering Area, whose tasks are to put in place procedures and controls to prevent money laundering and terrorist financing activities carried out through the Group's channels, reporting to the Compliance and Anti-Money Laundering Department; the Head of the Anti-Money Laundering Area also acts as the Suspicious Transaction Reporting Officer and deputises for the Head of the Group Anti-Money Laundering Function.

  The Head of the Compliance and Anti-Money Laundering Department directly performs the roles of Compliance Officer and Anti-Money Laundering Officer, in accordance with supervisory regulations, as well as the role of Group Sanctions Compliance Officer.

[4]Pursuant to Article 154-bis of Legislative Decree 58/1998, which was supplemented by Legislative Decree 125/2024 with the new paragraph 5-ter, for which Banco Desio has chosen to also assign Sustainability Reporting duties to said Executive in charge

- Risk Management Department, with the task of supporting the governance of corporate and Group risks in accordance with defined strategies, plans and risk policies and in compliance with primary, secondary and corporate regulations. It is responsible for measuring and monitoring the Group's exposure to different types of risk, including credit and concentration risk, liquidity and operational risk, also coordinating project activities for the definition and implementation of models, methodologies and tools for assessment and measurement and developing an integrated reporting system for risk monitoring;
- The Internal Audit Department (third-level control function) reports directly to the Board of Directors and is responsible for carrying out audits to ensure that the Internal Control System, both corporate and Group-wide, is, as a whole, complete, adequate, reliable, efficient and effective. The structure of the audit and reporting activities carried out by this Department is consistent with the specific recommendations of the CG Code.
- Control Functions Coordination Committee ("CCFC"), which was established in 2022 for the exclusive coordination of the Corporate Control Functions.

It should be noted that responsibility for the new ICT and security risk control function introduced by the 40th amendment to Circular 285 has been assigned by Banco Desio to the Compliance and Anti-Money Laundering Department and the Risk Management Department within their respective areas of responsibility.

The Banking Parent Company carries out the internal audit, risk management, compliance and anti-money laundering functions for the subsidiary Fides S.p.A.. Under the centralisation model adopted within the Banco Desio Group, the Heads of the aforesaid Functions of the Parent Company are also responsible for the corresponding Functions of the Subsidiary, within which the respective Contact Persons are appointed, who functionally report to the Heads of the Parent Company and hierarchically to the Board of Directors of the Subsidiary.

Information on the scope and nature of reporting and/or risk measurement systems: main features of reporting and risk measurement systems

The Risk Management Process represents a reference model in organisational and process development and in the systematic execution of all operational and business activities that involve the assumption and ongoing management of risks. It is also an obligatory reference in the planning and execution of all activities of a non-systematic or contingent nature.

At general level, the Group implements its business model through an organisational model that ensures the coordinated deployment of human resources, technologies and methodologies on the basis of an internal set of rules that defines the management structures, internal regulations (rules, delegations and limits), and the processes in which activities are carried out, including control activities.

The Group's organisational structure provides for the monitoring and management of risks based on an approach of separation between business and control functions. The Board of Directors approves strategic guidelines and risk management policies. The Board verifies that, also at Group level, the CEO promotes and ensures in his work clear and widespread knowledge of the risk management policies approved by the Board of Directors itself, defines the structure of the internal control system in line with the predefined risk appetite within the RAF ("Risk Appetite Framework"), and that the control functions have autonomy within the structure and are provided with adequate resources to perform their responsibilities. The Parent Company's Risk Management Department ensures the integrated risk management process, controlling and monitoring risks, systematically identifying and analysing sources, coordinating project activities for the definition and implementation of models, methodologies and measurement tools, and developing an integrated reporting system for monitoring.

The provision of information flows between corporate functions/organisations facilitates the exchange of complete, timely and accurate information. In particular, it enables the rapid and timely activation of escalation mechanisms towards the competent corporate bodies, with particular reference to those serious situations that require prompt intervention due to their particular nature.

Depending on who is involved in the preparation and reception of the information flow, two different ways of implementation are defined:

- Vertical flows (from control functions to corporate bodies);
- Horizontal flows (between control functions).

Consistent with the regulatory provisions contained in Circular 285/2013, an integrated risk management process has been implemented at Group level among the corporate Functions/Bodies in order to:

- promote understanding and a deeper and more effective evaluation;
- plan future control activities based on the outcomes of evaluations;
- ensure coordinated management of the activities of the Risk Management and Compliance functions with regard to their shared role as the ICT and security risk control function;
- initiate the implementation of mitigation actions in the event that risks have been identified that have not yet been controlled or whose controls have proved ineffective;
- identify any gaps in the control system and remedy them immediately.

Information sharing is achieved through:

- the exchange of information flows defined in the specific Regulation;
- use of an integrated IT platform between control functions;
- participation in the Control Functions Coordination Committee, as part of the periodic coordination meetings between the Group's corporate control functions in order to discuss the progress of the mitigation/resolution of identified risks and to discuss regulatory news relevant to the Group;

- participation in the Risk Management Committee in the context of the periodic meetings where the analyses, evaluations and reports produced on risks are shared.

In order to better assess risk exposure, the related mitigation and control systems and capital and liquidity adequacy, the Group conducts stress exercises.

Stress tests are a fundamental tool to adopt a forward-looking perspective in one's risk management, strategic planning and capital planning activities and are an integral part of the ICAAP/ILAAP process.

The stress test exercises carried out by the Group are divided into:

- regulations, or required by the regulator/supervisor, carried out at least annually and in any case in connection with the preparation of the ICAAP/ILAAP Report and the Turnaround Plan;
- management exercises, i.e. exercises in which scenarios, rules and conventions are defined internally within the Bank, necessary for the definition of corporate strategy.

The two main risk categories involved in the simulations are:

- Capital risks, i.e. exercises in which the impact of individual risk factors on capital is assessed;
- Liquidity risk, i.e. specific exercises to measure the liquidity buffer under stress conditions.

The categories of analysis implemented by the Group for conducting stress testing exercises are:

- sensitivity analysis;
- scenario analysis;
- reverse Stress Testing.

The Group has structured its stress testing analyses by considering two different application and methodological approaches that aim to obtain, on the one hand, a single-risk view and, on the other hand, an overall view of the impacts on capital and liquidity. The framework therefore includes sensitivity analyses for each relevant and measurable risk and adverse scenario analyses with underlying assumptions with reference to the main macroeconomic variables.

In particular, the following exercises are planned:

- integrated stress test between business plan model and risk models (multi-risk), which allows, starting from the business plan model, to simultaneously stress multi-period balance sheet and income statement elements starting from changes in the main macroeconomic reference quantities (e.g: GDP, inflation, rate curves, unemployment), and to incorporate within risk-weighted assets and own funds, the negative impacts caused by the deterioration of all risk exposures, also using specific modelling;
- stress test system developed for individual risks (single-risk), which evaluates the effects of specific events on the bank's individual risk factors (sensitivity analysis) or of joint movements of a set of economic/financial variables under the assumption of adverse scenarios (scenario analysis), impacting a specific risk (e.g. credit, or market, or liquidity risk).

Risk management strategies and processes for each risk category

Credit risk

Credit risk is the risk that an unexpected change in the creditworthiness of a counterparty, to which an exposure exists, generates a corresponding change in the market value of the credit position. Therefore, not only the possibility of a counterparty's insolvency, but also the mere deterioration of creditworthiness must be considered a manifestation of credit risk.

Credit risk management strategies and processes

The Group's lending policies are primarily geared towards supporting local economies, households, entrepreneurs, professionals and small and medium-sized enterprises. The special attention paid to the maintenance of the relationships established with customers and their development, represents a strength for the Bank as it allows continuity of the relationship and enables it to support to customers over the long-term.

The Credit Policy expressly refers to the following general principles to be observed in the granting of credit: a) the splitting of risk among multiple companies operating in different sectors of economic activity and in different market segments; b) the adequacy of the credit line at individual name level based not only on the latter's autonomous credit capacity, but also on the technical form of the credit line itself as well as the collateral that can be acquired; c) the quality and adequacy of the information for the assessment of the risk profile; d) the consistency of the credit line granted with the customer's financial needs, its size and the relevant repayment capacities. Having said this, for the granting of a credit line and its subsequent maintenance, the Group relies, in principle, on the combined contribution of several elements such as: a) trust, which is based on personal factors relating to the correctness, technical capacity, etc., of those who lead the company; b) the stability of the company's management, which ensures unity and continuity of the management direction; c) the managerial consistency, understood as the company and/or personal assets of the guarantor partners, which must be in adequate terms for the granting of the requested credit line; d) the balanced equity and financial structure, taking into account the resources that the company will be able to rely on and the needs that will arise at the same time as a result of the planned commitments; e) the positive liquidity situation; f) the adequate profitability of the relationship; g) the convincing justification for the allocation of the credit line; h) the prospective income capacity and business continuity. In the case of "*Famiglie Consumatrici*" (Individuals or groups of individuals in their capacity as consumers), on the other hand, the following aspects are taken into account: a) the adequate income capacity in relation to the commitments undertaken and to be undertaken; b) the applicant's asset adequacy; c) the successful testing of existing relationships.

The Structure and organisation of the credit risk management function

The Board of Directors approves and evaluates the adequacy of the corporate governance, organisational, administrative and accounting structure of the Bank and the Group, with particular reference to the system of internal controls and management of all risks, ensuring a clear distinction of duties between functions, as well as the prevention of conflicts of interest.

The CEO, in the "Internal Control and Risk Management System" area, without prejudice to the prerogatives of the Board of Directors, of the Control and Risk Committee and of the Board of Statutory Auditors, carries out, with the support of the internal control functions, the tasks of monitoring and coordination of the Internal Control and Risk Management System as a whole, with the aim of ensuring that its effectiveness is maintained.

Within this framework, referring to risk management in general, the system of proxies for the granting of credit is of particular importance; it is structured according to the company bodies and functions/roles, from the Executive Committee to the Middle Managers. The various functions are therefore assigned responsibilities for assessment activities and risk-taking, within the limits of credit autonomy in line with the organisational structure of the commercial network.

In this context, the Credit Department supports the General Management by overseeing the activities of granting and managing ordinary credit and assisting the General Management in order to ensure a careful and conscious assumption of risk, in line with the company's policies on credit quality, overseeing the overall coordination of credit activities through the intervention of the Areas responsible for disbursing ordinary, special and non-performing loans, in observance of the policies and delegated powers.

Within the Credit Department, the Origination and Monitoring Area performs the following tasks: a) it coordinates and monitors credit disbursement and monitoring activities in accordance with defined strategies, plans and risk policies and in compliance with primary, secondary and corporate regulations; b) it oversees the activities of granting and managing ordinary credit in order to ensure a careful and conscious assumption and management of risk, in line with the company's policies on credit quality; c) it coordinates credit activities through the work of the operational units responsible for disbursing ordinary and special credit, in compliance

with policies and delegated powers. In this context, it supports the Chief Executive Officer/General Manager in defining the criteria, rules and tools relating to credit disbursement and management processes; d) it oversees internal controls aimed at ensuring the legal certainty of guarantees; e) it participates, to the extent of its responsibilities, in the process of granting credit to banking counterparties; f) with regard to Leveraged Transactions, it ensures the half-yearly review of credit granting procedures and establishes appropriate monitoring systems.

With particular reference to monitoring activities, it manages the performing/past due positions identified by the instruments in use, for which the conditions for initiating out-of-court recovery or legal action have not yet been met. The main activities carried out through the Monitoring Office are described below: a) it conducts assessments of the performance of individual risk positions identified through periodic and ad hoc checks, in accordance with predefined criteria, or as highlighted by other Organisational Units (Credit Department, Risk Management Department, Internal Audit Department, etc.); b) it intervenes within the distribution network to highlight any signs of irregularity in order to request the normalisation of the risk position and, in the event of a negative outcome, orders its classification into the various categories of irregular risk and determines the analytical loss forecasts; c) in collaboration with the distribution network, it manages risk positions classified as "past due" and "under control", monitoring the development of individual positions and coordinating the entire distribution network in this risk management activity; d) it supports the Branches in examining critical issues and problems related to risk management; e) it resolves on "under control" and past-due positions, within the limits of its delegated powers, and provides opinions for resolutions beyond its powers; f) it estimates loss forecasts for positions to be classified as "probable defaults" as stipulated in the Credit Policy; h) it assesses and analyses performing and past-due positions with adjusted non-performing loans; i) it arranges for the sending of reminder letters, if necessary, and, in urgent cases, for formal notices, contract terminations and the compulsory enforcement of pledges; l) it manages and monitors forborne performing and non-performing positions (limited to past-due positions) for the entire regulatory holding period.

The Special Credit Area, reporting directly to the Credit Department, performs the following tasks: a) it oversees medium- and long-term credit and subsidised credit, acting as the point of contact with medium- and long-term lenders, credit consortia, trade associations (Assilea/Assifact) and data banks; b) with regard to Leveraged Transactions, it ensures the finalisation of credit lines and repayment schedules; c) it coordinates and oversees the activities of the Mortgage Office and the Subsidised Collateral Office.

The NPL Area manages recovery activities on positions classified as non-performing or unlikely to pay, either carried out directly or through external specialised companies, and is organised as follows: UTP Office, Litigation Office and Outsourcing & Special Projects Office.

The UTP Office manages the recovery activities on positions classified as unlikely to pay, that remain under internal management according to the parameters set out in the current internal policy, defining the management strategy based on the assessment of available information.

The Litigation Office manages positions classified as non-performing with a gross overall exposure exceeding the thresholds provided for by internal regulations, which are not subject to outsourcing to recovery companies, and, among other things, collaborates with the other Offices of the NPL Area by making its professional expertise available to the entire structure through consultancy activities. It manages lawsuits and related out-of-court dispute resolution procedures arising from positions classified as "non-performing" within its jurisdiction.

The Outsourcing & Special Projects Office manages UTP positions for which it is responsible, within the scope of the specific tasks assigned to it. It supports the NPL Area in specific projects (e.g., sales of non-performing loans and preparation of reports for the Board of Directors).

The Risk Management Department is responsible for supporting the Board of Directors and the Chief Executive Officer / Managing Director in corporate governance, with the aim of ensuring an integrated approach to risks in their broadest sense, by coordinating and monitoring the activities of the areas under its responsibility in accordance with defined risk strategies, plans and policies and in compliance with primary, secondary and corporate regulations. It also supports the Bank in managing relations with the Supervisory Authority as part of the Supervisory Review and Evaluation Process (SREP) and, more generally, handles relations with the Supervisory

Authorities for matters falling within its remit. To the extent of its remit, the Risk Management Department is responsible for managing and controlling ICT and security risks, in accordance with the relevant regulations.

Finally, the Internal Audit Department assesses the functionality and reliability of the entire internal control system, and carries out, among other things, checks on the regularity of credit operations.

The scope and nature of credit risk reporting and measurement systems

Credit risk management and control systems are developed in an organisational context that involves the entire credit process cycle, from the initial inquiry phase to the periodic review and the final revocation and recovery phase. During the credit preliminary investigation phase, the Group carries out both internal and external investigations on the borrowing customer, and reaches the final decision to grant credit by also considering all the information relating to the economic entity, which is the result of direct knowledge of the customer and the economic context in which it operates. In the credit disbursement process, the Group operates by having as its guiding principle both the spreading of risk among a multiplicity of customers operating in different business sectors and market segments, and the adequacy of the credit line in relation to the borrower's autonomous creditworthiness, the technical form of utilisation and the collateral that can be acquired.

The analysis and monitoring of credit risk is carried out with the support of specific operating procedures. The purpose of a timely monitoring system is to detect, as early as possible, signs of deteriorating exposures in order to take effective corrective action. To this end, credit exposures are monitored by means of the performance analysis of reports and the risk centre through dedicated procedures. This examination makes it possible to identify customers with anomalies in the conduct of the relationship as opposed to those with a regular pattern.

As part of its corporate risk management policies, the Bank has established a system of operational limits and specific Key Risk Indicators (KRI). In the context of monitoring and control, when thresholds are exceeded, the Risk Management function activates internal procedures to intervene in order to maintain a level of risk appetite consistent with what is defined in the RAF and risk management policies.

On 25 June 2025, Banco di Desio e della Brianza announced to the market that the Bank of Italy authorised the Banco Desio Group (CRR Brianza Unione Group) to use the Advanced Internal Rating Based (A-IRB) approach to determine the capital requirement for credit risk, at consolidated and individual level, with reference to the regulatory asset classes "corporate exposures" and "retail exposures".

The Bank of Italy also authorised the gradual extension of the A-IRB approach (so-called "roll-out") by granting the provisional exclusion from the calculation of the A-IRB approach of exposure classes with respect to newly acquired business units for which a phased extension plan is envisaged (so-called "roll-out") according to pre-established timetables, as well as permanent partial use (so-called "PPU") of the Standardised Approach for certain exposure categories and the group and for all exposures related to the subsidiary Fides S.p.A., pursuant to Article 150 of the CRR. The authorisation made any financial benefit conditional on a series of preliminary remedial interventions that were completed within the following 18 months.

By order of 24 June 2025, the Bank of Italy, on the basis of the results of the inspections conducted in connection with the preliminary remedial measures and the preliminary investigation activities, authorised the Banco Desio Group (CRR Brianza Unione Group) to the actual use for capital requirement calculation purposes, on an individual and consolidated basis, of the A-IRB internal credit risk measurement system for Banco Desio "Retail" and "Corporate" exposure classes, also applying the corrective factors, in terms of floors and add-ons, envisaged in the Order of 24 May 2023.

Following this authorisation, as of 30 June 2025, at consolidated and individual level, for exposures falling within the first validation perimeter, Supervisory Reporting is carried out according to the A-IRB methodology.

For the purposes of calculating the capital requirement for credit risks for exposures not included in the initial A-IRB validation scope, the bank follows the rules established by the legislation for the standardised approach, resorting, for certain counterparties, to the use of ratings provided by authorised external ECAI.

Credit risk hedging and mitigation policies, strategies and processes for the ongoing monitoring of their effectiveness

In the process leading to the disbursement of credit, even in the presence of positive evaluations referring to the counterparty and the transaction, the Group acquires, whenever possible, additional guarantees aimed at mitigating the risk. Guarantees assumed to mitigate credit risk are closely monitored on a regular basis to verify that they maintain their initially determined value or the financial strength of the guarantor/surety provider. In the case of events that adversely affect the collateral framework, it is necessary to promptly reinstate the collateral and/or reduce the previously granted credit line. Mortgage collateral, mainly referring to the technical form of mortgages (particularly on residential property), appears to be prominent in the loans total. To a lesser extent, but still at significant levels, pledges of securities and/or money are also present.

A prudential haircut is applied to the value of collateral in relation to the variability of the pledge's market value over time; collateral is constantly monitored in order to check its current value against its initial value and to allow for intervention in the event of a reduction in value. The haircuts prescribed by internal regulations are applied to the acquisition of mortgage collateral. Personal guarantees consist mainly of sureties issued by individuals and companies. They are always valued on the basis of an assessment of the guarantor's assets, as part of the credit approval and/or renewal stages.

The guarantees collected by the Group are drawn up on the basis of contractual templates, in line with industry standards and legal guidelines, which are approved by the competent corporate functions.

Market risk

Market risk arises from the effect that changes in market variables (interest rates, security prices, exchange rates, commodity prices) can have on the economic value of the Group's portfolio, which includes both assets held in the trading book and those in the banking book, i.e., operations associated with the commercial bank's core business and strategic investment choices. From the perspective of regulatory supervision, market risk arises from all positions included in the trading book, as well as from commodity and foreign exchange risk positions in the entire balance sheet.

Market risk management strategies and processes

The Group has a very limited exposure to market risks inherent in the "supervisory trading book". For management purposes, the approach of defining, measuring, managing and controlling market risks is also borrowed for portfolios of financial instruments, other than loans, classified in the banking book.

The management of the proprietary book mainly takes the form of the implementation of financial investment policies on the basis of the strategic guidelines defined by the Board of Directors and the operational management of proprietary portfolios and short-term liquidity, in euro and foreign currency, aiming to optimise the risk/return ratio. In this context, the Group implements its investment policy in a manner consistent with its capital objectives and desired risk profile in order to ensure efficient and prudent liquidity management with respect to the current situation and the strategic forecasts formulated.

The Structure and organisation of the market risk management function

The Group's organisational structure provides for the monitoring and management of risk based on an approach involving the separation of business and control functions. The Board of Directors approves strategic guidelines and risk management policies. The CEO defines the structure of the internal control and risk system, consistent with the predefined risk appetite within the Risk Appetite Framework (RAF), and ensures that the control functions have autonomy within the structure and are provided with adequate resources to fulfil their responsibilities. In this context:

- the Risk Management Department supports the General Management in risk governance, ensures the integrated risk management process, systematically identifying and analysing risk sources in accordance with the Group's strategies, plans and risk policies and in compliance with regulations;
- the Asset & Liabilities Risk Management Office, a specific organisational unit within the Risk Management Department, focuses on market risk activities: identification of the purposes of measurement models,

definition, development and monitoring over time of the adequacy of model performance. In terms of monitoring, it is responsible for the measurement, control and reporting of market risk;

- the Finance Area carries out its activities in the monitoring and management of market risk in compliance with the limits and mandates assigned to it.

The scope and nature of market risk reporting and measurement systems

Routine monitoring activities are carried out with the help of specific IT procedures that incorporate quantitative evaluation models and through the processing of data from other front-office applications. Since risk-taking is the responsibility of the Finance Area, the monitoring of the indicators is performed, as a first-level control, on an ongoing basis by the Area itself, while the Risk Management Department performs second-level monitoring, activating any escalation procedures in the event of overruns in accordance with the "RAF Policy".

For the purposes of regulatory supervision, market risk measurement is applied to the trading book perimeter using standardised calculation methods, in accordance with Circular No. 285 of 2013, which allow the calculation of the overall capital requirement, based on the "building block" approach, according to which the overall requirement is obtained as the sum of the capital requirements for individual risks. As part of this methodological choice, the Group refers to the provisions of the regulations (Circular No. 285/13 Part Two - Chapter 9, Section I).

The Finance Department's trading activities are subject to operational limits as set out in the specific risk management policy. For management purposes, the following are used to measure market risks:

- Internal models based on the VaR (Value at Risk) concept;
- Specific consistency and overall notional indicators that take into account particular areas of the proprietary securities portfolio's operations;
- sensitivity indicators (such as duration);
- profitability indicators (stop losses).

For some of the indicators being monitored, the Group has set threshold values, broken down into warning and tolerance thresholds in order to detect any anomalous data.

The results of the monitoring are provided to the Finance Area and the Risk Management Committee on a daily basis for the business units and monthly for the Committee, respectively. These thresholds are defined within the Risk Management Committee, on the proposal of the Risk Management Department, and submitted to the approval of the Board of Directors for the elements included in the Group's Risk Appetite.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, human resources and systems, or from external events, including, but not limited to, legal risk, model risk or information and communication technology (ICT) risk, but excluding strategic and reputational risk.

Strategies and processes for operational risk management

The Group has implemented a special procedure for the structured collection of information on prejudicial events that may result in operational losses. The purpose of this activity is to respond to internal management requirements concerning the "activation" of a process aimed at providing Top Management with evidence of the operational risks manifested within the Group.

The Operational Risk Management model (or Operational Risk Management - ORM macro-process) governs the roles and responsibilities of the functions involved in risk management. It also sets out specific monitoring limits of overall loss incurred at the level of each individual group entity (subdivided into "new event loss" and "economic effect loss"). The concept of "Significant Event" was also defined in order to focus monitoring and compliance on ordinary events.

The Group uses the above definition of operational risk within the approved Operational Risk Management Model and formalised in corporate regulations. In this context, a specific operational risk management macro-process (defined as ORM Framework) was defined, which consists of the following steps:

I. Identification: detection, collection and classification of information on operational risks;

II. Valuation: quantification in economic terms of the operational risks identified related to the company's operations;

III. Monitoring and reporting: structured collection and organisation of results in order to monitor the development of operational risk exposure;

IV. Determination of the capital requirement: this includes all activities that lead to the determination of the capital requirement allocated to this risk.

V. Mitigation and control: risk transfer and business process improvement.

The following operational processes have been formalised to support the operational risk management model:

- Loss Data Collection - structured process for the collection of operational losses realised within the Bank;
- Risk Self Assessment – structured process for assessing potential operational risks aimed at having an overall view of operational risk events represented by company macro-process;
- Determination of the SMA capital requirement - Banco Desio calculates the capital requirement using the "Standardised Measurement Approach" method. The Bank, in order to comply with the relevant regulatory requirements, has adopted an IT tool for the definition of the capital requirement according to SMA and has formalised a specific process within the internal regulations.

The Risk Management Department, within the framework of what is defined in company regulations, has structured an adequate monitoring and reporting activity on operational risks, integrating it with the provisions of the supervisory regulations on the subject of coordination between control functions. With regard to the prejudicial events collected in the Database of Corporate Operational Losses (DBPOA), a reporting system capable of providing all the information concerning these events has been implemented some time ago. This reporting was also integrated with the findings of the Risk Self Assessment process.

In line with the relevant regulations, the results of the Loss Data Collection process are communicated via a COREP flow to the Bank of Italy.

With regard to the management and monitoring of Outsourcing risk, a third-party risk assessment methodology has been defined and implemented that is specific to the broader Operational Risk Assessment process.

The Structure and organisation of the operational risk management function

With regard to the Organisational Model of Operational Risk Management, as part of the full implementation of the Operational Risk Framework, the heads of the organisational units have been assigned the following tasks:

• ensuring the correct recording/classification of operational loss events generated or managed within the relevant organisational structure;

- participating in the assessment of potential operational risks related to the processes managed by the relevant unit;

- identifying specific corrective actions for the most significant risks.

In particular, business continuity management ensured the business continuity of critical and systemic processes through the identification of business continuity resources and the possibility of smart working, providing all identified personnel with laptop and smartphone devices. Tests were also carried out to ensure the propriety of procedures in the following areas: internal information systems (including connectivity), external systems (i.e. IT outsourcer Cedacri S.p.A.) where both "on the bubble" testing (carried out in an isolated environment with no interdependencies between systems and channels) and the testing of digital channels, financial markets and electricity delivery systems were performed.

In order to guard against the risk of offences being committed pursuant to Legislative Decree No. 231/2001 "Regulations on the administrative liability of legal persons, companies and associations, including those without

legal personality", the Group Companies have adopted a prevention organisational model. Supervision of the effective implementation of the models has been delegated to a specific internal body.

The scope and nature of operational risk reporting and measurement systems

From an operational risk perspective, the following periodic monitoring activities are carried out and reported to the Parent Company's Risk Management Committee:

As far as "ordinary" events are concerned:

- monitoring of the overall limit of reported Gross Operating Losses (taking into account both new events and changes in the value of losses related to events already reported) and the overall New Events limit;
- analysis of gross and net losses per event;
- analysis of the number of incidents detected per event;
- variance analysis of total losses and detected/recorded events;
- analysis of loss trends by month (Parent Company) and quarter (Parent Company and Fides);
- analysis of the findings of the Risk Self Assessment process.

With regard to material events, an analysis is conducted of the events recorded since the beginning of the year in terms of Gross Loss, no. of events and average loss.

Specific processes have been introduced to ensure the reporting of operational losses to the Bank of Italy, both in terms of calculating the requirement under the SMA and in terms of reporting operational losses according to defined templates.

Operational risk hedging and mitigation policies, strategies and processes for the ongoing monitoring of their effectiveness

As a further form of mitigation, the Group has taken out appropriate insurance coverage to cover certain significant operational risks, and implements appropriate corrective actions should the analysis reveal the need to intervene.

Cyber risk

IT risk is the risk of losses related to any reasonably identifiable circumstance associated with the use of the network and IT systems which, if it materialises, could compromise the security of the network and IT systems, of any technology-dependent tools or processes, of operations and processes, or of the provision of services, thereby producing adverse effects in the digital or physical environment.

Cyber risk management strategies and processes

The Group has implemented a specific operating procedure consisting of a macro-process and control activities put in place for the identification, assessment, monitoring, reporting, mitigation and control of cyber and security risk. These activities have the additional goal of responding to internal management needs in terms of "activating" a process aimed at providing Top Management with evidence of the IT risks that have arisen within the Group.

The IT and security risk management framework is documented and reviewed at least once a year, and, where appropriate, in the event of serious ICT or security incidents, following guidance or findings from supervisory authorities based on relevant digital operational resilience tests or audit processes. The framework is continuously improved based on lessons learned from implementation and monitoring.

The Group's obligations include identifying and assessing sources of risk and cyber threats, and periodically reviewing (at least once a year) the risk scenarios that may affect the business functions supported by ICT services, in line with the provisions of the Digital Operational Resilience Act (DORA) (Reg. (EU) 2022/2254, Chapter II, IT risk management).

Legacy systems are assessed at least annually as part of ICT Risk Assessment activities and are reassessed on an ad hoc basis, including outside the regular assessment cycles, in the event of integration with new technologies, applications or systems.

The Group uses the above definition of cyber risk within the approved Cyber Risk management model and formalised in corporate regulations. In this context, a specific risk management process has been defined, which consists of the following steps:

I. Identification of IT and security risk: this includes the activities of detecting, collecting and classifying information on IT and security risk through the consistent and coordinated processing of all relevant internal and external information sources;

II. IT and security risk assessment: this involves defining and implementing risk assessment methodologies in line with the express requirements of the relevant external regulations;

III. Monitoring and reporting: this includes the structured collection and organisation of results in order to analyse and monitor, over time, the development of the level of exposure to IT and security risk, and to prevent the occurrence of adverse events;

IV. Mitigation and control: risk management activities (e.g. mitigation, transfer) defined on the basis of the findings of identification, assessment and monitoring of cyber and security risk.

The Risk Management Department, within the framework of what is defined in company regulations, has structured an adequate monitoring and reporting activity on cyber risks, integrating it with the provisions of the supervisory regulations on the subject of Coordination between control functions. With regard to the events that could generate a significant increase in the Group's IT risk, detected in the context of periodic assessment activities and the monitoring - on an ongoing basis - of a system of IT risk indicators, appropriate reporting methods have been identified, formalised in the Risk Management Department's Reporting and in the Summary IT Risk Assessment Document, drawn up annually and re-performed quarterly.

In compliance with the specific requirements of the relevant external regulations, on an annual basis, the Risk Management Department carries out a specific analysis of operational and security risks in the area of payment systems. This analysis is formalised in a special report that is sent to the Bank of Italy.

With reference to the main operational and organisational safeguards currently in place to ensure data security and protection, in addition to specific ICT Risk Assessment activities, the Group has:

- a process of assessment of third parties and the organisational and technological safeguards they put in place to ensure, among other aspects, IT security and business continuity within the scope of the services provided both at the contract stipulation stage and throughout the entire life cycle of the relationship;
- a DPIA (Data Protection Impact Assessment) process, aimed at assessing the necessity and proportionality of privacy processing, evaluating and managing any risks to the rights and freedoms of data subjects, and establishing the need to implement mitigation measures in the face of any shortcomings found in the existence and effectiveness of adequate physical, organisational and technological safeguards;
- internal training on data protection regulations and how to process and protect data, as well as on specific cyber topics such as, for example, phishing, vishing and cyber fraud techniques in general;
- anti-fraud procedures being progressively strengthened with respect to the evolving dynamics of cyber-attack techniques;
- security event management procedures;
- threat alerting systems active 24/7 also through the use of SOC (Security Operation Centre) services by specialised operators and intrusion detection systems;
- a service for the daily monitoring of ICT security performance by means of a rating system (external evaluation by a specialised operator widely used worldwide) which allows for an independent assessment for Group systems and for the main technology providers.

- advanced systems for managing access to the Bank's networks from mobile devices, both for remote work activities (smart working) and for operational needs related to mobile access.

With reference to the main lines of evolution envisaged, it should be noted that the Group worked to strengthen its first-level cyber security controls through the development of a KRI (Key Risk Indicators) system capable of continuously monitoring, among others, the following areas: the Group's cyber security positioning, the effectiveness of anti-fraud detection systems, exposure to vulnerabilities, management of IT service management processes (incident management, change management, etc.).

With reference to the most recent regulatory developments (i.e. DORA Regulation), the following reinforcement actions were finalised with an impact on the relevant internal regulations in the field of IT Risk Management:

- ✓ strengthening of the Information and Security Risk management framework by implementing new level II controls in the cloud and artificial intelligence domain;
- ✓ strengthening of the coordination mechanisms between Risk and Compliance with a view to reinforcing the joint role of the ICT and security risk control function;
- ✓ structured integration of KRIs into the ICT Risk assessment, updating specific calculation elements of the risk assessment model: effectiveness of controls and probability of threat occurrence.

The Structure and organisation of the information risk management function

With regard to the Organisational Model of Information Risk Management, the following figures have been introduced:

- User Supervisor: A corporate figure, identified from the Heads of the corporate structure (Management/Area/Office), who assesses the Criticality (potential risk) of each system or application.
- Process Owner: A corporate figure, identified from the Heads of the corporate structure (Management/Area/Office), who assumes responsibility for the relevant corporate risk. In the context of ICT Risk Assessment, they formally accept the Residual Risk determined downstream of the risk assessment process with regard to the processes for which they are responsible.

In compliance with Bank of Italy regulations (formerly Circular 285/2013 Part I, Title IV, Chapters 4, 5) and EU Regulation 2022/2554, the Group has:

- an IT security policy;
- Internal regulations in the areas of incident management, Asset Catalogue management, Change, Capacity and Patching Management, IT risk management, logical access management, network security, vulnerability management, etc.
- Information and Security Risk Assessment Methodology.
- KRI Cyber Risk Monitoring and Reporting Methodology.

The scope and nature of cyber risk reporting and measurement systems

As regards IT risk, monitoring of the ICT Risk indicator of the RAF, was carried out both on a quarterly basis (i.e. outcome of the ICT Risk summary report and subsequent updates) and when the level of risk changed as a result of specific assessments on one or more ICT resources. These activities are reported to the Parent Company's Top Management.

Cyber risk hedging and mitigation policies, strategies and processes for the ongoing monitoring of their effectiveness

As a further form of mitigation, the Group has taken out appropriate insurance to cover certain significant cyber risks.

Other risks

Concentration risk

Concentration risk is the risk arising from exposures to counterparties, groups of connected counterparties and counterparties in the same economic sector or engaged in the same activity or belonging to the same geographical area.

As far as management policies and processes are concerned, the Group's lending business operates under a policy of fractioning its loan portfolio. This fractioning is guaranteed by business development, in line with the guidelines defined in the Strategic Plan, aimed at local economies structured mainly in the retail, small business and small and medium-sized enterprise markets and, to a lesser extent, towards corporate enterprises. These guidelines are formalised in the Credit Policy, which identifies, among the basic principles for guaranteeing proper management of the loan portfolio, the fractioning of risk among multiple companies operating in different sectors of economic activity and in different market segments. As part of the monitoring activities carried out by the Risk Management Department and the Credit Department, concentration risk is monitored for groups of connected customers, for individual exposures and for business sectors. During the issuance of new products/services, the Product Approval process makes provision for the intervention of the various corporate functions, each according to their respective competences, also in order to achieve a prior general analysis of the concentration risk to which the Group would be exposed in the performance of its commercial action.

The interest rate risk of the banking book

Interest rate risk arising from non-trading activities is the current or future risk caused by adverse interest rate movements affecting interest rate-sensitive instruments.

Changes in interest rates have an impact:

- on the earnings result as they change the expected interest margin over a given time horizon;
- on the economic value as a result of changes in the present value of future cash flows of assets, liabilities and off-balance sheet items.

Interest rate risk management strategies and processes for the banking book

Within the Group, Asset & Liability Management (ALM) processes are applied in order to identify and measure the impacts ("sensitivity") on the expected financial margin and the economic value of assets resulting from the effects of changes in the interest rate structure on the banking book.

With regard to the economic value of the assets ("EV sensitivity"), the assumption of a change in the rate curve is applied, with an instantaneous shock, measuring the difference found in the present value and comparing these changes with the economic value of the assets.

With regard to the expected financial margin ("NII sensitivity"), the change over a twelve-month (annual) time horizon is estimated under the assumption of a deterministic rate curve shock. The estimates are conducted with a view to static analysis ("at constant balance sheet"), i.e. keeping the capital structure unchanged in terms of the composition of assets and liabilities and their financial characteristics (rates, spreads, duration).

For the purposes of regulatory supervision, the Group uses the calculation methodologies set forth in the reference regulations, Circular No. 285 of 2013, respecting the criteria defined by the EBA Guidelines.

The Structure and organisation of the banking book interest risk management function

The Group's organisational structure provides for the monitoring and management of risk based on an approach involving the separation of business and control functions. The Board of Directors approves strategic guidelines and risk management policies. The CEO defines the structure of the internal control and risk system, consistent with the predefined risk appetite within the Risk Appetite Framework (RAF), ensures that the control functions have autonomy within the structure and are provided with adequate resources to fulfil their responsibilities. In this context:

- the Risk Management Department supports the Planning, Finance and Control Department in risk governance, ensures the integrated risk management process, systematically identifying and analysing risk sources in accordance with the Group's strategies, plans and risk policies and in compliance with regulations;
- The Asset & Liabilities Risk Management Office, a dedicated organisational unit within the Risk Management Department, focuses on activities relating to the interest rate risk of the banking book:
  - identification of the purposes of measurement models,
  - definition, development and monitoring over time of the adequacy of model performance.

In terms of monitoring, it is responsible for measuring, controlling and reporting on the interest rate risk of the banking book.

The scope and nature of the banking book interest risk reporting and measurement systems

To determine the exposure to interest rate risk on the banking book, the Group measures the potential impact on both the economic value and the interest margin, considering different scenarios of changes in the level and shape of the yield curve, in accordance with the supervisory regulations and respecting the criteria defined by the EBA guidelines with the application of the minimum floor to the post-shock rate.

Exposure to economic value

Consistent with its membership of Regulatory Class 2, the Group adopts an approach that incorporates certain evolutions from the application of the simplified methodology proposed by Circular No. 285.

The main modelling assumptions refer to the use of management data, performed on the basis of the findings of the internal full evaluation model and the application of a statistical-behavioural model for items without contractual maturity.

The behavioural estimation model is applied to the on-demand items (assets and liabilities) of ordinary customers with the aim of:

- quantifying the degree of responsiveness of rates on on-demand items with respect to market rates;
- and recognising the persistence of on-demand volumes over time, representing them as a source of medium/long-term funding, estimating a stable (core) portion and the related amortisation profile, represented in financial terms as equivalent to two portfolios of term deposits, one at a fixed rate and the other at a floating rate.

The decay/re-pricing profile described by the volume model is supplemented by a re-pricing profile derived from the rate analysis model: by relating sight item rates to market rates, the extent to which changes in the market rate explain changes in the sight item rate and how and when sight item rates adjust to market rates (stickiness effect) is identified.

During 2025, a methodological update was required to align the estimation of sight items and its integration into the Bank's systems with the requirements of the EBA Guidelines and the RTS SA. In particular, compared to the previous model, the dependence of the amortisation profile – generated by the model being applied – on the interest rate scenarios and the division of Retail funding into "transactional" and "non-transactional" was introduced.

Net interest income exposure

Also in this area, the Group adopts an evolutionary approach to the application of the simplified methodology proposed by Circular No. 285, in line with what has been developed for the determination of internal capital.

The Group has an internal ALM model to measure the impact of changes in the interest rate structure on net interest income. Therefore, for each repricing-sensitive ratio over the time horizon under analysis, the change in the net interest income resulting from the application of rate shocks is calculated starting from the effective repricing date and assuming constant volumes until the end of the simulation period.

The interest rate risk is mainly managed through a natural hedge strategy; however, the Group engages in cash flow hedging, with hedge accounting, with the objective of stabilising the cash flows of the hedged instruments through the flows of the hedging instrument.

Derivatives are used as hedging instruments, represented by Interest Rate Swaps (IRS) used to hedge interest rate risk only through macro and micro hedge accounting relations.

Liquidity risk

Liquidity risk relates to the inability to meet one's payment obligations due to the inability to raise funds on the market (funding liquidity risk) or to dispose of assets (market liquidity risk).

The Group's liquidity risk can be generated by internal factors, i.e. factors arising from adverse events specific to the bank and resulting in a loss of confidence in it by the market, and exogenous factors, i.e. caused by market shocks not directly controllable by the bank.

Liquidity risk is understood as the difficulty (or impossibility) of finding the funds to meet payment commitments: risk implicit in the very structure of the bank's assets and liabilities due to maturity transformation, such that the profile of cash outflows is not perfectly offset by the profile of cash inflows; risk that future events may require a significantly higher amount of liquidity than previously planned by the bank.

Liquidity risk management strategies and processes

The Group's internal liquidity risk management and control system is developed within the framework of the Group's Risk Appetite Framework and in compliance with the maximum liquidity risk tolerance thresholds approved therein, which establish that the Group must maintain an adequate liquidity position to cope with periods of stress, including through the establishment of adequate liquidity reserves represented by marketable securities, usable in term loan transactions and/or refinanciable with the ECB. Specific Risk Policies describe the risk management process consisting of the set of rules, procedures and organisational structures aimed at enabling the identification, measurement, management and monitoring of liquidity risk originating from both market and internal Group factors.

The Structure and organisation of the liquidity risk management function

The Group's organisational structure provides for the monitoring and management of risk based on an approach involving the separation of business and control functions. The Board of Directors approves strategic guidelines and risk management policies. The CEO defines the structure of the internal control and risk system, consistent with the predefined risk appetite within the Risk Appetite Framework (RAF), ensures that the control functions have autonomy within the structure and are provided with adequate resources to fulfil their responsibilities. In this context:

- the Risk Management Department supports the Planning, Finance and Control Department in risk governance, ensures the integrated risk management process, systematically identifying and analysing risk sources in accordance with the Group's strategies, plans and risk policies and in compliance with regulations;
- The Assets & Liabilities Risk Management Office, a dedicated organisational unit within the Risk Management Department, focuses on liquidity risk activities:
  - identification of the purposes of measurement models,
  - definition, development and monitoring over time of the adequacy of model performance.

In terms of monitoring, it is responsible for the measurement, control and reporting of liquidity risk;

- the Finance Area conducts its activities within the limits and powers assigned to it in the management of daily liquidity, the liquidity buffer and counterbalancing capacity.

The scope and nature of liquidity risk reporting and measurement systems

The overall model for the management and monitoring of liquidity risk is divided into distinct areas, differentiated according to the reference perimeter, time horizon and frequency of analysis.

With regard to short-term liquidity, measures are taken to estimate liquidity needs over a three-month time horizon.

For the purposes of supervisory regulations, the Group uses the calculation methods and frequencies provided for by the regulations (Circular No. 285) to calculate short-term liquidity indicators (LCR - Liquidity Coverage Ratio), structural liquidity indicators (NSFR - Net Stable Funding Ratio) and Additional Liquidity Monitoring Metrics (ALMM).

For management purposes, liquidity risks are measured using an internal short-term liquidity imbalance model (operating liquidity) that provides for the allocation of cash flows on a time scale divided into residual maturity bands from 1 day to 3 months; a "counterbalancing capacity" model that allows for the integration of operational liquidity with all those assets that can be readily utilised both to be eligible for refinancing with the ECB and to be disposed also through RePo (repurchase agreements) transactions on the interbank market; consistency indicators that take into consideration types of assets that can be readily liquidated or used as financial collateral; specific intra-day liquidity indicators.

For some of these indicators, the Group has set limit values, broken down into alert and warning thresholds, while for others it periodically monitors their levels in order to detect any anomalous data. The Group has defined a

scheme for managing limit overruns by preparing both a series of actions and the involvement of the corporate bodies in charge of risk management and control.

The main safeguard against liquidity risk, in order to cope with liquidity stress situations over a 1-month time horizon, is the maintenance of an adequate liquidity reserve, consisting of financial assets that can be easily and quickly liquidated or eligible as collateral in refinancing operations with the European Central Bank. With this in mind and in order to strengthen the short-term liquidity risk profile, the Group holds a reserve of highly liquid assets (HQLA - High Quality Liquid Assets). With regard to requirements with a longer horizon, the Funding plan is the instrument by which objectives and activities are defined that are consistent with short-term (12 months - budget) or medium-term (3 years - Business Plan) needs and with maintaining structural balance. The Funding Plan is prepared annually as part of the overall budgeting process.

The analysis of any deviations of the actual data from the forecast, due to causes related to the market situation and/or customer behaviour, allows for the timely identification of possible corrective actions to be taken. The Group tends to be less exposed to funding-related liquidity risks, since it does not systematically resort to more unstable sources of funding, but develops a strategy centred on both maintaining "retail" funding, which has been characterised over time by its stability, and increasing funding through internal and traditional channels. The use and development of secured market-oriented forms of financing (e.g. covered bonds, securitisations) allow for greater diversification and stability.

Residual risk

Residual risk is the risk that the credit risk mitigation techniques used by the bank will be less effective than expected.

Guarantees are intended to reinforce the principle of the main obligor's capital liability in that they aim to ensure greater certainty of fulfilment of obligations, i.e. greater effectiveness of enforcement actions in the event of default. They constitute, from an economic point of view, a subsidiary element of the secured credit and as such must be considered when assessing the party to whom credit is to be granted; it is therefore essential always to consider that the main obligor constitutes the primary source of repayment of the credit granted. Guarantees, in order to be useful for the recovery of the credit, must meet the requirements of legal unimpeachability and adequate economic content; to this end, the guarantee deeds must rigorously comply with the specific relevant regulations, while as regards the economic content of the guarantee, it must be verified that they are sufficient throughout the entire relationship. As part of the customer borrowing process, the proposing bodies submit to the decision-makers the guarantee required from the borrowing counterparty. The decision-maker comes to an overall judgment of the position and assesses that the guarantee is widely marketable and not difficult to enforce.

From an operational point of view, in the case of the assumption of personal, financial collateral and insurance guarantees, the Credit Department proceeds to confirm the validity in the Guarantees procedure following their formal control.

With regard to mortgage guarantees, there is a confirmation process in the IT procedures by the Special Credit Area. The Group, through the Credit Department and the Origination and Monitoring Area, ensures the maintenance of collateral against outstanding credit in the processes of granting/renewal of loans and monitoring/performance control. This supervision is attributable to the typical tasks of monitoring, while the NPL Area is responsible for the management of impaired loans. The latter also provides monthly analyses of the recovery data on impaired loans (including the mitigating effect of the guarantee backing the loan). The criteria for assigning loss forecasts on impaired loans provide for doubtful outcomes broken down according to the type of collateral backing the loan: mortgage collateral, financial collateral, personal collateral. For mortgage-backed loans, the doubtful outcome is broken down according to the updated value of the collateral and the Loan To Value (LTV).

In order to ensure compliance with regulatory eligibility requirements, the Group uses a specific IT procedure to manage information on exposures secured by residential and non-residential real estate. With regard to collateral/financial guarantees, as already explained, a management process is envisaged with particular reference to controls aimed at ensuring eligibility. The latter are ensured by an IT procedure, managed by the

Credit Department, which monitors compliance with specific requirements (correlation, fair value and separateness) through a detailed set of dedicated controls.

The eligibility check procedure (mortgage or otherwise) flags up any collateral that does not meet all the parameters listed above. This, however, does not affect the validity of the guarantee, which may actually be properly constituted from a legal perspective and thus be fully valid in the event of enforcement. The purpose of the procedure is to verify eligibility and then assess it for capital requirement mitigation purposes.

As part of its prospective credit risk analysis activities, the Risk Management Department carries out "what if" analyses, also considering the degree of effectiveness of both mortgage and collateral/financial guarantees. In particular, the Risk Management Department communicates to the corporate functions involved in the guarantee management process the results of its own analysis of the capital impact on the eligibility of guarantees. With a view to better monitoring of mortgage guarantees against positions classified as unlikely to pay and non-performing loans, the Risk Management Department periodically verifies compliance with the correct application of the policy for the coverage of impaired loans, within the scope of which specific application criteria are envisaged for exposures guaranteed by real estate according to Loan to Value.

Strategic risk

Strategic risk is the current or prospective risk of a decline in profits or assets resulting from changes in the operating environment or from erroneous business decisions, inadequate implementation of decisions, or lack of responsiveness to changes in the competitive environment. Within the framework of management policies and processes, the boards of directors of the Parent Company and subsidiaries, among other powers provided for by law and by the articles of association, determine the policies that affect the general management of the Group's and individual companies' business by defining their respective strategic lines. In this context, multi-year strategic plans and annual budgets are prepared; these documents are periodically analysed by top management. In order to ensure careful monitoring and control of this type of risk, the Group has also defined a process that combines the needs of business management with those of prudent and conscious risk management. In order to monitor the medium- to long-term economic sustainability of the Business, specific indicators have been identified and monitored within the RAF covering the following issues: Derisking and Lending Profitability, Efficiency Recovery Operating and Service Model and HR sustainability.

Reputational and non-compliance risk

Reputational risk is the current or prospective risk of a decline in profits or assets resulting from a negative perception of the bank's image by customers, counterparties, bank shareholders, investors or supervisory authorities. The risk of non-compliance is the risk of incurring judicial or administrative sanctions, significant financial losses or reputational damage as a result of violations of mandatory (statutory or regulatory) or self-regulatory rules (e.g. articles of association, codes of conduct, codes of corporate governance). In order to monitor the evolution of reputational risk, which by its very nature is a risk defined as "non-measurable", the Group has identified indicators divided into several monitoring areas (e.g. Legal, Anti-Money Laundering, transparency, etc.) that allow the evolution of this risk to be monitored over time. These indicators are monitored on a quarterly basis for all Group entities. The Group also has organisational safeguards in place to deal with these risks. The organisational safeguards adopted by the Group to protect against reputational risk can be found in specific provisions set out in various organisational and regulatory documents approved by the Board of Directors and represented, by way of a non-exhaustive example, by the Code of Ethics, the RAF, the Anti-Money Laundering Policy and the Compliance Risk Management Policy.

Conduct risk

Conduct Risk is identified as a sub-category of Operational Risk and more specifically defined as follows: "Within the scope of operational risk, it represents the current or prospective risk of losses resulting from the inappropriate provision of financial services and the associated legal costs, including cases of wilful misconduct or negligence."

With regard to the governance of Conduct Risk, the latter is part of the more generic operational risk process. In particular, it should be noted that the operational losses and assessment of potential risks related to Conduct

Risk are brought under Event Type 1 - Internal Fraud and Event Type 4 - Customers, Products and Business Practices.

In order to contain and mitigate Conduct Risk, in compliance with the external regulations of reference, the Group has defined specific Policies concerning the scope of the Mifid financial services offered to customers relating, by way of a non-exhaustive example, to budget issues; financial disclosure; incentive policies; pricing of financial instruments; order execution and record keeping. Operational processes relating to product approval; placement of banking, insurance and financial products; securities custody and administration; securities trading; GPM/GPF management and conflicts of interest were regulated and standardised.

Country risk and transfer risk

Circular No. 285 of 17 December 2013 defines *country risk* as the risk of losses caused by events occurring in a country other than Italy. The concept of country risk is broader than that of sovereign risk in that it refers to all exposures regardless of the nature of the counterparties, whether they are individuals, companies, banks or governments.

Circular No. 285 of 17 December 2013 defines *transfer risk* as the risk that a bank, exposed to a borrower in a currency other than the currency in which it earns its main sources of income, realises losses due to the borrower's difficulties in converting its currency into the currency in which the exposure is denominated.

The Group's activity relating to transactions exposed to country and/or transfer risk is to be considered limited and mainly relates to operations in support of companies carrying out international trade transactions and interbank transactions with foreign credit institutions. In both of these cases, internal procedures are in place to assess the foreign banking counterparties with which business is conducted; specifically, a system of counterparty assessment and application of reliability limits is used.

From a country risk perspective, with regard to commercial transactions with ordinary customers, the prevailing case can be traced back to "contract advances/invoices/letters of credit for export" transactions. In this case, the risk is identifiable in the non-collection of the advance due to a blockage of currency transfers by the country in which the commercial counterparty (foreign importer) of the bank's customer operates; this risk is monitored by the Foreign Office.

As far as transfer risk is concerned, the risk identified on commercial operations is essentially related to import financing transactions. In this case, the loan granted in a currency other than the euro presents the risk arising from the inability of the customer/importer to obtain supplies in the same currency for the repayment of the loan contracted with the bank. As part of the broader assessment of creditworthiness, the assessment of the risk in question is referred both to the proposers and to the decision-makers responsible for granting the specific credit line.

Basis risk

Circular No. 285 of 17 December 2013 defines basis risk, as part of market risk, as the risk of losses caused by misaligned changes in the values of similar but not identical positions.

As part of the market risk on the FVTPL (Assets Held for Trading - Fair Value Through Profit or Loss) portfolio, following the creation of a specific "trading desk" for the securities portfolio owned by the Parent Company, there is the presence of derivative positions, mainly futures/options on equity indices and/or debt securities, also contrary to the positions taken on the underlying assets. However, given the Group's management and strategic focus on positions in debt securities (the contribution of equity securities and/or derivatives is entirely marginal), transactions of this kind are put in place for specific trading purposes and do not constitute transactions offsetting opposite positions that would generate a basis risk.

Sustainability risk management

With respect to a preliminary identification of Environmental Social and Governance (ESG) risks, correlated to the business risks defined in the Group's internal policies, in 2022 the Banco Desio Group developed an action plan, called Masterplan E(SG), which concerned, among other things, the development of the specific issue of environmental climate risk governance and management.

As more fully described in the Consolidated Financial Statements as at 31 December 2025, to which reference is made, the activities identified within the framework of the above-mentioned E(SG) Master Plan continued during the year. Specifically, with the aim of integrating climate-environmental factors within the Risk Management Framework, the Group has refined the analysis of climate-environmental risk transmission channels[5] on financial risks, in compliance with the risk taxonomy defined by the European and National Supervisory Authorities, taking into account the Group's operational, dimensional and organisational complexity.

Following the analysis of transmission channels, the Group conducted a financial materiality analysis with the aim of identifying risks and opportunities that have or can be expected to have a significant influence on the Group's development, its financial position, results of operations, cash flows, in the short, medium or long term.

Consequently, the Group conducted the assessment analysis focused on the evaluation (of opportunities and) of risks arising from climate-environmental factors (physical and transitional), key to the quantification of the relative impact on the company's assets, for which reference is made to (i) the information illustrated in section "11.1.4 Assessment of materiality" of the Sustainability Report contained in the Consolidated Report on Operations and (ii) in the disclosure "Climate and environmental aspects and relevant accounting impacts" of "Part A - Accounting Policies, A.1 General Part, Section 5 - Other aspects, Aspects of greater importance for balance sheet assessments" of the notes to the financial statements, and (iii) in the disclosure "Inclusion of climate-environmental risk (physical and transition)" of paragraph "2.3 Methods for measuring expected losses" contained in "Part E - Information on risks and related hedging policies" of the notes to the financial statements, under the section on credit risk.

Table EU OVB: Disclosure on governance arrangements

The Board of Directors of the Bank currently in office, consisting of 11 directors, was appointed by the Ordinary Shareholders' Meeting of 27 April 2023 (with the exception of one director, appointed by the Shareholders' Meeting of 18 April 2024 following the death of a director), which, after determining the number of directors for the three-year period 2023-2025 in 11, appointed, by list voting, the Board of Directors and the Board of Statutory Auditors in compliance with the gender balance pursuant to Law No. 160 of 27 December 2019.

According to the special regulations for banks with listed shares, directors must meet specific requirements under penalty of disqualification from office. Decree No. 169 of 23 November 2020, implementing Regulation of Art. 26 of the TUB issued by the MEF (the "MEF Decree") identifies: a) the uniform requirements of integrity for all representatives; b) the requirements of professionalism and independence, graded according to principles of proportionality; c) the criteria of competence, consistent with the office to be held and with the characteristics of the bank, and of adequate composition of the body; d) the criteria of fairness, with regard, inter alia, to the representative's business relations, conduct towards supervisory authorities and sanctions or corrective measures imposed by the latter, restrictive measures relating to professional activities carried out, and any other element likely to affect the representative's fairness; e) limits on the accumulation of offices for bank representatives, graded in accordance with principles of proportionality and taking into account the size of the intermediary; f) the grounds for temporary suspension from office and its duration. The relevant provisions were applied to appointments after the date of its entry into force, i.e. 30 December 2020[6].

a) Number of directorships held by members of the management body

The Board of Directors of Banco Desio has established the following general criteria in its Internal Regulation concerning the accumulation of offices held by directors[7]: determination (No. 5) of the number of directorships or positions of standing auditor held in other listed companies and/or supervised companies[8] (excluding subsidiaries, associates and companies directly or indirectly significantly owned by Banco Desio) at five.

[5] Today it focuses on physical risk and transition risk
[6] The relevant Supervisory Provisions were issued by the Bank of Italy on 4 May 2021.
[7] It should be noted that specific regulatory rules on the accumulation of offices are in force for the offices of auditors (Article 144-duodecies Consob Regulation on Issuers).
[8] In this regard, "supervised companies" means banks, insurance companies, SIMs (stock brokerage firms), SGRs (asset management companies) and financial companies registered in the Single Register pursuant to Article 106 of the TUB (Italian).

Without prejudice to the prescriptions of specific provisions on the matter (particularly with reference to the provisions of the aforementioned Ministerial Decree 169/2020 and the provisions of the law on the "prohibition of interlocking" between competing banking, financial and insurance groups9), the aforesaid general principles on the accumulation of offices are to be considered non-exhaustive and the occurrence of non-compliant situations does not in itself entail forfeiture of the office; the Board of Directors in addition to carrying out, at least once every six months10, a specific assessment with regard to the aforementioned "prohibition of interlocking" in accordance with the application criteria issued by the Supervisory Authorities11, reserves the right to assess, on a case-by-case basis, any non-compliant situations with regard to the accumulation of offices, without prejudice to the principle enshrined in the CG Code, according to which it is left to the discretion of the persons concerned to assess the appropriateness of accepting appointments, including to internal committees, exclusively "when they believe they can devote the necessary time to the performance of their duties".

Details of the number of directorships entrusted to members of the Board of Directors, their average experience in the role of director at the Bank as well as their skills, knowledge and experience as at 31.12.2025, are provided below:

Representatives' name	
STEFANO LADO	Chairperson
ALESSANDRO DECIO	Chief Executive Officer and General Manager
GRAZIELLA BOLOGNA	Director
PAOLA BRUNO	Director
VALENTINA CASELLA	Director
AGOSTINO GAVAZZI	Director
GEROLAMO GAVAZZI	Director
TITO GAVAZZI	Director
ALESSANDRA MARAFFINI	Director
LAURA TULLI	Director
FOLCO TRABALZA	Director

Executive Appointments	**Non-Executive Appointments**
4	7

Independent Directors	**Employee Directors**
5	6

Average previous experience (expressed in years) in director role at BdB
11

[9] Art. 36 of "Save Italy Decree" converted into Law No. 201/ 2011 and supervisory application criteria of 20.4.2012.
[10] The corporate bodies carry out an annual review of positions relevant to the regulations on the Prohibition of Interlocking, to be conducted by 31 March each year. In addition to the annual verification required by the above-mentioned regulations, the Banco Desio Group envisages, by virtue of an update to the Internal Interlocking Directorship Regulation carried out in 2022, later further fine-tuned in 2024, an autonomous six-monthly verification by the Corporate Affairs Area of the positions of individual Representatives, to be carried out by 30 September of each year in a manner similar to that of the annual verification, in order to check whether any changes have occurred with respect to the findings of the annual verification.
[11] We would like to point out the Joint Communication by Consob, Bank of Italy and IVASS of 21 December 2018, by which the criteria for the application of the "prohibition of interlocking" were updated as well as, most recently, an amendment of the Antitrust Law by Law No. 118 of 5.8.2022 which took place in August 2022, such that a further revision of the Interlocking Regulation became appropriate in order to make flexible references to turnover thresholds and application criteria, given the succession of annual Market and Competition Laws.

No. of Directors with previous experience in OTHER BANKS/Companies outside the BDB Group	No. of Directors with previous experience in RISK MANAGEMENT	No. of Directors with training in ECONOMIC/FINANCIAL MATTERS	No. of Directors with training in JUDICIAL/LEGAL MATTERS	No. of Directors with experience in ESG Themes	No. of Directors with OTHER TRAINING (Engineering, Marketing, Communication, Human Resources, etc.)
11	4	11	11	11	11

Indications are provided below on the number of positions held on the Board of Statutory Auditors, the average experience in the role of director at the Bank as well as the skills, knowledge and experience as at 31.12.2025.

Representatives' name	
EMILIANO BARCAROLI	Chairperson
RODOLFO ANGHILERI	Statutory Auditor
STEFANIA CHIARUTTINI	Statutory Auditor

Average previous experience (expressed in years) in the role of auditor at BdB
10

No. of Directors with previous experience in OTHER BANKS/Companies outside the BDB Group	No. of Directors with previous experience in RISK MANAGEMENT	No. of Directors with training in ECONOMIC/FINANCIAL MATTERS	No. of Directors with training in JUDICIAL/LEGAL MATTERS	No. of Directors with experience in ESG Themes	No. of Directors with OTHER TRAINING (Engineering, Marketing, Communication, Human Resources, etc.)
3	3	3	3	3	3

b) Information regarding the recruitment policy for the selection of board members and their actual knowledge, skills and experience

On 15 December 2020, Decree No. 169 of 23 November 2020 was published in the Official Journal, containing the implementing regulation of Art. 26 TUB issued by the MEF (the "MEF Decree") which, after consulting the Bank of Italy[12], was called upon, as known, to identify in compliance with CRD4: a) the uniform requirements of integrity for all representatives; b) the requirements of professionalism and independence, graded according to principles of proportionality; c) the criteria of competence, consistent with the office to be held and with the characteristics of the bank, and of adequate composition of the body; d) the criteria of fairness, with regard, inter alia, to the representative's business relations, conduct towards supervisory authorities and sanctions or corrective measures imposed by the latter, restrictive measures relating to professional activities carried out, and any other element likely to affect the representative's fairness; e) limits on the accumulation of offices for bank representatives, graded in accordance with principles of proportionality and taking into account the size of the intermediary; f) the grounds for temporary suspension from office and its duration. The relevant provisions shall apply to appointments after the date of its entry into force, i.e. 30 December 2020.

[12] The relevant Supervisory Provisions were issued by the Bank of Italy on 4 May 2021.

Following the introduction by the aforementioned Ministerial Decree No. 169/2020 of the "Fit&Proper Assessment", Banco Desio adopted the "Fit&Proper" Policy by Board resolution of 3 August 2021, most recently updated on 23 April 2024, which defines the substantive and procedural requirements regarding the suitability of both the overall Administrative Body (Board of Directors) and the Control Body (Board of Statutory Auditors) and of the individual Representatives, the time commitment for the role covered, the principles of honesty, integrity and independence of judgement, as well as the requirements of knowledge, competence and experience. The Policy also concerns the heads of the main corporate functions to the extent applicable to them[13]. The Policy has been implemented by the subsidiary Fides in the context of its management and coordination activities, which has adopted a similar document to the extent applicable to it.

Verification of the requirements of the Representatives pursuant to the MEF Decree is the responsibility of the Board of Directors itself, within 30 days of appointment, in accordance with the procedure set forth in the Bank of Italy's Supervisory Provisions; in short, possession of the requirements is verified in a specific manner and resolved upon by the Board of Directors for each individual representative, with the abstention of the person concerned, on the basis of appropriate documentation produced by the representatives themselves (e.g.: certificates, attestations, curricula vitae, declarations in lieu of affidavits or certifications, declarations made by parent companies/bodies, etc.) and of a specific questionnaire ("tool") made available by the Bank of Italy and usable on a voluntary basis·

Information on the personal and professional characteristics of the Directors, as well as information on the possession of the requirements set forth in this paragraph, is published when lists are submitted for the renewal of corporate offices, in accordance with current Consob provisions.

The "Fit&Proper Assessment" pursuant to Article 26 TUB, Ministerial Decree 169/2020 and the relevant Bank of Italy Provisions issued by order of 4 May 2021 was most recently conducted - with a positive outcome - by the Bank after the renewal of its corporate bodies at the Shareholders' Meeting of 27 April 2023, and was subsequently repeated - also with a positive outcome - for certain Independent Directors in respect of the occurrence of events affecting them (specifically, the acquisition of new positions in other companies); subsequently, on 16 March 2024, said verification was also carried out - also in this case with a positive outcome - in respect of the Independent Director Folco Trabalza, following his appointment to the Board. More generally, the Bank carries out a periodic review of situations that may lead to a possible negative outcome of the aforementioned assessment, constantly monitoring the occurrence of events that are relevant to the maintenance of the requirements.

Of the 11 Banco Desio Directors currently in office, appointed by the Shareholders' Meeting on 27 April 2023, with the exception of a Director appointed by the Shareholders' Meeting of 18 April 2024, 5 qualify as independent, according to the specific provisions of Articles 147-ter and Art. 148 of the TUF as well as according to the criteria of the Corporate Governance Code[14]. The assessment of independence[15] is the subject of a resolution of the Board of Directors specifically examining the individual positions of the directors on the basis of

[13] The persons in charge of the Bank's main corporate functions are identified, pursuant to the MEF Decree, as the Managers:
- of the anti-money laundering function (Anti-Money Laundering Area),
- of the regulatory compliance function (Compliance Area),
- of the risk control function (Risk Management Department),
- of the internal audit function (Internal Audit Department), and the Financial Reporting Manager as required by Article 154-bis of the TUF.
It should be noted that responsibility for the ICT and security risk control function introduced by the 40th amendment to Circular 285 has been assigned by Banco Desio to the Compliance and Anti-Money Laundering Department and the Risk Management Department within their respective areas of responsibility. It should also be noted that on 24 July 2025, the Board of Directors carried out an "ex ante" verification of the "Fit&Proper" requirements for the Head of the new Compliance and Anti-Money Laundering Function, the assessment of which was concluded with a positive outcome.

[14] Pursuant to the aforementioned Circular No. 285, the Articles of Association require at least 1/4 of the members of the Board of Directors to meet the independence requirements prescribed by the provisions, including regulatory and/or supervisory provisions, in force and applicable at the time, as well as those adopted by the company in compliance with the recommendations of the CG Code. The actual number of 5 is therefore currently higher than the minimum number of 3. An independent director who loses the requirements of independence after appointment shall immediately notify the Board of Directors. Failure to meet the aforementioned requirements results in forfeiture of the position of independent director. If, following disqualification, the remaining number of independent directors of the body is sufficient to ensure compliance with the provisions establishing a minimum number of independent directors, the director who does not meet the aforementioned requirements remains a non-independent director.

[15] Ministerial Decree No. 169/2020 distinguishes between "independence of judgement" (Article 15 of the Decree), which must be verified for all Representatives, and "formal independence", which must be verified only for Independent Representatives (Article 13 of the Decree) and for the members of the Board of Statutory Auditors (Article 14 of the Decree).

appropriate documentation available to the company or the information provided by the person concerned, who abstains from voting, and in all cases giving priority to substance over form. The assessments to be conducted in that sense are provided for after the appointment, as well as the time of the establishment of Committees in which the presence of a certain number of Independent Directors is required, and equally on the occasion of the approval of the Board of Directors' Self-Assessment Report and the Corporate Governance Report (as well as whenever the Board of Directors deems it appropriate in relation to the possible occurrence of situations that may change the independent or non-independent status of one or more Directors).

At the time of the adoption of the Fit&Proper Policy, the quantitative and/or qualitative criteria to be used for assessing the significance of the relationships under review for the purposes of verifying independence (commercial, financial or professional relationships and additional remuneration) were also defined. In this regard, it should be noted that a director is not considered independent[16]:

(i) if, directly or indirectly (e.g. through subsidiaries or companies of which it is an executive director, or as a partner in a professional firm or consulting company), he/she has, or has had in the preceding three financial years, a significant commercial, financial or professional relationship:

- with the bank or its subsidiaries, or its executive directors or top management;
- with a person who, also jointly with others through a shareholders' agreement, controls the company; or, if the controlling company is a company or entity, with its executive directors or top management;

(ii) if he/she receives, or has received in the previous three financial years, from the bank, one of its subsidiaries or the parent company, significant remuneration in addition to the fixed remuneration for the office and to the remuneration provided for participation in the Committees recommended by the CG Code or provided for by the applicable regulations.

Failure to meet the requirements laid down in the applicable legal and regulatory provisions shall result in forfeiture of the position of independent member, without prejudice to the possibility of retaining the office of non-independent member.

These criteria extend to the Control Body to the extent applicable to it pursuant to the TUF and the MEF Decree.

The Independent Directors participate in the work of the Board as well as in the activities of the advisory/proposal-making committees to which they belong (i.e. the Risk Control Committee, the Sustainability Committee, established by the Board of Directors following the renewal of offices on 27 April 2023, the Remuneration Committee and the Appointments Committee, of which they constitute the majority component, as well as the Committee for Transactions with Related Parties and Connected Persons, which are composed entirely of three Independent Directors)[17].

The Board of Directors approved an Internal Regulation for the Self-Assessment of Bodies in order to regulate the related process in compliance with the provisions of Circular No. 285, identifying in particular the methodologies to be used (mainly based on the completion of a specific questionnaire by each Director, as well as the conduct of a specific interview, if necessary also in written form, that complements the completion of the questionnaire) and the profiles to be analysed - at an aggregate level - with regard to the composition (professionalism, independence, etc.) as well as the functioning (operating practices, information flows, etc.) of the Board and the Committees established within it. This Regulation was revised on 8 February 2018 and most recently on 3 August 2021, providing, *inter alia*, for the prior involvement of the Appointments Committee in the procedure for selecting the consultancy firm appointed to support the self-assessment process.

[16] The Bank of Italy Guidelines on the qualifications of corporate officers state that "It is good practice for supervised entities, including as part of a policy adopted to govern the assessment procedures, to identify all the situations that are relevant under the Ministerial Decree for the assessment of formal independence and/or independence of mind, and to specify the scope of indirect relationships that are relevant for this purpose." (Guideline 6) and that "It is good practice for supervised entities, including within the framework of a policy adopted to govern the assessment procedures, to define qualitative and/or quantitative criteria to identify the relationships that are to be considered as impeding the existence of formal independence or independence of judgement." (Guideline 7).

[17] In accordance with the Supervisory Provisions, the Independent Directors oversee the company's management with independent judgement, helping to ensure that it is carried out in the interest of the company and in a manner consistent with the objectives of sound and prudent management, acting as a counterbalance to the bank's executive members and management, and fostering internal dialogue within their body.

As part of the initiatives aimed at updating knowledge relating to the business sector in which the Group operates, corporate dynamics and their evolution, the principles of proper risk management, as well as the regulatory and self-regulatory framework of reference, a series of training sessions and in-depth meetings have been held since 2012, appropriately diversified in terms of subjects and speakers (including managers, advisors, lawyers, economists and highly qualified journalists).

From time to time, the decision was taken to focus these sessions:

- on issues concerning the concrete application to the banking sector of the aforementioned Legislative Decree No. 231/2001;
- on the structure and functioning of the banks' corporate governance system also with reference to the CG Code;
- on the regulation of related parties and connected persons (see Chapter 5 below), on market abuse (see par. 2.2) and antitrust law;
- on profiles related to the process of enacting EU legislation of major interest to the banking sector;
- on the salient aspects of the internal capital adequacy assessment process ("ICAAP") and the internal liquidity adequacy assessment process ("ILAAP"), the Supervisory Review and Evaluation Process ("SREP"), and the internal model for rating-based credit risk assessment ("AIRB");
- on cyber risk analysis and reputational risk measurement;
- on anti-money laundering regulatory changes with regard to supervisory and criminal aspects, as well as on GDPR;
- on various macroeconomic and regulatory issues, including international ones, impacting the banking system and financial markets;
- on IFRS 9 and its impact on internal credit management models in particular;
- on the Recovery Plan and the Resolution Plan, including the Minimum Requirement for Own Funds and Eligible Liabilities ("MREL"), introduced by prudential supervisory regulations (see chapter 4), as well as their application to Banco Desio;
- on sustainability issues also in relation to non-financial reporting rules (see chapter 5);
- on Product Governance in Investment Services;
- on Non-Performing Loans ("NPE");
- on Agricultural Credit;
- on the General Data Protection Regulation ("GDPR").
- on the implications of digital innovation on the banking system with particular reference to corporate credit;
- on the development of financial innovation ("fintech", "blockchain", etc.) and innovation governance with a focus on risks and controls;
- on the disintermediation of payment services through digital payments (e.g. mobile payment services, P2P payments, etc.);
- on "data transformation" in the financial sector;
- on the evolution of banking communication (styles, channels, etc.);
- on Outsourcing and Third Parties Governance in relation to the application of the new EBA Guidelines on the subject;
- on the new Crisis and Insolvency Code with an overview and a focus on bank credit protection;

- on the use of data analytics in the bank to better manage customers and the bank's information assets to support the business model;
- on evolutionary HR management topics (motivation, training, attraction, retention, etc.), as well as on topics related to "empathic" relations in the corporate world, as well as on the responsibility of the Board of Directors in the Report and the communication;
- on cryptocurrencies and the digital euro;
- on the updating of banking regulations, including supervisory ones;
- on the topic of Whistleblowing and its regulatory and application innovations.
- on the presentation of the Operations and Systems Department, with a focus on the internal regulation process;
- on the transparency of banking and financial transactions and services, and fairness in relations between intermediaries and customers.

In 2025, a total of 5 training sessions were held for all Group Representatives. In detail, these sessions, which lasted a total of about 17 hours, were widely attended by all the Representatives, as well as the "corporate top managers" to whom it was deemed useful to extend them, concluded with lively debate, which concerned, in particular, the following aspects:

(i) The one-tier model in the Bank's corporate governance
(ii) Strategies and future scenarios
(iii) Legislative Decree No. 231/01 – Current issues
(iv) Italian and European AML regulations – Emerging issues
(v) 2024 Sustainability Reporting in the Banking Sector
(vi) National NIS2 Regulation
(vii) European Artificial Intelligence Act
(viii) Impact of ESG on Business Policies and Regulatory Aspects
(ix) CGC and CGC/CCR roles and responsibilities: organisational and process-related impacts on the Bank
(x) Developments in ESG-related regulations
(xi) Sanctions & Embargoes: Overview and Recent Developments

For the year 2026, plans are in place to carry out a substantially similar training course, taking into account, as always, the indications emerging during the self-assessment.

It should also be noted that, since the beginning of 2025, the Bank has been a member of the ABI Board Regulation platform, which aims to support bank executives in continuously updating their knowledge of the regulations that affect their areas of responsibility.

c) Information on the diversity policy with regard to board members

Banco Desio is governed by the "list voting" rules for the election of the members of the Board of Directors and the Board of Statutory Auditors, which were introduced into the Articles of Association by virtue of Article 147-ter and Article 148 of the TUF (which, as known, provide for the appointment of a Director and the Chairperson of the Board of Statutory Auditors from a minority list).

In addition, the Articles of Association include the "gender quota" regulation introduced by Law No. 120/201118 for companies listed on regulated markets. These rules stipulated that "gender quotas" should be at least 1/5 for the first term of application (2014-2016) and at least 1/3 for the following two terms. The Extraordinary Shareholders' Meeting of 23 April 2020 approved the amendment to the Articles of Association following the entry into force (1 January 2020) of Law No. 160 of 27 December 2019 (Budget Law 2020), which extended the

[18] "Golfo-Mosca" Law.

period of application by six terms and raised the gender quotas for the Board of Directors and the Board of Statutory Auditors to at least 2/5 (a quota, however, maintained at least 1/3 in the case of bodies composed of three members, as in the case of the Board of Statutory Auditors).[19]

The B.o.D. is composed of a minimum of 9 and a maximum of 11 members, as determined by the Shareholders' Meeting. It is appointed by means of a "majority" list vote which, in the event two or more lists of candidates are presented, provides for the appointment of all directors minus one from the list obtaining the highest number of votes cast at the shareholders' meeting (majority list); one director is appointed from the minority list obtaining the highest number of votes cast after the majority list, provided that the number of votes is at least equal to half the quorum required for the presentation of lists and provided that the minority list is not connected to the shareholders who presented, or voted for, the majority list.

Lists may be submitted by shareholders holding ordinary shares representing at least 1%[20] of the share capital represented by ordinary shares and must be submitted at least 25 days before the Shareholders' Meeting, accompanied by: documentation proving the identity of the shareholders and their entitlement to submit the list; individual declarations of acceptance of the candidature and possession of the prescribed requirements, including any independence requirements, as well as the curricula vitae of the candidates; declarations by shareholders submitting minority lists, of the absence of any connection with majority shareholders.

Through the Policy, the Banco Desio Group is committed to promoting initiatives and activities that make respect for the principles of diversity and equal opportunities not only an ethical choice but also a strategic priority.

d) Indicate whether or not the institution has established a separate risk committee and the frequency of its meetings

Following the renewal of positions on 27 April 2023, the Board of Directors established a Control Risk Committee, which is currently composed of three non-executive Directors, two of whom are independent, including the Committee Chairperson. After its inauguration, the Committee approved its Regulations. Committee meetings are attended by the Chairperson of the Board of Statutory Auditors or by a Standing Auditor designated by the same, and the other Standing Auditors may also attend (as is usually the case); the Chief Executive Officer21 and General Manager, the Deputy General Manager (if any), the heads of the Internal Audit, Risk Management, Compliance and Anti-Money Laundering and Internal Validation functions, the Independent Auditors as well as other employees/associates/consultants according to the specific matters to be discussed, may also be invited to attend. The Secretary of the Committee is currently the Head of Corporate Affairs.

The Risk Control Committee, in its capacity as a "Board" body, performs advisory/proposal-making functions and specifically assists the B.o.D. in supervising the regular operation of the internal control and risk management system, as well as assessing the correct use of accounting standards. The macro-areas of competence of the Committee identified in its Regulations (as last updated at the board meeting of 24 June 2025) are as follows:

Risk Management

- It expresses opinions on specific aspects relating to the identification of the main corporate risks and the functioning of the internal control system.
- It provides support to the Board with respect to the monitoring of the institution's overall risk strategy and risk appetite, taking into account all types of risks, to ensure that they are in line with the Bank's corporate strategy and approved risk appetite.
- It cooperates with other bodies, whose activities may affect the risk strategy and regarding internal control systems, on the whole (e.g. the Board of Statutory Auditors, also acting as the 231 Supervisory Board and the internal control and audit committee, the Sustainability Committee, the Appointments Committee and the Remuneration Committee) and communicates regularly with the institution's internal control functions, in particular with the risk management function, as well as with the

19 It should be noted that the gender quota regime adopted by Banco Desio as a listed company absorbs that introduced for all banks by the aforementioned 35th update of Circular No. 285.
20 By Executive Resolution No. 155 of 27/01/2026, CONSOB set the shareholding threshold in the share capital at 1%, in consideration of the fact that, as at 31/12/2025, Banco Desio fell within the capitalisation category of between EUR 1 billion and EUR 15 billion.
21 It is recalled that the role of the AISCI was absorbed by that of the CEO as of 23 April 2020 in accordance with the CG Code.

management committees operating in the areas of competence of the Committee (e.g., the Risk Management Committee, the Control Functions Coordination Committee and the Recovery Committee).

- It monitors the autonomy, adequacy in quali-quantitative terms, effectiveness and efficiency of the corporate control functions (including the ICT risk control function), supporting the Board also in their appointment/reappointment and their remuneration, in cooperation with the Appointments Committee and the Remuneration Committee respectively, to ensure their effectiveness and impartial judgement and the possession of adequate professionalism and resources.
- It supports the Board in assessing, at least annually, the adequacy of the internal control system in relation to the characteristics of the business and the risk profile assumed, as well as its effectiveness. In this context, after consulting the Chief Executive Officer during the preliminary phase, it supports the Board in assessing the adequacy of the second-level FACs, also taking into account the assessments subsequently carried out by Internal Audit, and in taking the necessary action to ensure that the aforementioned functions are adequate in terms of human and technical resources and operating procedures.

Strategic and RAF policies

- It provides support to the Board in the definition and approval of strategic guidelines and risk governance policies. Within the framework of the RAF, the Committee performs the evaluation and proposal activity necessary for the body with strategic supervisory functions to define and approve the risk objectives ('Risk appetite') and the tolerance threshold ('Risk tolerance').
- It supports the Board in the process of approving the strategic plan, examining the proposals submitted by the relevant Functions concerning the risks associated with the plan, including the execution risk, as well as the proposed assessments of the impact of any adverse scenarios on the achievement of the set targets and on the Bank's economic and financial position, and the identification of possible corrective measures, including capital management measures, submitted to the Board for approval.
- It assists the Board in verifying the proper implementation of the institution's risk strategy, the corresponding limits set, in verifying the proper implementation of strategies, risk governance policies and the RAF, and in verifying its adequacy and effectiveness, by formalising the appropriate processes for monitoring the status of the strategic plan and related execution risk. The Committee is involved in order to fully assess any deviations from expectations in the impact of the business on risks and the financial position.

Internal Control

- It expresses judgments and formulates opinions to the Board of Directors on the compliance with the principles to which the internal control system and the corporate organisation must conform and the requirements to be met by the corporate control functions, bringing to the attention of the body with strategic supervision function (Board of Directors) any weaknesses and the consequent corrective actions to be promoted; to this end, it assesses the proposals of the body with management function (Chief Executive Officer and General Manager).
- It examines in advance the action plans (including the audit plan) and the periodic reports of the corporate control functions addressed to the Board of Directors.
- It examines periodic reports and reports of particular relevance prepared by all internal control functions. For remediation actions with a medium-high or high risk included in the FACs' integrated Tableau de Bord, each FAC provides a monthly summary of the open remediation actions and the status of the measures taken, in order to enable a better understanding/assessment of the suitability of the underlying remediation plans and to ensure that critical issues are resolved within an appropriate time-frame, in line with the level of risk identified; for remediation actions with a low and medium-low risk, without prejudice to the periodic monitoring activities carried out by the Risk Management Committee ("RMC"), the individual FACs are required to report to the corporate bodies as part of the

quarterly Tableau de Bord in the event of a significant failure to meet the planned deadlines; the Board of Directors receives these information flows, together with the Chief Executive Officer and the Board of Statutory Auditors, following review by the RMC;

Organisational, administrative and accounting system

- It assesses the correct use of the accounting standards for the preparation of the annual and consolidated financial statements and, to this end, coordinates with the Financial Reporting Manager and the auditing body (Board of Statutory Auditors) and, in the case of the Group, assesses their uniformity for the purposes of the preparation of the consolidated financial statements.
- It assesses the suitability of periodic financial and non-financial information to correctly represent the company's business model, strategies, the impact of its activities and the performance achieved, in coordination with the Sustainability Committee.

The Committee reports to the B.o.D. on the activities performed and on the adequacy of the internal control and risk management system, at least in conjunction with the approval of the annual and half-yearly financial report.

In assisting the Board of Directors, the Committee also supports the Board's evaluations and decisions relating to the management of risks arising from prejudicial facts of which the Board of Directors has become aware.

Determinations made on issues within the competence of the B.o.D. are communicated, also verbally, at the first useful meeting, by the Chairperson of the Committee, who normally provides a summary of the Committee's assessments on the basis of what has been illustrated by the persons in charge of the aforesaid functions (who are in any case invited to attend the discussion of the respective topics at the meetings of the B.o.D. to illustrate, albeit for a more important representation, their reports and provide any details requested by the Directors).

In the course of 2025, the Committee, in its capacity as an advisory/proposal-making body for the relevant issues met on 47 occasions[22] - sometimes in joint session with other Committees and, in some cases, in joint session with the Board of Statutory Auditors - which were usually attended, in addition to its members, by the Chairperson of the Board of Statutory Auditors and the Head of the Internal Audit Department, as well as the heads of the Risk Management, Compliance and Anti-Money Laundering, and Internal Validation Functions. Depending on the topics discussed, the other Statutory Auditors, the Chief Executive Officer and General Manager, the Executive in charge, as well as other executives and/or employees and external consultants also attended individual meetings. The Committee, like the Board of Statutory Auditors, received, among other things, the flow of minutes of the Risk Management Committee, as well as the minutes of the Control Functions Coordination Committee.

The Committee's considerations, evaluations and opinions on the issues dealt with have been punctually brought to the attention of the Board of Directors from time to time, also with the support of a specific summary prepared by the Committee Chairperson, when examining the information and/or passing resolutions on each of the above issues.

The Committee also coordinated its activities with those of the Board of Statutory Auditors also as SB 231 - in accordance with the Group's Policy for the Coordination of Controls and Information Flows of the system of controls - also by virtue of its constant and active participation in the aforementioned meetings of the Board of Statutory Auditors, as well as with the Independent Auditing Company due to the Committee's participation in joint meetings with the Board of Statutory Auditors and the Independent Auditors at Group level, also for the purposes of assessing the correct use of accounting standards, as well as the criteria applicable to the Sustainability Report.

e) Description of the risk information flow to the board of directors

Please refer to the contents of Table EU OVA: Institution risk management approach.

[22] The average duration of Control and Risk Committee meetings during 2025 was about 2 hours and 15 minutes.

Scope Disclosure[23]

The contents of this Public Disclosure document refer to the Banco Desio Banking Group. The Parent Company Banco di Desio e della Brianza S.p.A. is the entity to which the obligations relating to this disclosure apply.

Template EU LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items				
				Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
	Breakdown by asset classes based on the balance sheet in the published financial statements							
1	10. Cash and cash equivalents	691,992	691,992	691,992	-	-	-	-
2	20. Financial assets measured at fair value through profit or loss	225,655	225,655	215,293	1,545	-	8,817	-
3	A) Financial assets held for trading	10,362	10,362	-	1,545	-	8,817	-
4	B) Financial assets designated at fair value	-	-	-	-	-	-	-
5	C) Other financial assets mandatorily measured at fair value	215,293	215,293	215,293	-	-	-	-
6	30. Financial assets measured at fair value through other comprehensive income	1,276,686	1,276,686	1,276,686	-	-	-	-
7	40. Financial assets measured at amortised cost	16,551,360	16,551,360	16,440,677	-	98,804	-	11,879
8	A) Loans and advances to banks	1,007,247	1,007,247	1,007,247	-	-	-	-
9	B) Loans and advances to customers	15,544,113	15,544,113	15,433,430	-	98,804	-	11,879
10	50. Hedging derivatives	40,307	40,307	-	40,307	-	-	-
11	60. Value adjustment of macro-hedged financial assets (+/-)	-27,097	-27,097	975	-	-	-	-28,072
12	70. Investments	5,161	5,161	1,782	-	-	-	3,379
13	80. Insurance activities	-	-	-	-	-	-	-
14	a) insurance contracts issued that constitute assets	-	-	-	-	-	-	-
15	b) outward reinsurance placements constituting assets	-	-	-	-	-	-	-
16	90. Property, plant and equipment	222,943	222,943	222,943	-	-	-	-
17	100. Intangible assets	45,123	45,123	7,952	-	-	-	37,171
18	- Goodwill	15,322	15,322	-	-	-	-	15,322
19	- Other intangible assets	29,801	29,801	7,952	-	-	-	21,849
20	110. Tax assets	89,723	89,723	86,011	-	-	-	3,712
21	A) Current	316	316	316	-	-	-	-
22	B) Deferred	89,407	89,407	85,695	-	-	-	3,712
23	120. Non-current assets and disposal groups	2,867	2,867	2,867	-	-	-	-
24	130. Other assets	462,473	462,473	459,833	-	-	-	2,64
25	**Total assets**	**19,587,193**	**19,587,193**	**19,407,011**	**41,852**	**98,804**	**8,817**	**30,709**

[23] See Art. 3 of Implementing Regulation (EU) 2021/637

	Breakdown by liability classes based on the balance sheet in the published financial statements							
1	10. Financial liabilities measured at amortised cost	17,575,985	17,575,985	-	1,245,694	-	-	-
2	A) Due to banks	795,19	795,19	-	212,953	-	-	-
3	B) Due to customers	13,516,153	13,516,153	-	1,032,741	-	-	-
4	C) Outstanding Securities	3,264,642	3,264,642	-	-	-	-	-
5	20. Financial liabilities held for trading	1,484	1,484	-	1,484	-	-	-
6	30. Financial liabilities designated at fair value	-	-	-	-	-	-	-
7	40. Hedging derivatives	9,071	9,071	-	9,071	-	-	-
8	50. Value adjustment of macro-hedged financial liabilities (+/-)	-	-	-	-	-	-	-
9	60. Tax liabilities	10,322	10,322	-2,683	-	-	-	-
10	A) current	1,318	1,318	-	-	-	-	-
11	B) deferred	9,004	9,004	-2,683	-	-	-	-
12	70. Liabilities associated with asset disposal groups	-	-	-	-	-	-	-
13	80. Other liabilities	390,22	390,22	-	-	-	-	-
14	90. Employee severance indemnity (TFR)	12,855	12,855	-	-	-	-	-
15	100. Provisions for risks and charges	73,569	73,569	-	-	-	-	-
16	A) Commitments and guarantees given	2,919	2,919	-	-	-	-	-
17	B) Pension and similar obligations	-	-	-	-	-	-	-
18	C) Other provisions for risks and charges	70,65	70,65	-	-	-	-	-
19	110. Insurance liabilities	-	-	-	-	-	-	-
20	a) Insurance contracts issued that constitute liabilities	-	-	-	-	-	-	-
21	b) Outward reinsurance cessions constituting liabilities	-	-	-	-	-	-	-
22	120. Valuation reserves	7,422	7,422	-	-	-	-	-
23	120. VALUATION RESERVES - of which discontinued operations	-	-	-	-	-	-	-
24	130. Reimbursable shares	-	-	-	-	-	-	-
25	140. Equity instruments	-	-	-	-	-	-	-
26	150. Reserves	652,525	652,525	-	-	-	-	-
27	150. A) profit reserves	652,525	652,525	-	-	-	-	-
28	150. B) other reserves	-	-	-	-	-	-	-
29	155. Interim dividends	-	-	-	-	-	-	-
30	160. Share premiums	10,809	10,809	-	-	-	-	-
31	170. Share capital	54,026	54,026	-	-	-	-	-
32	180. Treasury shares (-)	-	-	-	-	-	-	-
33	190. Equity attributable to non-controlling interests (+/-)	722,608	722,608	-	-	-	-	-
34	200. Profit (loss) for the year (+/-)	66,297	66,297	-	-	-	-	-
35	**Total liabilities**	**19,587,193**	**19,587,193**	**-2,683**	**1,256,249**	**-**	**-**	**-**

Template EU LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

		a	b	c	d	e
		Total	Exposures subject to the			
			credit risk framework	securitisation framework	CCR framework	market risk framework
1	**Assets carrying value amount under the scope of regulatory consolidation (as per template LI1)**	**19,587,193**	**19,407,013**	**98,805**	**41,852**	**8,817**
2	**Liabilities carrying value amount under the regulatory scope of consolidation (as per template LI1)**	**1,253,565**	**(2,683)**	**-**	**1,256,248**	**-**
3	**Total net amount under the regulatory scope of consolidation**	**20,840,763**	**19,404,330**	**98,805**	**1,298,101**	**8,817**
4	**Off-balance-sheet amounts**	**3,964,515**	**3,964,515**	**-**	**-**	
5	*Valuation differences*	1,472,410	(163,907)	-	1,636,317	
6	*Differences due to offsetting rules other than those already included in line 2*	-	-	-	-	
7	*Differences due to the treatment of value adjustments*	(235,060)	(235,060)	-	-	
8	*Differences due to the use of credit risk mitigation (CRM) techniques*	-	80,079	(80,079)	-	
9	*Differences due to credit conversion factors*	(2,966,089)	(2,966,089)	-	-	
10	*Differences due to securitisation with risk transfer*	-	-	-	-	
11	*Other differences*	2,051	2,051	-	-	
12	**Exposure amounts considered for regulatory purposes**	**23,078,590**	**20,085,919**	**18,726**	**2,934,418**	**8,817**

The table below lists the Group companies and their treatment for the purposes of the consolidated financial statements and consolidated supervision.

Template EU LI3: Outline of the differences in the scopes of consolidation (entity by entity)

Company name	Registered office	Type of relation	Share % 31.12.2025	Treatment for Financial Statements Purposes	Treatment for Supervisory Purposes	Type of activity
Banco di Desio e della Brianza S.p.A.	Desio	1	51.520	Line-by-line	Line-by-line	Banca
Fides S.p.A.	Rome	1	100.000	Line-by-line	Line-by-line	Financial
Dynamica Retail Agenzia	Rome	1	100.000	Line-by-line	Line-by-line	Financial
Desio OGB S.r.l. (*)	Conegliano	1	60.000	Line-by-line	Line-by-line	Vehicle company
Anthilia Capital Partners Sgr SpA	Milan	4	15.000	Equity	Proportional	Financial

Key
Type of relation:
1 = majority of voting rights at the ordinary Shareholders' Meeting
4 = other forms of control
(*) Special purpose companies of securitisation transactions originated by the Group

For the purpose of defining the scope of consolidation, account was taken of the requirements of effective control set forth in IFRS10.

For the calculation of the consolidated own funds, reference is made to the figures for the banking and financial companies belonging to the banking group. These data also include asset and liability transactions (on and off-balance sheet), balance sheet and profit and loss account, with other companies included in the consolidation of the financial statements that have been eliminated. There are neither substantial nor legal impediments to the rapid transfer of assets or funds within the group.

Pursuant to the prudential supervision 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 CRR on the basis of the consolidated situation of that financial holding company. These provisions lead to the calculation of capital ratios at the level of Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A., the parent company of 50.41% of Banco di Desio e della Brianza S.p.A.

4. Own Funds Disclosure[24]

In accordance with current regulations, the elements that make up "Own Funds" are described below:

1. Common Equity Tier 1 - CET1

The elements of institutions' Common Equity Tier 1 capital are as follows:

a) capital instruments, provided that the conditions set out in Article 28 or, where applicable, Article 29 of EU Regulation No. 575/2013 are met (see paragraph "Introduction");

b) additional paid-in capital reserves related to the instruments referred to in the previous point;

c) retained earnings;

d) other accumulated comprehensive income;

e) other reserves;

f) provisions for general banking risks.

Items (c) to (f) are recognised as common equity tier 1 capital only if they can be used without restriction and without delay by the institution to cover risks or losses at the time such risks or losses occur.

2. Additional Tier 1 (AT1) capital

The elements of Additional Tier 1 capital consist of:

a) capital instruments, when the conditions of Article 52(1) of EU Regulation No. 575/2013 are met;

b) additional paid-in capital reserves relating to the instruments referred to in the previous point.

Instruments referred to in (a) above do not qualify as common equity tier 1 or tier 2 capital items.

3. Tier 2 (T2) capital

The elements of Tier 2 capital consist of:

a) capital instruments and subordinated loans, when the conditions of Article 63 of EU Regulation No. 575/2013 are met;

b) additional paid-in capital reserves relating to the instruments referred to in the previous point;

c) for institutions calculating risk-weighted exposure amounts in accordance with Part Three, Title II, Chapter 2 of Regulation (EU) No. 575/2013, general credit risk adjustments, gross of tax effects, up to 1.25% of the risk-weighted exposure amounts calculated in accordance with Part Three, Title II, Chapter 2 of that Regulation;

d) for institutions calculating risk-weighted exposure amounts in accordance with Part Three, Title II, Chapter 3 of Regulation (EU) No. 575/2013, the positive amounts, gross of tax effects, resulting from the calculation referred to in Articles 158 and 159, up to 0.6% of the risk-weighted exposure amounts calculated in accordance with Part Three, Title II, Chapter 3 of that Regulation.

[24] See Art. 4 of Implementing Regulation (EU) 2021/637

Banco Desio

Template EU CC1: Composition of regulatory own funds

		a)	a)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
		31/12/2025	31/12/2024	
	Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	64,835	64,835	160 Liabilities and 170 Liabilities
	Of which instrument type - Ordinary Shares	-	*54,026*	*170 Liabilities*
	Of which instrument type 2	-	-	-
	Of which instrument type 3	-	-	-
2	Retained earnings	27,425	26,492	150 Liabilities
3	Other accumulated comprehensive income (and other reserves)	632,445	581,301	150 Liabilities
EU-3a	Provisions for general banking risks	-	-	-
4	Amount of qualifying items referred to in Article 484(3) CRR and related share premium reserves subject to phase-out from CET1	-	-	-
5	Minority interests (amount allowed in consolidated CET1)	305,582	308,354	190 Liabilities
EU-5a	Profit for the period audited by independent persons net of all foreseeable charges or dividends	36,271	46,874	200 Liabilities
6	Tier 1 (CET1) capital before regulatory adjustments	1,066,558	1,027,856	-
	Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(1,533)	-	
8	Intangible assets (net of related tax liabilities) (negative amount)	(34,170)	(33,258)	100 Assets
10	Deferred tax assets that depend on future profitability, excluding those arising from temporary differences (net of related tax liabilities where the conditions in Article 38 (3) CRR are met) (negative amount)	(3,713)	(3,794)	110 Assets
27a	Other regulatory adjustments	958	10,476	
28	Total regulatory adjustments to Tier 1 (CET1) capital	(38,458)	(27,802)	-
29	Common Equity Tier 1 (CET1) capital	1,028,100	1,000,054	-
	Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	-	-	-
31	*Of which classified as equity in accordance with applicable accounting standards*	-	-	-
32	*Of which classified as liabilities under the applicable accounting standards*	-	-	-

33	Amount of qualifying items referred to in Article 484(4) CRR and related share premium reserves subject to phase-out from AT1	-	-	-
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase-out from AT1	-	-	-
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase-out from AT1	-	-	-
34	Eligible Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	55,308	58,393	190 Liabilities
36	Additional Tier 1 (AT1) capital before regulatory adjustments	55,308	58,393	-
	Additional Tier 1 (AT1) capital: regulatory adjustments			
42a	Other regulatory adjustments to AT1 capital	-	124	-
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	124	-
44	Additional Tier 1 (AT1) capital	55,308	58,517	-
45	Tier 1 capital (T1 = CET1 + AT1)	1,083,408	1,058,571	-
	Tier 2 (T2) capital instruments			
46	Capital instruments and the related share premium accounts	59,873	59,800	010 Liabilities
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	73,744	77,824	190 Liabilities
50	Value adjustment to receivables	16,632		
51	Tier 2 (T2) capital before regulatory adjustments	150,249	137,624	-
	Tier 2 (T2) capital: regulatory adjustments			
EU-56b	Other regulatory adjustments to T2 capital	-	165	-
57	Total regulatory adjustments to Tier 2 (T2) capital	-	165	-
58	Tier 2 (T2) capital	137,789	137,789	-
59	Total capital (TC = T1 + T2)	1,196,360	1,196,360	-
60	Total risk exposure amount	7,929,832	7,929,832	-
	Capital ratios and buffers			
61	Common Equity Tier 1 capital	13.52%	12.61%	-
62	Tier 1 capital	14.25%	13.35%	-
63	Total capital	16.22%	15.09%	-
64	Institution CET1 overall capital requirement	8.36%	8.03%	-
65	*Of which: capital conservation buffer requirement*	*2.5%*	*2.5%*	-
66	*Of which: countercyclical buffer requirement*	-	-	-
67	*Of which: systemic risk buffer requirement*	*0.76%*	*0.43%*	-
	Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer - Max Numerator per line 67-A	-	-	
EU-67a	*Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer*	-	-	-

EU-67b	*Of which additional capital requirements to address risks other than excessive leverage risk*	*0.6%*	*0.6%* -
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	7.22%	6.09% -
	Amounts below the thresholds for deduction (before risk-weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	62,178	56,898 -
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	3,376	3,349 -
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	47,063	47,268
	Applicable caps for the inclusion of provisions in Tier 2 capital		
76	Credit risk adjustments included in T2 in respect of exposures subject to the Standardised approach (before application of the cap)	-	- -
77	Cap on the inclusion of credit risk adjustments in T2 under the Standardised Approach	-	- -
78	Credit risk adjustments included in T2 in respect of exposures subject to the Internal Ratings-Based Approach (before application of the cap)	70,053	- -
79	Cap on the inclusion of credit risk adjustments in T2 under the Internal Ratings-Based Approach	16,632	- -

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Template EU CC2: Reconciliation of regulatory own funds to balance sheet in the audited financial statements

	a	b				c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Relevant amounts for own funds purposes			
			Common Equity Tier 1 (CET1) capital	Additional Tier 1 (AT1) capital	Tier 2 (T2) capital	Reference
	As at period end	As at period end				
Assets						
10. Cash and cash equivalents	691,992	691,992	-	-	-	-
20. Financial assets measured at fair value through profit or loss	225,655	225,655	-	-	-	-
A) Financial assets held for trading	10,362	10,362	-	-	-	-
B) Financial assets designated at fair value	-	-	-	-	-	-
C) Other financial assets mandatorily measured at fair value	215,293	215,293	-	-	-	-
30. Financial assets measured at fair value through other comprehensive income	1,276,686	1,276,686	-	-	-	-
40. Financial assets measured at amortised cost	16,551,360	16,551,360	-	-	-	-
50. Hedging derivatives	40,307	40,307	-	-	-	-
60. Value adjustment of macro-hedged financial assets (+/-)	(27,097)	(27,097)	-	-	-	-
70. Investments	5,161	5,161	3,378	-	-	-
80. Technical provisions by reinsurers	-	-	-	-	-	-
90. Property, plant and equipment	222,943	222,943	-	-	-	-
100. Intangible assets	45,123	45,123	(37,171)	-	-	-
- Goodwill	15,322	15,322	(15,322)	-	-	-
- Other intangible assets	29,801	29,801	(21,849)	-	-	-
110. Tax assets	89,723	89,723	-	-	-	-
A) Current	315	315				
B) Deferred	89,408	89,408				
120. Non-current assets and disposal groups	2,867	2,867	-	-	-	-
130. Other assets	462,473	462,473	-	-	-	-
Total Assets	**19,587,193**	**19,587,193**	**(33,793)**	**-**		
Liabilities and Equity						
10. Financial liabilities measured at amortised cost	17,575,985	17,575,985	-	-	-	-
A) Payable to banks	795,190	795,190	-	-	-	-
B) Payable to customers	13,516,163	13,516,163	-	-	-	-
C) Securities issued	3,264,642	3,264,642	-	-	-	-
20. Financial liabilities held for trading	1,484	1,484	-	-	-	-
30. Financial liabilities designated at fair value	-	-	-	-	-	-
40. Hedging derivatives	9,071	9,071	-	-	-	-
60. Tax liabilities	10,322	10,322	2,683	-	-	-
A) Current	1,317	1,317	-	-	-	-
B) Deferred	9,005	9,005	-	-	-	-
70. Liabilities associated with asset disposal groups	-	-	-	-	-	-
80. Other liabilities	390,220	390,220	-	-	-	-
90. Employee severance indemnity (TFR)	12,855	12,855	-	-	-	-

100. Provisions for risks and charges	73,569	73,569	-	-	-	-
A) Commitments and guarantees given	2,918	2,918	-	-	-	-
B) Retirement and similar obligations	-	-	-	-	-	-
C) Other provisions for risks and charges	70,651	70,651	-	-	-	-
120. Valuation reserves	7,422	7,422	(4,461)	-	-	-
150. Reserves	652,525	652,525	636,906	-	-	-
A) Profit reserves	652,525	652,525	636,906	-	-	-
160. Share premiums	10,809	10,809	16,145	-	-	-
170. Share capital	54,026	54,026	70,693	-	-	CC1 of which 1
190. Equity attributable to non-controlling interests (+/-)	722,608	722,608	305,582	55,308	73,744	-
200. Profit (loss) for the year	66,297	66,297	36,271	-	-	-
Total Liabilities and Shareholders' Equity	**19,587,193**	**19,587,193**	**1,063,818**	**55,308**	**73,744**	

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Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

Model on the main features		
1	Issuer	Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A.
2	Unique identifier	IT0005555203
3	Legislation applicable to the instrument	Italian
3a	Contractual recognition of resolution authorities' write-down and conversion powers	NA
	Regulatory treatment	
4	Transitional Provisions of the CRR	Tier 2 capital
5	Post-Transitional Provisions of the CRR	Tier 2 capital
6	Eligible at the level of individual institutions/ (sub-)consolidation	Individual entity and consolidated
7	Type of instrument	Subordinated Bond Loan
8	Amount recognised in regulatory capital (EUR thousands)	59,873
9	Nominal amount of the instrument (EUR thousand)	60,000
9a	Issue price	100
9b	Redemption price	100
10	Accounting Classification	Financial liabilities measured at amortised cost
11	Original issue date	06-Jul-23
12	Irredeemable or at maturity	At maturity
13	Original maturity date	06-Jul-33
14	Early redemption at issuer's discretion subject to prior approval by the Supervisory Authority	Yes
15	Optional early redemption date, possible early redemption dates and redemption amount	06-Jul-28
16	Later dates of early repayment, if applicable	NA
	Coupons / Dividends	
17	Fixed or variable dividends/coupons	Fixed
18	Coupon rate and any related index	9.50%
19	Presence of a 'dividend stopper' mechanism	NA
EU 20a	Fully discretionary, partially discretionary or mandatory - in terms of time	NA
EU 20b	Fully discretionary, partly discretionary or mandatory - with reference to the amount	NA
21	Presence of 'step up' or other repayment incentive	NO
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, event(s) triggering conversion	NA
25	If convertible, in whole or in part	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify the type of instrument into which conversion is possible	NA
29	If convertible, specify the issuer of the instrument into which it is converted	NA
30	Write-down mechanisms	NO

31	In the case of a write-down mechanism, the event(s) giving rise to it	NA
32	In the case of write-downs, total or partial write-downs	NA
33	In case of write-down, permanent or temporary write-down	NA
34	In the case of a temporary write-down, description of the revaluation mechanism	NA
35	Position in the hierarchy of subordination in the event of liquidation	NA
36	Non-compliance characteristics of instruments benefiting from transitional arrangements	NA
37	If yes, please specify the non-compliant characteristics	NA
37a	Link to the full version of the instrument's terms and conditions (signposting)	NA

As regards the Minimum Requirement for Own Funds and Eligible Liabilities (MREL), on 23 September 2025 it was announced that the Group had received notification from the Bank of Italy of its decision on the Minimum Requirement for Own Funds and Eligible Liabilities (MREL).

Disclosure pursuant to Implementing Regulation (EU) 2021/763

Lays down implementing technical standards for the application of Regulation (EU) No. 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council as regards supervisory reporting and public disclosure of minimum own funds requirements and eligible liabilities (relevant text for EEA purposes).

The Group, on a consolidated basis, will have to comply with the following requirements:

- MREL in terms of TREA (Total Risk Exposure Amount) of 17.81%, excluding the CBR Combined Buffer Requirement (previously 17.76%);
- MREL in terms of LRE (Leverage Ratio Exposure) of 5.34% (previously 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.

Template EU KM2 - Key metrics – MREL

		Minimum requirement for own funds and eligible liabilities (MREL)
Own funds and eligible liabilities, ratios and components		**31/12/2025**
1	Own funds and eligible liabilities	2,595,169
EU-1a	Of which own funds and subordinated liabilities	1,465,694
2	Total risk exposure amount of the resolution group (TREA)	7,605,510
3	Own funds and eligible liabilities as a percentage of the TREA	34.12%
EU-3a	Of which own funds and subordinated liabilities	19.27%
4	Total exposure measure (TEM) of the resolution group	20,896,847
5	Own funds and eligible liabilities as a percentage of the TEM	12.42%
EU-5a	Of which own funds or subordinated liabilities	7.01%
EU-6a	The exemption for subordination set out in Article 72 ter, paragraph 4, of Regulation (EU) No 575/2013 (CRR) (5% exemption) applies	
EU-6b	aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion in accordance with Article 72b(3) of the CRR (max 3.5% exemption)	
EU-6c	If the capped subordination exemption in accordance with Article 72-ter, paragraph 3, of the CRR is applicable, the amount of issued liabilities that rank pari passu with the excluded liabilities and are included in row 1, divided by the issued liabilities that rank pari passu with the excluded liabilities and that would be included in row 1 if no cap were applied (%)	
Minimum requirement for own funds and eligible liabilities (MREL)		
EU-7	MREL expressed as a percentage of TREA	17.81%
EU-8	Of which to be met with own funds or subordinated liabilities	0.00%
EU-9	MREL expressed as a percentage of TEM	5.34%
EU-10	Of which to be met with own funds or subordinated liabilities	0.00%

Template EU TLAC1: Composition - MREL[25]

		Minimum requirement for own funds and eligible liabilities (MREL)
		31/12/2025
Own funds, eligible liabilities and adjustments		
1	Common Equity Tier 1 (CET1) capital	1,389,189
2	Additional Tier 1 (AT1) capital	-
6	Tier 2 (T2) capital	76,505
11	Own funds for the purposes of Article 92-bis of the CRR and Article 45 of Directive 2014/59/EU	1,465,694
Own funds and eligible liabilities: non-regulatory capital items		
12	Eligible liability instruments issued directly by the entity subject to resolution that are subordinated to excluded liabilities (not subject to the grandfathering clause)	-
EU-12a	Subordinated eligible liability instruments issued by other entities within the group subject to resolution that are subordinated to excluded liabilities (not subject to the grandfathering clause)	-
EU-12b	Eligible liability instruments subordinated to excluded liabilities issued before 27 June 2019 (subordinated and subject to the grandfathering clause)	-
EU-12c	Tier 2 instruments with a residual maturity of at least one year, to the extent that they do not qualify as Tier 2 items	-
13	Eligible liabilities not subordinated to excluded liabilities (not subject to the pre-cap grandfathering clause)	1,129,475
EU-13a	Eligible liabilities not subordinated to excluded liabilities issued before 27 June 2019 (pre-cap)	-
14	Amount of eligible non-subordinated liability instruments, if applicable after the application of Article 72b(3) CRR	-
17	Eligible liability items before adjustments	1,129,475
EU-17a	Of which subordinated liability items	-
Own funds and eligible liabilities: adjustments to non-regulatory capital items		
18	Elements of own funds and eligible liabilities before adjustments	2,595,169
19	(Deduction of exposures between groups subject to resolution with multiple point of entry (MPE))	
20	(Deduction of investments in other eligible liability instruments)	-
22	Own funds and eligible liabilities after adjustments	2,595,169
EU-22a	Of which own funds and subordinated liabilities	1,465,694
Risk-weighted exposure amount and leverage exposure measure of the group subject to resolution		
23	Total Risk Exposure Amount (TREA)	7,605,510
24	Total exposure measure (TEM)	20,896,847
Ratio of own funds to eligible liabilities:		
25	Own funds and eligible liabilities as a percentage of the TREA	34.12%
EU-25a	Of which own funds and subordinated liabilities	19.27%
26	Own funds and eligible liabilities as a percentage of the TEM	12.42%
EU-26a	Of which own funds and subordinated liabilities	7.01%
27	CET1 (as a percentage of the TREA) available after meeting the resolution group's requirements	7.01%
28	Combined entity-specific capital buffer requirement	
29	Of which: capital conservation buffer requirement	
30	Of which: countercyclical capital buffer requirement	
31	Of which: systemic risk capital buffer requirement	
EU-31a	Of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) capital buffer	
Memorandum items		
EU-32a	Total amount of excluded liabilities pursuant to Article 72a(2) CRR	

[25] It should be noted that this template refers to the Resolution Group (Banco Desio Group), in line with the reporting carried out for the relevant supervisory reporting.

EU TLAC3a: Creditor ranking - Resolution entity[26]

		Insolvency ranking				
1	**Description of the ranking in case of insolvency**	**CET1**	**Tier 2 instruments**	**Senior non-preferred liabilities**	**Senior unsecured liabilities**	**Total**
2	**Liabilities and own funds**	1,401,586	76,505	2,427,070	1,734,721	5,639,882
3	**Of which excluded liabilities**	-	-	-	34,484	34,484
4	**Liabilities and own funds less excluded liabilities**	1,401,586	76,505	2,427,070	1,700,237	5,605,398
5	**Own funds and liabilities potentially eligible for MREL purposes**	1,401,586	59,873	17,831	1,111,644	2,590,934
6	**Of which residual maturity ≥ 1 year < 2 years**	-	-	-	238,576	238,576
7	**Of which residual maturity ≥ 2 years < 5 years**	-	-	1,176	833,138	834,314
8	**Of which residual maturity ≥ 5 years < 10 years**	-	59,873	10,049	39,930	109,852
9	**Of which residual maturity ≥ 10 years, but excluding perpetual securities**	-	-	6,606	-	6,606
10	**Of which perpetual securities**	1,401,586	-	-	-	1,401,586

[26] It should be noted that the table refers to the entity Banco di Desio e della Brianza S.p.A., in line with the information provided for the relevant supervisory reporting.

5. Leverage ratio disclosure[27]

Qualitative disclosure

The leverage ratio is an indicator of the risk that a particularly high level of debt relative to the bank's capital base necessitates corrective measures including the sale of assets with the recognition of losses that could lead to impairments on the remaining assets.

The objective of the indicator is to contain the degree of indebtedness by including a minimum level of coverage of risk assets by equity capital.

As of June 2021, the ratio is subject to a 3% floor and has become a Pillar 1 requirement under the provisions of Article 92(1)(d) of Regulation (EU) 2019/876 (CRR II).

Quantitative disclosure

Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		a	b
		Applicable amount	Applicable amount
		31/12/2025	31/12/2024
1	Total assets as per published balance sheet	19,587,193	18,641,064
2	Adjustment for entities consolidated for accounting purposes but excluded from the scope of prudential consolidation	-	-
8	Adjustment for derivative financial instruments	141,910	70,232
9	Adjustment for securities financing transactions (SFTs)	554,531	334,734
10	Adjustment for off-balance sheet items (conversion to credit equivalent amounts of off-balance sheet exposures)	685,706	570,814
12	Other adjustments	(55,264)	(80,482)
13	**Total exposure measure**	**20,914,076**	**19,536,362**

[27] See Art. 6 of Implementing Regulation (EU) 2021/637

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Template EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
	On-balance sheet exposures (excluding derivatives and SFTs)	**31.12.2025**	**31.12.2024**
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	19,157,239	18,617,387
2	Premium for collateral provided on derivatives if deducted from assets in the balance sheet under the applicable accounting rules	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(38,458)	(66,264)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**19,118,781**	**18,551,123**
	Derivative exposures		
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	45,527	2,475
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	138,235	82,419
13	**Total derivative exposures**	**183,762**	**84,894**
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (without recognition of netting) after adjustment for transactions accounted for as sales	398,333	-
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	554,531	334,734
18	**Total securities financing transaction exposures**	**952,864**	**334,734**
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	3,944,691	3,813,363
20	(Adjustments for conversion to credit equivalent amounts)	(3,286,023)	(3,247,754)
22	**Off-balance-sheet exposures**	**658,668**	**565,609**
	Capital and total exposure measure		
23	**Tier 1 capital**	**1,083,408**	**1,000,427**
24	**Total exposure measure**	**20,914,076**	**19,302,686**
	Leverage ratio		
25	Leverage ratio (%)	5.17%	5.18%

EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	5.17%	5.18%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	5.17%	4.98%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-27a	Overall leverage ratio requirements (%)	3.00%	3.00%
	Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Transitional provision	
	Disclosure of mean values		
29	End-of-quarter value of gross SFT assets, after adjustments for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	398,333	-
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for accounting transactions)	20,515,743	19,536,361
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	20,515,743	19,536,361
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.28%	5.12%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.28%	5.12%

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Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		a	a
		CRR leverage ratio exposures	CRR leverage ratio exposures
		31/12/2025	31/12/2024
EU - 1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which**	**19,157,239**	**18,617,387**
EU - 2	Trading book exposures	35,852	12,333
EU - 3	Banking book exposures, of which	19,121,387	18,605,054
EU - 4	Covered bonds	-	-
EU - 5	Exposures treated as sovereigns	5,270,125	4,972,895
EU - 6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	23,750	29,171
EU - 7	Institutions	987,878	1,073,470
EU - 8	Secured by mortgages of immovable properties	4,715,971	4,160,828
EU - 9	Retail exposures	4,318,075	4,295,369
EU - 10	Corporate	2,726,479	2,815,766
EU - 11	Exposures in default	178,799	190,110
EU - 12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	900,310	1,067,445

Table EU LRA: Disclosure of LR qualitative information

For the purposes of supervisory regulations, the Group uses the calculation methodology and frequency in accordance with the rules set out in the current regulations (Regulation 575/2013) within the scope of prudential supervisory reporting activities.

The leverage indicator is selected as a monitoring metric within the Risk Appetite Framework for monitoring the Group's capital adequacy. In addition to the regulatory minimum limit (3%), further thresholds are established in terms of early warning and tolerance in line with the risk and capitalisation levels implicit in the figures also expressed in the Business Plan.

The leverage ratio without the application of the IFRS9 transitional regime "Financial Instruments" at the reporting date was 5.17%, as better detailed by the quantitative information in the tables below, well above the regulatory minimum and in line with previous records.

6. Disclosure of liquidity requirements[28]

Qualitative disclosure

For the purposes of supervisory regulations, the Group uses the calculation methods and frequencies provided for by the regulations (Circular No. 285) to calculate short-term liquidity indicators (LCR - Liquidity Coverage Ratio), structural liquidity indicators (NSFR - Net Stable Funding Ratio) and Additional Liquidity Monitoring Metrics (ALMM).

Quantitative disclosure

The Group's liquidity position, supported by adequate high-quality liquid assets (HQLA) and the significant contribution of stable funding from customers, remained within the risk limits of the Risk Appetite Framework in the financial year 2025.

Both the LCR and NSFR regulatory indicators are well above the minimum regulatory requirements.

Over the past 12 months, the Group's Liquidity Coverage Ratio (LCR), measured according to Regulation 2021/637, averaged 208%.

The data below refer to the simple average of the last 12 monthly observations for each quarter, as per Regulation 2021/637.

Regulation (EU) 2019/876 introduced a minimum level (100%) of Net Stable Funding Ratio (NSFR) to ensure the institution's ability to have sufficient stable funding to meet its funding needs over a one-year time horizon, starting with the reporting of 30 June 2021. The policy applied by the Group is to promote greater recourse to stable funding in order to avoid medium- to long-term activity generating imbalances to be financed in the short term, by establishing an appropriate minimum amount of stable funding.

Table EU LIQA: liquidity risk management

For a more accurate analysis of management strategies and processes and analysis of the adequacy of the liquidity risk management measures, please refer to what has already been described in Section 3. Disclosure of risk management objectives and policies in the Liquidity Risk section.

[28] See Art. 7 of Implementing Regulation (EU) 2021/637

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Template EU LIQ1: Quantitative information of LCR

Scope of consolidation: (individual/consolidated)		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2025	30.09.2025	30.06.2025	31.03.2025
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	**Total High-Quality Liquid Assets (HQLA)**					**3,216,679**	**3,182,211**	**2,951,178**	**2,937,306**
CASH OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which	8,021,792	7,964,031	7,871,964	7,840,315	584,655	576,730	571,964	569,878
3	Stable deposits	4,762,316	4,681,280	4,659,824	4,612,653	238,116	234,064	232,991	230,633
4	Less stable deposits	2,970,966	2,938,189	2,911,581	2,912,260	346,539	342,666	338,973	339,245
5	Unsecured wholesale funding	2,637,718	2,568,168	2,581,240	2,574,881	1,287,470	1,246,722	1,269,298	1,274,724
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	501,113	499,899	489,757	482,273	125,278	124,975	122,439	120,568
7	Non-operational deposits (all counterparties)	2,133,577	2,067,109	2,041,889	2,043,013	1,159,143	1,120,587	1,097,264	1,104,561
8	Unsecured debt	3,049	1,160	49,595	49,595	3,049	1,160	49,595	49,595
9	Secured wholesale funding					12,588	10,402	5,972	8,333
10	Additional requirements	296,464	306,662	308,999	312,283	77,207	77,484	79,236	80,148
11	Outflows related to derivative exposures and other collateral requirements	52,679	52,550	52,470	52,411	52,679	52,550	52,470	52,411
12	Outflows related to loss of funding on debt products	-		-	-	-	-	-	-
13	Credit and liquidity facilities	243,785	254,112	256,529	259,871	24,528	24,934	26,767	27,736
14	Other contractual funding obligations	89,510	78,084	82,055	76,260	89,510	78,084	82,055	76,260
15	Other contingent funding obligations	3,694,092	3,758,636	3,734,669	3,664,746	69,656	63,848	55,342	46,992
16	**TOTAL CASH OUTFLOWS**					**2,121,085**	**2,053,270**	**2,063,868**	**2,056,335**
CASH INFLOWS									
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-

18	Inflows from fully performing exposures	390,063	401,676	407,102	406,522	303,347	316,246	322,669	323,092
19	Other cash inflows	1,227,078	1,200,334	1,248,308	1,231,284	273,684	260,978	310,719	308,856
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)	-	-	-	-	-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)	-	-	-	-	-	-	-	-
20	**TOTAL CASH INFLOWS**	**1,617,141**	**1,602,010**	**1,655,410**	**1,637,806**	**577,031**	**577,224**	**633,388**	**631,948**
EU-20a	**Fully exempt inflows**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
EU-20b	**Inflows subject to 90% cap**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
EU-20c	**Inflows subject to 75% cap**	**1,617,141**	**1,602,010**	**1,655,411**	**1,637,806**	**577,031**	**577,224**	**633,388**	**631,947**
TOTAL CORRECTED VALUE									
EU-21	**LIQUIDITY BUFFER**					**3,216,679**	**3,182,211**	**2,951,178**	**2,937,306**
22	**TOTAL NET CASH OUTFLOWS**					**1,544,055**	**1,476,046**	**1,430,480**	**1,424,387**
23	**LIQUIDITY COVERAGE RATIO**					**208%**	**216%**	**207%**	**207%**

Template EU LIQB: Qualitative information on LCR, which complements template EU LIQ1

The Liquidity Coverage Ratio (LCR) is the indicator designed to promote short-term resilience of the bank's liquidity risk profile by ensuring that the bank has sufficient high-quality liquid reserves to cover cash outflows for a period of one month in the event of a severe stress scenario.

The indicator is monitored internally on a daily basis and is also reported to the Supervisory Authorities on a monthly basis through supervisory reporting.

The evidence shows that the average level of the liquidity coverage ratio remains permanently above the regulatory minimum requirement. The reported LCR performance increased throughout the observation period; the trend in the LCR indicator reflects the positive evolution of the Group's liquidity position, which incorporates the effects of the funding plan and the overall performance of lending in respect of macroeconomic conditions. The LCR indicator has no currency mismatch as there are no relevant currencies other than the euro.

The average level over the past 12 months stands at 208.04% with available high quality assets (HQLA) averaging EUR 3,217 billion consisting entirely of the most liquid type (Level 1) of assets eligible for the numerator of the LCR. At the end of December 2025, the exact value of the HQLA liquidity buffer consisted of approximately 18% cash and the remainder was mainly made up of government bonds. In addition to these available liquid assets (HQLA), the Group has additional marketable unencumbered assets to which specific haircuts are applied to account for liquidity. The main component of liquidity outflows relates to retail and wholesale deposits, while the component of inflows is concentrated on instalment-based, trade and non-maturity assets.

The concentration of funding and liquidity sources is managed and controlled, aimed at preventing possible weaknesses in the Group, mainly through the monitoring of both management and regulatory metrics, such as the concentration of funding by product and counterparties.

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Template EU LIQ2: Net Stable Funding Ratio

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 yr	≥ 1 yr	
	Available Stable Funding (ASF) items					
1	Capital items and instruments	1,083,408	-	-	150,249	1,233,657
2	Own funds	1,083,408	-	-	150,249	1,233,657
3	Other capital instruments		-	-	-	-
4	Retail deposits		8,241,158	163,936	736,344	8,543,734
5	Stable deposits		4,856,117	-	-	4,613,311
6	Less stable deposits		3,385,041	163,936	736,344	3,930,423
7	Wholesale funding:		4,430,586	764,706	3,177,938	4,747,410
8	Operational deposits		1,022,002	-	-	511,001
9	Other wholesale funding		3,408,584	764,706	3,177,938	4,236,409
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	619	299,704	5,818	188,576	191,351
12	NSFR derivatives liabilities	619				
13	All other liabilities and capital instruments not included in the above categories		299,704	5,818	188,576	191,351
14	**Total available stable funding (ASF)**					**14,716,152**
	Required Stable Funding (RSF) items					
15	Total High-Quality Liquid Assets (HQLA)					14,131
EU-15a	Assets encumbered for more than 12m in cover pool		34,477	34,691	1,865,459	1,644,433
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		2,990,746	1,001,692	8,053,957	7,997,248
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		225,238	223,477	-	162,120
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		318,222	8,081	56,794	92,657
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which		1,796,268	620,802	5,270,872	6,715,769
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		311,119	265,858	2,825,571	3,467,381
22	Performing residential mortgages, of which		31,047	32,294	1,647,767	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		30,725	31,602	1,475,362	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		619,971	47,656	1,078,524	1,026,702
25	Interdependent assets				-	-

26	Other assets:	-	580,594	20,229	599,739	917,088
27	Physically traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		86,745	-	-	73,733
29	NSFR derivative assets		262			262
30	NSFR derivative liabilities before deduction of variation margin posted		262			13
31	All other assets not included in the above categories		493,325	20,229	599,739	843,080
32	Off-balance sheet items		301,050	12,896	174,916	68,763
33	**Total RSF**					**10,641,663**
34	**Net Stable Funding Ratio (%)**					**138.29%**

7. Disclosure of credit risk and dilution risk exposures and credit quality[29]

Table EU CRA: General qualitative information about credit risk

For a more detailed analysis of the credit risk management strategies and processes, the structure and organisation of the risk management function and the relationships between the credit risk management, risk control, compliance control and internal audit functions, please refer to the description in Section 2. Disclosure of risk management objectives and policies (Art. 2 Implementing Regulation (EU) 2021/637) - Table EU OVA: Institution risk management approach.

Banco Desio's asset quality management focuses, both statically and dynamically, on the composition and quality of loans and the main implications in terms of both the income statement and capital adequacy.

Receivables are subject to constant monitoring that aims to identify the deterioration of creditworthiness on an ongoing basis, in order to highlight possible impairments. The methodology considers both the specific creditworthiness of the debtors and the presence of collateral and personal guarantees, as well as the local or national economic conditions relative to the counterparty's sector.

Table EU CRB: Additional disclosure related to the credit quality of assets

The accounting standard IFRS9 "Financial Instruments" provides for an impairment model that requires the estimation of credit losses based on an expected losses model using supportable information, available without unreasonable burden or effort, that includes historical, current and prospective data. The standard provides, in particular, for the classification of financial instruments into three classes with an increasing degree of risk(stages/buckets), each of which has its own way of defining and measuring value adjustments.

In particular, the standard provides for the distinction of performing financial assets into two different risk categories (stage 1 less risky and stage 2 more risky), depending on whether or not the exposures have undergone a significant increase in risk since initial recognition; financial instruments that show objective evidence of impairment must instead be classified in stage 3. Accordingly, the Group has defined the parameters for determining the significant increase in credit risk for the purpose of correctly allocating performing exposures to stage 1 or stage 2. On the other hand, with regard to "impaired" exposures, the alignment of the definitions of accounting and regulatory default made it possible to consider the existing approaches for classifying impaired exposures identical to the approaches for classifying exposures within stage 3.

Performing Exposures

The quality of the Performing Exposure portfolio is assessed through the calculation of the Expected Loss as part of the Impairment process, i.e., the evaluation of the loss that is statistically expected over a time horizon against a loan disbursed.

For the purpose of the impairment calculation, the loan portfolio is segmented into three stages with increasing levels of credit risk (due to changes over time):

a) stage 1 for exposures with performance in line with expectations;

b) stage 2 for exposures that perform below expectations, i.e., that have experienced a significant increase in credit risk relative to when they originated (i.e., were purchased);

c) stage 3 for non-performing exposures (see next paragraph).

The calculation of the impairment is based on expected losses, determined on the basis of past events, current conditions and reasonable and "supportable" future forecasts; the horizon for calculating the expected loss is one year for stage 1 loans, or lifetime for stage 2 and 3 loans. The impairment calculation model includes forward-looking components, i.e. expected changes in the macroeconomic scenario. Stage 1 and Stage 2

[29] See Art. 8 of Implementing Regulation (EU) 2021/637

overlap with the definition of performing loans, to which collective impairment is currently applied, based on the concept of incurred but unrecorded losses.

The expected loss depends mainly on the following parameters:

- PD, *Probability of Default*, represents the probability of default of the counterparty over a one-year time horizon;
- LGD, *Loss Given Default*, is the percentage share of credit that is assumed to be lost, or not recovered, given the event of default;
- EAD, *Exposure at Default*, is the total credit exposure one will have at the time of default.

Performing Exposures include positions under control, i.e., those relationships for which a precautionary observation period is deemed appropriate, during which the presence of anomalies attributable to internal and external risk indicators (risk triggers) is monitored. The classification proposal may also be formulated by the competent central and/or territorial functions by notifying the branch of the change in the customer's personal status.

Non-Performing Exposures

Non-Performing Exposures (stage 3) include cash assets (loans and debt securities) and off-balance sheet assets (guarantees issued, irrevocable and revocable commitments to disburse funds), other than financial instruments, allocated to the accounting portfolio "Financial assets held for trading and derivative contracts".

The current regulatory framework provides for the classification of impaired financial assets according to their critical status. In particular, there are three categories: "bad loans", "unlikely to pay" and '"impaired past-due and/or overdrawn exposures".

- Bad loans: exposure to a party in a state of insolvency (even if not judicially adjudicated) or in substantially similar situations, irrespective of the loss projections made by the intermediary.
- Unlikely to pay (UTP): exposures for which the intermediary considers it unlikely that the borrower will perform in full without recourse to actions such as the enforcement of collateral, irrespective of the presence of amounts past-due and/or overdrawn.
- Impaired past-due and/or overdrawn exposures (Past Due): exposures, other than those classified as bad loans or unlikely to pay, that are past-due and/or overdrawn continuously for more than 90 days.

The Group has a policy that regulates the criteria and methods for the application of value adjustments which, depending on the type of non-performing loan, the original technical form and the type of collateral supporting it, establish the minimum percentages to be applied in determining loss forecasts. The management of the Parent Company's impaired exposures is delegated to a specific organisational unit, the NPL Area, which is responsible for identifying strategies to maximise recovery on individual positions and for defining the value adjustments to be applied to them. Only "impaired past-due/overdrawn" exposures subject to a lump-sum write-down and with a high probability of reclassification among "performing" exposures are managed by the function delegated to the monitoring of credit performance, which eventually classifies them among "unlikely to pay", transferring their management to the NPL Area.

The loss forecast represents the summary of several elements derived from different assessments (internal and external) of the capital adequacy of the principal debtor and any guarantors, and, in the case of UTP, also takes into account the drivers used in defining the LGD parameter. The monitoring of loss forecasts is constant and related to the development of the individual position. The Risk Management Department periodically monitors compliance with the doubtful outcome percentages envisaged by the policy for the management of non-performing loans, reporting any deviations to the competent functions for realignment actions, and supervises the recovery activities of non-performing loans, whether managed directly by the functions in charge or through specialised external operators.

The time element inherent in the discounting of non-performing loans is determined by specific valuations, made for individual types of assets, prepared on the basis of information on individual court cases and updated periodically.

Forborne Exposures

The forbearance category cuts across existing risk classes and can include loans belonging to both Performing Exposures (sub-category of performing exposures) and Non-Performing Exposures (sub-category of non-performing exposures).

These are credit exposures for which modifications to the contractual terms and conditions or full or partial refinancing have been granted, due to the borrower's financial difficulties, which could result in a loss for the lender.

In order for the presumption of forbearance to be triggered, positions must have been past due for more than one month at least once in the three months preceding the contractual change, lowering the alarm threshold from the 90 days stipulated in the definition of default.

The time to exit the forborne performing status is at least two years. The verification of the conditions is performed once the probation period has elapsed, at the time of the first useful report. If these conditions are not met, the verification for exit from the forborne status is repeated at least after one quarter, or at the time of the new report. For the exit from forborne non-performing, however, what is specified in Article 157 of the EBA ITS applies, and thus, one year after renegotiation, in the presence of regular payments and in the absence of doubts about the borrower's solvency, an exposure may return to performing status while remaining classified as a forborne exposure for a further two years (probation period)

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Template EU CR1: Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-offs	Collaterals and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Performing exposures	Non-performing exposures
			Of which: stage 1	Of which: stage 2		Of which: stage 2	Of which: stage 3		Of which: stage 1	Of which: stage 2		Of which: stage 2	Of which: stage 3			
005	Cash balances at central banks and other demand deposits	719,234	719,234	-	-	-	-	(7)	(7)	-	-	-	-	-	-	-
010	**Loans and advances**	**12,939,033**	**11,303,984**	**1,631,091**	**351,319**	**-**	**345,949**	**(118,181)**	**(19,483)**	**(98,478)**	**(175,387)**	**-**	**(173,083)**	**(728)**	**8,543,979**	**136,538**
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	443,821	431,906	11,700	2,670	-	2,670	(360)	(4)	(356)	(462)	-	(462)	-	1,657	-
040	Credit institutions	254,962	254,962	-	3	-	3	(181)	(181)	-	(1)	-	(1)	-	24,869	-
050	Other financial corporations	640,568	613,348	27,220	12,241	-	12,227	(1,358)	(712)	(647)	(11,241)	-	(11,238)	-	425,908	35
060	Non-financial corporations	5,018,030	3,945,454	1,071,382	232,489	-	229,712	(75,496)	(8,893)	(66,540)	(127,876)	-	(126,433)	(728)	2,728,049	83,451
070	*of which SMEs*	2,949,428	2,183,666	764,626	116,239	-	115,799	(54,097)	(5,883)	(48,157)	(52,675)	-	(52,597)	-	2,067,885	52,812
080	Households	6,581,652	6,058,314	520,789	103,916	-	101,337	(40,786)	(9,693)	(30,935)	(35,807)	-	(34,949)	-	5,363,496	53,052
090	**Debt securities**	**4,634,344**	**4,603,900**	**25,758**	**80,816**	**-**	**80,816**	**(7,196)**	**(1,264)**	**(5,932)**	**(2,459)**	**-**	**(2,459)**	**-**	**80,079**	**-**
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	3,758,427	3,758,427	-	-	-	-	(448)	(448)	-	-	-	-	-	-	-
120	Credit institutions	652,938	652,938	-	-	-	-	(495)	(495)	-	-	-	-	-	-	-
130	Other financial corporations	148,540	118,097	25,758	80,816	-	80,816	(6,074)	(142)	(5,932)	(2,459)	-	(2,459)	-	80,079	-
140	Non-financial corporations	74,439	74,438	-	-	-	-	(179)	(179)	-	-	-	-		-	-
150	**Off-balance-sheet exposures**	**3,528,544**	**3,412,712**	**115,826**	**38,501**	**-**	**38,501**	**1,092**	**459**	**633**	**1,827**	**-**	**1,827**	**-**	**670,346**	**8,276**
160	Central banks	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	General governments	26,698	26,698	-	-	-	-	-	-	-	-	-	-		-	-
180	Credit institutions	11,677	11,677	-	-	-	-	1	1	-	-	-	-		-	-
190	Other financial corporations	160,540	158,068	2,472	59	-	59	137	107	29	-	-	-		7,643	59
200	Non-financial corporations	3,105,922	2,999,901	106,016	36,870	-	36,870	784	229	555	1,817	-	1,817		620,705	7,981
210	Households	223,707	216,368	7,338	1,572	-	1,572	170	122	49	10	-	10	-	41,998	236
220	**Total**	**21,821,155**	**20,039,830**	**1,772,675**	**470,636**	**-**	**465,266**	**(124,292)**	**(20,295)**	**(103,777)**	**(176,019)**	**-**	**(173,715)**	**(728)**	**9,294,404**	**144,814**

Template EU CR1-A: Maturity of exposures

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	1,363,004	5,361,268	2,626,868	3,645,644	-	12,996,784
2	Debt securities	-	1,902,226	1,745,437	1,057,842	-	4,705,505
3	**Total**	**1,363,004**	**7,263,494**	**4,372,305**	**4,703,486**	**-**	**17,702,289**

Template EU CR2: Changes in the stock of non-performing loans and advances

		a
		Gross carrying amount
010	**Initial stock of non-performing loans and advances**	**382,573**
020	Inflows to non-performing portfolios	220,002
030	Outflows from non-performing portfolios	(251,256)
040	Outflow due to write-offs	(15,253)
050	Outflow due to other situations	(236,003)
060	**Final stock of non-performing loans and advances**	**351,319**

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Template EU CQ1: Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
		Performing forborne		of whitch defaulted	of whitch impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measured
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	**Loans and advances**	**45,230**	**72,950**	**72,950**	**72,950**	**(5,492)**	**(30,025)**	**74,640**	**39,453**
020	Central banks	-	-	-	-	-	-	-	-
030	General gov ernments	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-
050	Other financial corporations	-	-	-	-	-	-	-	-
060	Non-financial corporations	27,297	49,184	49,184	49,184	(3,517)	(20,967)	45,360	25,511
070	Households	17,933	23,766	23,766	23,766	(1,975)	(9,058)	29,280	13,942
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments giv en	259	217	217	217	-	-	347	146
100	**Total as at 31/12/2025**	**45,489**	**73,167**	**73,167**	**73,167**	**(5,492)**	**(30,025)**	**74,987**	**39,599**

Template EU CQ2 - Quality of Forbearance Measures

		a
		Gross carrying amount of exposures with forbearance measures
010	Loans and advances that have been subject to forbearance measures more than twice	3,626
020	Impaired loans and advances subject to forbearance measures that failed to meet the criteria for exclusion from the impaired category	44,905

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Template EU CQ3: Credit quality of performing and non-performing exposures by past due days

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years <= 5 years	Past due > 5 years <= 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	719,234	719,234	-	-	-	-	-	-	-	-	-	-
010	**Loans and advances**	**12,939,033**	**12,900,027**	**39,006**	**351,319**	**131,149**	**36,242**	**52,753**	**48,038**	**37,466**	**9,440**	**36,231**	**351,319**
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	443,820	443,805	15	2,670	2,170	64	103	200	133	-	-	2,670
040	Credit institutions	254,962	254,962	-	3	3	-	-	-	-	-	-	3
050	Other financial corporations	640,568	640,559	9	12,241	1,666	14	3	79	26	32	10,421	12,241
060	Non-financial corporations	5,018,030	5,014,388	3,642	232,490	68,130	25,345	39,136	37,736	30,938	7,907	23,298	232,490
070	of which SMEs	2,949,428	2,946,174	3,254	116,239	40,611	12,897	28,355	28,456	5,885	35	-	116,239
080	Households	6,581,653	6,546,313	35,340	103,915	59,180	10,819	13,511	10,023	6,369	1,501	2,512	103,915
090	**Debt securities**	**4,634,344**	**4,634,344**	**-**	**80,816**	**80,816**	**-**	**-**	**-**	**-**	**-**	**-**	**80,816**
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	-
110	General governments	3,758,427	3,758,427	-	-	-	-	-	-	-	-	-	-
120	Credit institutions	652,938	652,938	-	-	-	-	-	-	-	-	-	-
130	Other financial corporations	148,540	148,540	-	80,816	80,816	-	-	-	-	-	-	80,816
140	Non-financial corporations	74,439	74,439	-	-	-	-	-	-	-	-	-	-
150	**Off-balance-sheet exposures**	**3,528,544**			**38,501**								**38,501**
160	Central banks	-			-								-
170	General governments	26,698			-								-
180	Credit institutions	11,677			-								-
190	Other financial corporations	160,540			59								59
200	Non-financial corporations	3,105,923			36,870								36,870
210	Households	223,706			1,572								1,572
220	**Total 31/12/2025**	**21,821,155**	**18,253,605**	**39,006**	**470,636**	**211,965**	**36,242**	**52,753**	**48,038**	**37,466**	**9,440**	**36,231**	**470,636**

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Template EU CQ4: Quality of non-performing exposures by geography

		a	b	c	d	e	f	g
		Gross carrying amount/nominal amount				Accumulated impairment	Provisions for off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
010	**On-balance-sheet exposures**	**18,724,746**	**432,135**	**432,135**	**18,800,687**	**(305,688)**		**-**
020	Italy	18,141,538	431,657	431,657	18,217,479	(305,225)		-
030	France	265,398	189	189	265,398	(151)		-
040	Germany	123,016	3	3	123,016	(77)		-
050	Spain	121,163	23	23	121,163	(49)		-
060	Netherlands	22,083	-	-	22,083	(17)		-
070	Other States	51,548	263	263	51,548	(169)		-
080	**Off-balance-sheet exposures**	**3,567,045**	**38,501**	**38,501**			**2,916**	
090	Italy	3,555,471	38,469	38,469			2,916	
100	Luxembourg	7,699	-	-			-	
110	Portugal	1,612	-	-			-	
120	Spain	621	-	-			-	
130	San Marino	500	-	-			-	
140	Other States	1,142	32	32			-	
150	**TOTAL 31/12/2025**	**22,291,791**	**470,636**	**470,636**			**2,916**	

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Template EU CQ5: Credit quality of loans and advances to non-financial corporations by industry

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing	164,792	11,775	11,775	164,792	(9,429)	-
020	Mining	12,536	639	639	12,536	(390)	-
030	Manufacturing	1,877,431	70,504	70,504	1,877,431	(48,349)	-
040	Electricity, gas, steam and air conditioning supply	44,080	386	386	44,080	(841)	-
050	Water supply	37,272	441	441	37,272	(290)	-
060	Construction	460,394	31,618	31,618	460,394	(36,283)	-
070	Wholesale and retail trade	1,233,771	60,393	60,393	1,233,771	(49,714)	-
080	Transport and storage	184,665	8,543	8,543	184,665	(4,793)	-
090	Accommodation and food service activities	217,474	13,236	13,236	217,474	(10,754)	-
100	Information and communication	84,655	4,831	4,831	84,655	(3,612)	-
110	Financial and insurance activities	20,996	252	252	20,996	(300)	-
120	Real estate activities	503,598	13,137	13,137	503,598	(23,482)	-
130	Professional, scientific and technical activities	174,698	4,451	4,451	174,698	(6,359)	-
140	Administrative and support service activities	112,122	6,064	6,064	112,122	(4,994)	-
150	Public administration and defence, compulsory social security	176	2	2	176	(1)	-
160	Education	22,260	372	372	22,260	(305)	-
170	Human health services and social work activities	55,362	957	957	55,362	(717)	-
180	Artistic, entertainment and recreation	19,836	1,324	1,324	19,836	(1,435)	-
190	Other services	24,402	3,565	3,565	24,402	(1,324)	-
200	**Total as at 31/12/2025**	**5,250,520**	**232,490**	**232,490**	**5,250,520**	**(203,372)**	**-**

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Template EU CQ6: Collateral valuation - loans and advances

		a	b	c	d	e	f	g	h	i	j	k	l
		Loans and advances											
			Performing		Impaired								
							Past due > 90 days						
				Of which past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days		Of which past due > 90 days ≤ 180 days	Of which past due > 180 days ≤ 1 year	Of which past due > 1 year ≤ 2 years	Of which past due > 2 years ≤ 5 years	Of which past due > 5 years ≤ 7 years	Of which past due > 7 years
010	Gross carrying amount	**13,290,352**	**12,939,033**	39,006	**351,319**	131,149	220,170	36,242	52,753	48,038	37,466	9,440	36,231
020	*of which guaranteed*	**8,751,532**	**8,505,757**	35,613	**245,775**	100,085	145,690	30,048	41,744	28,283	22,047	7,683	15,885
030	*of which secured by real estate*	**4,878,165**	**4,784,932**	3,447	**93,233**	58,647	34,586	11,969	12,353	3,352	3,436	1,391	2,085
040	*Of which instruments with LTV ratio above 60% and below or equal to 80%*	**989,635**	**966,710**		**22,925**	11,994	10,931						
050	*Of which instruments with LTV ratio above 80% and below or equal to 100%*	**99,837**	**93,477**		**6,360**	4,029	2,331						
060	*Of which instruments with LTV above 100%*	**45,911**	**37,189**		**8,722**	5,551	3,171						
070	Accumulated Impairment for Guaranteed Assets	**200,019**	**95,900**	615	**104,119**	26,938	77,181	9,411	15,528	14,466	15,240	6,891	15,645
080	Collateral												
090	*Of which value limited to exposure value*	**6,913,546**	**6,837,294**	33,122	**76,252**	48,979	27,273	8,831	10,879	3,024	3,613	658	268
100	*Of which real estate*	**4,768,807**	**4,706,399**	3,106	**62,408**	42,056	20,352	8,242	8,446	1,953	1,282	336	93
110	*Of which value over the limit*	**8,545,416**	**8,321,039**	9,535	**224,377**	134,198	90,179						
120	*Of which real estate*	**8,625,166**	**8,424,897**	9,008	**200,269**	126,700	73,569						
130	Financial guarantees receiv ed	**1,766,971**	**1,706,684**	1,769	**60,286**	22,336	37,950	11,074	13,962	9,758	2,950	95	111
140	Accumulated partial write-offs	**728**	**-**	-	**728**	-	728	-	-	-	-	-	728

8. Disclosure of the use of credit risk mitigation techniques[30]

Table EU CRC: Qualitative reporting requirements on CRM techniques

In the development of the operational process leading to the granting of credit, even in the presence of positive evaluations of the necessary requirements, the Group acquires, whenever possible, collateral and/or personal guarantees targeted at risk mitigation.

The Group makes use of mortgage, collateral/financial and personal guarantees issued by central governments or multilateral development banks for the purposes of eligibility for prudential supervision. The eligibility verification process adopted for mortgage guarantees is based on a decentralised management model; in fact, it envisages that, at the time of the guarantee registration procedure, the collection and logging of the information needed to verify the existence of eligibility requirements (without prejudice to the general requirements analysis activity performed by the competent central functions) is carried out by the Branch Network. In order to adequately monitor the registration activities, the Credit Department and the Operations and Systems Department periodically inform the sales network about anomalies detected by the diagnostic systems during the registration activity, urging their prompt removal. As far as financial collateral is concerned, the Group has set up a structured process for the collection and management of collateral with a focus on eligibility aspects (general and specific requirements) and has issued clear management/operational guidelines on the subject. Eligibility is therefore conferred on financial guarantees that pass the regulatory checkpoints implemented in the Group's information systems.

Personal guarantees consist mainly of sureties issued by individuals and companies. They are always valued on the basis of an assessment of the guarantor's assets, as part of the credit approval and/or renewal stages. The guarantees collected by the Group are drawn up on the basis of contractual templates, in line with industry standards and legal guidelines, which are approved by the competent corporate functions.

Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		Unsecured carrying amount	Secured carrying amount			
				of which secured by collateral	of which secured by financial guarantees	
						of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	5,035,495	8,680,517	6,913,546	1,766,971	-
2	Debt securities	4,625,427	80,079	-	80,079	
3	**Total 31/12/2025**	**9,660,922**	**8,760,596**	**6,913,546**	**1,847,050**	**-**
4	of which non-performing exposures	*117,751*	*136,538*	*76,252*	*60,286*	-
EU-5	of which defaulted	*117,751*	*136,538*			
	Total 31/12/2024	**9,018,621**	**8,557,082**	**6,255,061**	**2,302,021**	**-**

[30] See Art. 9 of Implementing Regulation (EU) 2021/637

9. Disclosure on the use of the standardised approach[31]

Table EU CRD: Qualitative disclosure requirements related to standardised approach

For the purposes of determining the capital requirement for credit risk, the Group uses the IRB approach within the scope specified in Section 11. Disclosure on the use of the IRB approach. For all matters not covered by the scope of application of the IRB approach, the Group uses the standardised approach, as prescribed by Circ. 285/13 Part Two – Chapter 3, Section I; the standardised approach is also used as a reference for all credit exposures when determining the overall capital requirements, in accordance with the Group-specific limitation on the use of A-IRB models (a correction factor in terms of a floor on the total RWA, set at 95% of the RWA determined according to the standardised approach).

As part of its capital management initiatives and strengthening of management controls to support the credit risk monitoring and control processes, the Group used the ECAI rating service for the 2025 financial year.

As part of the capital management initiatives and the strengthening of management controls to support the processes of monitoring and controlling credit risks, the Group used the ECAI rating issuance service by the ESMA-authorised company ModeFinance for the year 2025, in order to achieve benefits of both a management nature (availability of external ratings on the Banco Desio Group's main corporate counterparties) and a capital nature (calculation of the capital requirement to cover credit risk). The rating issued is mapped on a scale of 21 classes identified by an alphanumeric code and ranging from A1 (highest creditworthiness) to C3 (lowest creditworthiness).

[31] See Art. 10 of Implementing Regulation (EU) 2021/637

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Template EU CR4 – Standardised approach – Credit risk exposure and CRM effects

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWEA and RWEA density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
		a	b	c	d	e	f
1	Central governments or central banks	5,268,308	11,266	6,468,614	3,527	158,499	2.45%
2	Non-central government public sector entities	23,750	15,431	26,117	-	10,201	39.06%
EU 2a	Regional governments or local authorities	15,130	15,356	17,271	-	3,429	19.85%
EU 2b	Public sector entities	8,620	75	8,846	-	6,772	76.55%
3	Multilateral development banks	-	-	857	-	17	1.96%
EU 3a	International organisations	-	-	-	-	-	-
4	Institutions	975,999	24,226	978,671	1,360	415,087	42.35%
5	Covered bonds	-	-	-	-	-	-
6	Corporates	497,802	226,487	468,157	60,487	460,778	87.16%
6.1	of which specialised loans	-	-	-	-	-	-
7	Exposures from subordinated debt and equity instruments	125,169	-	125,174	-	173,693	138.76%
EU 7a	Subordinated debt exposures	106,910	-	106,910	-	160,366	150.00%
EU 7b	Equity instruments	18,258	-	18,264	-	13,327	72.97%
8	Retail	2,575,740	134,343	2,518,043	27,972	1,142,915	44.89%
9	Exposures secured by mortgages on immovable properties and ADG exposures	615,215	7,036	597,906	2,793	195,367	32.52%
9.1	Exposures secured by mortgages on residential immovable properties - non-IPRE	472,221	109	455,122	22	103,093	22.65%
9.2	Exposures secured by mortgages on residential immovable properties - IPRE	1,716	-	1,716	-	441	25.73%
9.3	Exposures secured by mortgages on non-residential immovable properties – non-IPRE	98,630	-	98,425	-	52,752	53.60%
9.4	Exposures secured by mortgages on non-residential immovable properties – IPRE	33,901	-	33,896	-	22,814	67.31%
9.5	Acquisition, development and construction (ADC)	8,747	6,927	8,747	2,771	16,267	141.23%
10	Exposures in default	48,034	6,194	44,005	1,211	54,452	120.43%
EU 10a	Receivables due from institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	210,224	-	210,224	-	233,440	111.04%
EU 10c	Other items	463,240	-	464,501	383	347,261	74.70%
11	*Not applicable*						
12	**Total as at 31/12/2025**	**10,803,481**	**424,983**	**11,902,269**	**97,733**	**3,191,710**	**26.60%**

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Template EU CR5: Standardised approach

	Exposure classes	Risk weight																										Total	Of which unrated
		0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	80%	90%	100%	105%	110%	130%	150%	250%	370%	400%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa
1	Central governments or central banks	6.379.166	-	-	-	254	-	-	-	-	9.708	-	-	-	-	-	35.950	-	-	-	-	47.063	-	-	-	-	6.472.141	-
2	Non-central government public sector entities	-	-	-	-	17.527	-	-	-	-	3.633	-	-	-	-	-	4.957	-	-	-	-	-	-	-	-	-	26.117	-
EU 2a	Regional governments or local authorities	-	-	-	-	17.271	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17.271	-
EU 2b	Public sector entities	-	-	-	-	256	-	-	-	-	3.633	-	-	-	-	-	4.957	-	-	-	-	-	-	-	-	-	8.846	-
3	Multilateral development banks	773	-	-	-	84	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	857	-
EU 3a	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Institutions	24	111.553	-	-	41.750	344.668	-	894	-	348.254	-	-	25.401	-	-	107.319	-	-	-	168	-	-	-	-	-	980.031	-
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	3.730	-	-	-	-	51.404	-	-	112.494	-	-	347.353	-	-	-	13.663	-	-	-	-	-	528.644	-
6.1	of which specialised loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Exposures from subordinated debt and equity instruments	10.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.888	-	-	-	106.910	3.376	-	-	-	-	125.174	-
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	106.910	-	-	-	-	-	106.910	-
EU 7b	Equity instruments	10.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.888	-	-	-	-	3.376	-	-	-	-	18.264	-
8	Retail exposures	-	-	-	-	-	-	1.848.724	-	-	-	-	-	695.478	-	-	1.813	-	-	-	-	-	-	-	-	-	2.546.015	-
9	Exposures secured by mortgages on immovable properties and ADG exposures	-	-	-	-	434.268	1.222	494	-	-	-	93.973	-	24.628	-	3.517	2.721	-	149	-	11.324	-	-	-	-	28.403	600.699	-
9.1	Exposures secured by mortgages on residential immovable properties - non-IPRE	-	-	-	-	433.114	-	-	-	-	-	-	-	21.909	-	-	121	-	-	-	-	-	-	-	-	-	455.144	-
9.1.1	without applying the mortgage allocation method	-	-	-	-	-	-	-	-	-	-	-	-	1.638	-	-	3	-	-	-	-	-	-	-	-	-	1.641	-
9.1.2	applying the mortgage allocation (with collateral)	-	-	-	-	433.114	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	433.114	-
9.1.3	applying the mortgage allocation method (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	20.271	-	-	118	-	-	-	-	-	-	-	-	-	20.389	-
9.2	Exposures secured by mortgages on residential immovable properties - IPRE	-	-	-	-	-	1.222	494	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.716	-
9.3	Exposures secured by mortgages on non-residential immovable properties – non-IPRE	-	-	-	-	1.154	-	-	-	-	-	93.973	-	2.718	-	-	580	-	-	-	-	-	-	-	-	-	98.425	-
9.3.1	without applying the mortgage allocation method	-	-	-	-	-	-	-	-	-	-	-	-	670	-	-	3	-	-	-	-	-	-	-	-	-	673	-
9.3.2	applying the mortgage allocation (with collateral)	-	-	-	-	-	-	-	-	-	-	93.973	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93.973	-
9.3.3	applying the mortgage allocation method (unsecured)	-	-	-	-	1.154	-	-	-	-	-	-	-	2.048	-	-	577	-	-	-	-	-	-	-	-	-	3.779	-
9.4	Exposures secured by mortgages on non-residential immovable properties – IPRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.518	-	-	149	-	1.826	-	-	-	-	28.403	33.896	-
9.5	Acquisition, development and construction (ADC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.020	-	-	-	9.498	-	-	-	-	-	11.518	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26.741	-	-	-	18.475	-	-	-	-	-	45.216	-
EU 10a	Receivables due from institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	5.913	-	-	-	-	-	-	-	-	131	-	-	-	-	-	4.880	-	6.582	-	1.264	-	-	-	-	10	191.444	210.224	-
EU 10c	Other items	88.761	-	-	-	36.079	-	-	-	-	-	-	-	-	-	-	340.044	-	-	-	-	-	-	-	-	-	-	464.884	-
11	*Not applicable*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 11c	**Total as at 31/12/2025**	**6.484.637**	**111.553**	**-**	**-**	**533.692**	**345.890**	**1.849.218**	**894**	**-**	**413.131**	**93.973**	**-**	**858.000**	**-**	**3.517**	**876.664**	**-**	**6.731**	**-**	**151.805**	**50.439**	**-**	**-**	**10**	**219.848**	**12.000.002**	**-**

10. Disclosure on the use of the IRB approach for credit risk

Table EU CRE: Qualitative disclosure requirements related to IRB approach

Qualitative disclosure

By order of 24 June 2025, the Bank of Italy, on the basis of the results of the inspections conducted in connection with the preliminary remedial measures and the preliminary investigation activities, authorised the actual use by the Banco Desio Group (CRR Brianza Unione Group), effective from 30 June 2025, for capital requirement calculation purposes, on an individual and consolidated basis, of the A-IRB internal credit risk measurement system for Group "Retail" and "Corporate" exposure classes, applying certain corrective factors (add-on of 10% on the LGD and floor of 95% on RWAs) envisaged in the Order of 24 May 2023.

Validation activities are carried out periodically on the various parameters as part of oversight and monitoring activities, in order to assess the overall adequacy of the credit risk measurement process. The models and methodologies are deemed appropriate, and the performance of the rating system remains high, thereby indicating that the rating models possess strong discriminatory power.

The A-IRB model lifecycle governs the phases of the model development and validation process, its implementation in management processes, and the subsequent monitoring of estimates, and includes the following activities:

- Identification of the methodological framework: in this phase, the methodological framework and the reference model design for estimating the internal models are defined. Banco Desio's Credit Risk Office liaises with the outsourcer Cedacri, also involving other Bank departments as necessary, with the aim of verifying and ensuring that the methodological solutions defined are representative of and applicable to Banco Desio's context, in particular its business model and its main Policies and processes;
- Model development: the aim of this phase is to carry out the statistical and quantitative development of the models used to estimate the risk parameters, in line with the defined methodological framework. Model development is further broken down into detailed activities, in accordance with a predefined workflow. During this phase, guidance is provided by the Credit Risk Office, with the possible involvement of other company structures for specific areas of responsibility;
- Validation of estimates: the validation phase is the responsibility of the Control Functions of the individual Sponsor Banks of the Pooled A-IRB System, namely Banco Desio's Internal Validation Office and Internal Audit Department, respectively. The purpose of the validation activities, which are carried out both during the initial adoption of the System and on an ongoing basis, is to verify, through independent analyses conducted by the relevant functions, that the Rating System is adequate and complies with the A-IRB regulatory requirements, and that these characteristics are maintained on an ongoing basis;
- Release of models into production: Banco Desio's Risk Management Department proposes to the Board of Directors a resolution to implement the internal models in the production environment, subject to a favourable opinion from the Internal Validation Office. During the production release phase, the outsourcer, which is operationally responsible for the development and implementation of the calculation engines, collaborates with a cross-functional Working Group of Banco Desio, depending on the specific areas of responsibility. In this context, it is worth noting that, within its Policy, Banco Desio has stipulated the widespread use of rating models across its main management processes, specifying the areas deemed to be priority areas;
- Monitoring of AIRB models: this phase is divided into various monitoring areas, with roles and responsibilities for the outsourcer and Banco Desio defined for each of these areas. In particular, the following areas are relevant:
    - Quantitative monitoring: a series of periodic checks carried out on an ongoing basis to assess the predictive power and stability of the estimates, both at pool level (monitoring conducted by SMOD and backtesting performed by the SMOD unit) and at bank-specific level (backtesting performed by the Internal Validation Office within the scope of Banco Desio);
    - Monitoring of management processes: identification of changes and developments in the Bank's management processes that may have a potential impact on the estimates of risk

parameters, rendering them no longer representative. Given the specific nature of this activity, this area of monitoring falls under the responsibility of Banco Desio's Credit Risk Office.
    - Regulatory monitoring: ongoing review of the external regulations that constitute the reference framework for A-IRB, with the aim of promptly identifying any regulatory changes that may have an impact on internal models. This monitoring is carried out by the Bank's main stakeholders involved in the model estimation and validation process (Credit Risk Office, Internal Validation Office, Internal Audit) and by the outsourcer's departments;
    - PPU monitoring and RWA coverage: ongoing verification of the continued existence of the conditions that allow the permanent use of the standardised approach (PPU) for certain specific exposure types or classes, as well as of the level of coverage of RWAs calculated using internal models. This monitoring is carried out by the Credit Risk Office;
- Integration of evidence from the Control Functions: the results of the audits of the Rating System carried out by the Control Functions may lead to the formulation of findings in the event of any critical issues, with the consequent need to identify appropriate mitigation actions to be implemented in the internal models. To this end, Banco Desio's Control Functions coordinate with the Credit Risk Office.

The results of the various areas of monitoring of the internal models form the basis of the Estimate Review process, which consists of an assessment carried out at least once a year, following which corrective actions and developments or revisions to the models may be identified.

The Estimate Review framework includes a decision-making dashboard that consolidates the results of the monitoring described above, on the basis of which a proposal for action is formulated by selecting one of the following three options:

- make no changes/updates of any kind, as the dashboard does not show any significant alerts with respect to what has been authorised by the Regulator;
- update the time series underlying the internal models and recalibrate them (for all or some of the risk parameters), incorporating the most recent empirical evidence. In this case, the risk indicators selected in the predictive model estimation process would remain unchanged from those already validated and implemented in production;
- carry out a comprehensive or partial review of the models underlying the Rating System and the modelling approach. In this case, the indicator selection process would be carried out again, potentially modifying the existing long list in the authorised models and the final risk indicators used in the models in production, and the historical series would be updated at the same time;
- make the necessary changes or enhancements to the parameters in order to incorporate the findings of the Control Functions or the Supervisory Authority. Depending on the type and severity of the findings in question, an assessment is made as to whether it is appropriate to incorporate them as part of the activities referred to in point (b) or, alternatively, as part of those referred to in point (c).

It should be noted that, in any case, a review of the continued statistical validity of the risk drivers used by the internal models, along with the simultaneous updating of the historical series, is scheduled to be carried out every three years. This activity is scheduled if it has not already been carried out following the outcomes of the monitoring activities.

Should the Estimate Review process, carried out at least annually, reveal the need to make changes to the A-IRB Rating System, whether these are changes to the System itself ("changes to the IRB approach") or to its scope of application ("extension of the A-IRB approach"), these actions must be classified into one of the categories set out in the relevant Regulations18, namely:

- Substantial extensions and changes, for which authorisation from the Supervisory Authority is required ("material model changes");
- Non-material extensions and changes for which notification to the Supervisory Authority is required prior to implementation (ex ante notification);
- Non-material extensions and changes for which notification to the Supervisory Authority is required after implementation (ex post notification).

It should be noted that, in order to be released into the production environment, any substantial and material changes to the validated A-IRB internal rating models must be authorised in advance by a resolution of the Board of Directors of Banco Desio, on the proposal of the Risk Management Department, with the supporting opinion of the Validation Function. In addition, as part of any material model changes, verification activities by the Internal Audit function are also required.

From a regulatory perspective, the classification into the three aforementioned categories of model changes is guided by criteria of the following nature:

- Quantitative, i.e. based, where possible, on the percentage change in the capital requirements or RWAs obtained; this assessment must be carried out using the most recent data available or, if it is not possible to perform an exact quantification, using a representative sample or another reliable inferential method;
- Qualitative, i.e., based on elements defined by the reference regulations.

The classification of the intervention is led by the Risk Management Department and agreed upon by the Methodology Committee, and is subsequently assessed by the Validation Committee in order to determine the time-lines for the relevant activities.

The proposed action plan, detailing the time-line and the corresponding classification (material model change, ex-ante notification, ex-post notification), is brought to the attention of the A-IRB Strategic Steering Committee for approval or amendment.

Banco Desio is responsible for formally notifying the Supervisory Authority of the actions, in accordance with their classification.

Following A-IRB validation, proposed changes must be notified to the Supervisory Authority and, in the case of material changes, approved by the Supervisory Authority in order to ensure compliance with regulatory requirements.

Scope and main content of credit risk model reports
An overview is provided of how the Rating System is integrated into Banco Desio's management processes, in compliance with the Use Test requirement.

Credit granting process – Decision-making powers and decision-making body

Banco Desio's Credit Policy stipulates that the internal rating shall be integrated into the credit granting process for the purpose of determining decision-making powers and the credit decision-making body. In particular, the A-IRB rating is taken into account through two mechanisms, which are described in more detail below.

The first mechanism involves weighting based on the counterparty's rating; specifically, a weighting factor is applied to credit proposals as a multiplier of the amount at risk (e.g., +100%, −50%) in order to determine the decision-making powers. In this regard, the rating classes are categorised on the basis of expert judgement in order to group together risk levels deemed to be similar for the purposes of the credit granting process, increasing the decision-making powers where the risk is deemed to be low and reducing them where the risk is higher.

The second mechanism, again based on A-IRB parameters, applies to counterparties in the Corporate Enterprises, Retail Enterprises and Individuals segments, for which the decision-making body's authority is increased if the Expected Loss (EL) value calculated using the risk parameters exceeds two threshold values, one in percentage terms (PELP) and the other in absolute terms (PELT). The calculation of the expected loss is automatic.

Credit granting process – Credit facility

The rating assessment also plays a key role in the credit granting process. Firstly, for counterparties falling within the A-IRB perimeter, the creditworthiness assessment is carried out using the A-IRB internal rating. This means that, when assessing a credit request from a counterparty falling within one of the A-IRB exposure classes, a rating assignment procedure is initiated as part of the ongoing process.

For the A-IRB exposure classes, the assignment of the rating, through the PEF-RA procedure, forms part of the credit facility's preliminary investigation phase. This phase, which precedes the decision to grant the credit line, involves the assignment of a rating and the assessment of creditworthiness. The proposing party may not submit the file to the decision-making body if a valid rating is not available (i.e., in the event that a rating is missing or has expired); in such cases, the application is automatically blocked.

Subsequently, during the decision-making phase, the validity of the rating is checked; the rating must be valid up to the date of the decision, otherwise a new PEF-RA process to update the rating is initiated.

The internal rating is a binding factor for the granting of credit; therefore, in the absence of this factor, the processes for granting, amending or renewing credit lines are automatically blocked.

The Bank also employs mechanisms for the automatic renewal of credit lines based on ratings. This mechanism is used only for positions with revocable lines that have ratings below the thresholds approved by the Board of Directors.

Credit Policies

The internal rating is also incorporated into the definition of Credit Policies. In detail, the Group has further strengthened the link between the granting of credit and the risk levels measured through the Internal Rating System, adopting an integrated approach when defining its credit strategy (e.g., growth in loans, withdrawal). The approach is based on two metrics: the attractiveness of the economic sector and the riskiness of counterparties, as measured by the A-IRB rating. The combination of these metrics results in the creation of a matrix whose dimensions are sector attractiveness (attractive, neutral, risky) and counterparty riskiness (A-IRB rating classes), with a further breakdown according to customer segment (Corporate Enterprises vs. Small Business). The matrix thus defined makes it possible to identify the relevant credit strategies for each combination.

As part of its credit policy framework, the Bank's credit granting policy also includes guidelines on maximum exposure limits, broken down by type of counterparty (e.g., Retail, SMEs, Corporate, new borrowers) and risk category, as well as credit limits based on the sector of economic activity.

Credit monitoring

As part of the credit monitoring process, the A-IRB rating is a key assessment factor, used within the Credit Quality Manager (CQM) procedure, which flags any critical issues through the automatic detection of anomalies, and within the dedicated dashboards used to better understand the quality of the credit portfolio.

The CQM procedure is a tool that supports the Network and the relevant Management offices in monitoring and managing non-performing credit. In particular, internal ratings are monitored by identifying counterparties belonging to high-risk rating classes and exposures characterised by a downgrading of the creditworthiness class.

The procedure is structured around specific management classes, on the basis of which the controls provided for by the monitoring process are activated. In particular, for counterparties falling within the A-IRB segments, in addition to the overall system of monitoring classes, there are three classes dedicated to rating.

Impairment process and write-down of non-performing loans

The A-IRB risk parameters are integrated into the impairment framework for Banco Desio's performing portfolio, in line with the provisions of IFRS 9. The A-IRB internal rating (and associated PD) plays a role in both the staging allocation process and the calculation of the Expected Credit Loss (ECL), while the LGD and EAD parameters are used solely for ECL calculation purposes.

Indeed, A-IRB ratings are used in the staging allocation methodologies, which serve to identify the exposures to be classified as Stage 2. In particular, the methodology involves the use of PD to identify a Significant Increase in Credit Risk (or SICR), the occurrence of which necessitates classification in Stage 2.

At the same time, the A-IRB parameters are used in the calculation of the ECL. More specifically, the A-IRB PD and LGD parameters are subject to the application of certain methodological adjustments in order to make

them usable in the context of IFRS9, i.e., to obtain point-in-time and forward-looking parameters. With regard to the LGD and EAD parameters, which are also used for the purpose of calculating the IFRS 9 ECL, the removal of certain components of a purely prudential nature (Downturn and MoC) is envisaged, as well as the removal of components of the model that would have a double-counting effect in the accounting context (indirect costs adjustment for the LGD model).

With regard to the Bank's non-performing loan portfolio, the loan impairment policies are linked to the LGD parameters. Indeed, the Credit Policy sets out the criteria for determining provisions, the rationale for which is based on aligning the loss expectations formulated in the impairment process with the loss measures derived in the A-IRB context. More specifically:

- The A-IRB LGD is used to determine the flat-rate provision for exposures classified as UtP and with an exposure of less than €25,000;
- The Danger Rate parameter (included in the LGD A-IRB model) is used to adjust the haircut to be applied to positions classified as UtP that are secured by a mortgage.

Risk-Adjusted Pricing Process

The Banco Desio Group has established a Risk-Adjusted Pricing methodology, which aims to determine the risk-adjusted price of a lending transaction and to assess the creation of value or loss of value using the RARORAC metric. In summary, the methodology involves determining the target price based on the break-even spread (i.e., the price level that covers the cost components), to which purely commercial components are added (e.g., mark-ups/mark-downs based on the type of product and the customer rating, and the Loan-to-Value).

One of the cost components included in the calculation of the break-even spread is the cost of risk, which, for counterparties falling within the A-IRB scope, is calculated by multiplying the A-IRB risk parameters (PD, LGD and EAD).

A second component that affects the break-even spread is the cost of capital, which, given the current application of the output floor at 95% of the standard RWA, is still based, for pricing purposes, on the use of the standardised approach as a proxy for the actual cost of capital incurred by the Bank at present.

Risk management processes (ICAAP, RAF)

The Banco Desio Group integrates A-IRB metrics into its risk management processes, such as the Internal Capital Adequacy Assessment Process (ICAAP) and the definition of the Risk Appetite Framework (RAF).

Within the ICAAP framework, the risk parameters generated by the A-IRB Rating System are included among the input data used in the stress testing exercise. In this way, depending on the scenarios envisaged in the exercise and the statistical and econometric methodologies defined by the Bank from time to time, the A-IRB risk parameters contribute to the assessment of capital adequacy over a multi-year period and in situations of macroeconomic and financial stress.

The A-IRB Rating System is also applied in practice when defining Banco Desio's RAF. In this context, the bank also defines second-tier indicators (differentiated by type of risk), for which two different thresholds (warning and tolerance) are established; if these thresholds are exceeded, specific escalation processes are activated in accordance with the Group's framework.

Within the system of second-tier limits for credit risk, a specific monitoring area called "A-IRB Parameters" has been defined.

Credit risk reporting

As part of the credit risk reporting process, a specific area of analysis focuses on the A-IRB Rating System and the results it produces when applied to Banco Desio's portfolio, from both a static perspective (average measurements at the reporting date) and a dynamic perspective (comparison with previous measurements and trends over time). The reporting process, carried out by the Credit Risk Office, may ultimately be addressed to the Head of the Risk Management Department or to the corporate bodies, depending on the type of information and reporting in question.

Other processes

It should be noted that Banco Desio has integrated the A-IRB parameters into additional management processes, which are summarised below:

- In management control, through the Value Manager procedure. More specifically, the quantification of the cost of credit, for counterparties falling within the A-IRB scope, is derived from assessments carried out on the basis of the A-IRB risk parameters. It should be noted that the PD used in the process is derived from IFRS 9.
- In the Commercial Network's bonus scheme, the A-IRB methodologies – via the value of credit risk adjustments – are taken into account in the gross operating result, an assessment parameter that contributes to determining the achievement of commercial targets.
- Eligibility for the bonus scheme is also influenced by the Branch Operational Rating, which measures the operational efficiency of branches using a series of KPIs, including some derived from the A-IRB Rating System (e.g., exposures that require a rating to be assigned or updated).

Description of the internal rating process

Internal ratings are a key tool in the process of assessing the creditworthiness of customers. The existence of a valid rating, or the assignment of a valid rating, is an essential requirement in the processes of granting, renewing and reviewing credit exposures.

Depending on the rules governing applicability and calculability, the Group uses two distinct types of rating:

- Acceptance rating, used to assess the creditworthiness of new customers at the onboarding stage, as well as, in specific cases defined on the basis of customer segmentation, of existing customers requesting the activation of new credit lines;
- Performance rating, aimed at the ongoing monitoring of existing borrowing customers who request the activation of new credit facilities and of the risk profile of existing borrowing customers, applied from the third month following disbursement.

In order to ensure consistency in assessments and to limit any discontinuities resulting from the transition between the acceptance and monitoring models, specific smoothing functions have been introduced.

The rating assignment methods differ according to the nature of the counterparty, with a distinction made between corporate and private customers.

In addition to the automatic rating determination mechanism, an override process is in place, which allows the rating class to be changed – both in the acceptance and monitoring phases – if information relevant to the creditworthiness assessment emerges that is not fully captured by the statistical models.

The override process is governed by the following general principles:

- The override may be applied only where there are clearly defined reasons, which have been formally approved and are subject to structured monitoring;
- The judgement made during the override process is independent of commercial or economic considerations, in line with the principle of independence;
- The Rating Desk operates with complete autonomy, both in the phase of identifying override cases and in the decision-making process, in accordance with the principle of functional autonomy.

PD, LGD and EAD models

In developing its Rating System, Banco di Desio e della Brianza joined the consortium initiative known as the Pooled A-IRB Project. This initiative involves: the Cedacri Group, as IT outsourcer; four Sponsor Banks, including Banco Desio, which provided their own data and played an active role in the initiative, and a number of Non-Sponsor Banks, which solely provided their data already stored in Cedacri's systems. The aim of the initiative is to enable the Sponsor Banks, including Banco Desio, to adopt a Pooled Advanced Rating System for both operational and regulatory purposes.

The structure of the Pooled A-IRB initiative requires the development of advanced internal models for credit risk to be outsourced to the Cedacri Group, under the guidance of the Sponsor Banks, following a structured process. Furthermore, the individual banks are responsible for carrying out internal audits (defined as the set of activities pertaining to Internal Validation and Internal Audit) on the Rating System, as well as for the live use of the internal rating in their management processes.

Therefore, the Internal Rating System involves the estimation, using an internal model, of the risk parameters Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). Taking into account the specific characteristics of the counterparties and/or exposures to which the Rating System is applied, various types of internal model are envisaged, which are briefly introduced below.

A common element across the various internal models is the definition of default. For the estimation of the internal models, a default indicator (default flag) was used, determined in accordance with the recent relevant regulatory provisions issued by the European Banking Authority (EBA).

Lastly, it should be noted that the internal models include a framework for estimating the Margins of Conservatism (hereinafter also referred to as MoC), in line with the EBA's regulatory guidelines on the estimation of PD and LGD models. When estimating each model, the MoCs are quantified, having first been assigned to the categories set out in the Regulations (Type A, B or C), taking into account the characteristics of the estimation parameter and the rationale underlying the MoC estimation.

The Probability of Default (PD) models are segmented based on the nature of the counterparty. In detail, the Rating System includes the following PD models:

- PD model for counterparties assigned to the Corporate Enterprises exposure class;

- PD model for counterparties assigned to the Retail Corporates exposure class;

- PD model for counterparties classified as Individuals.

The Probability of Default (PD) estimation models have been designed using established statistical methodologies and in line with industry best practices, in order to ensure their compliance with the current regulatory framework.

The estimation process is based on a modular structure, which involves the construction, on a statistical basis, of distinct elementary assessment components, differentiated according to the information sources used. These components are then aggregated into integrated structures that enable the determination of a summary risk score.

The overall score obtained is then converted into a PD measure through a dedicated calibration phase, which enables the result to be mapped to a rating scale divided into ten grades, separate for each customer segment.

The models provide an estimate of PD over a one-year time horizon (12 months), defined as the probability that a counterparty initially in good standing will be classified as in administrative default (bad loan, unlikely to pay, or past-due/overdue exposure exceeding the defined thresholds) within the twelve months following the assessment.

The explanatory variables used in the estimation modules are identified from a broad set of potentially relevant indicators, through the application of univariate and multivariate statistical selection techniques aimed at maximising the discriminatory power of the models.

The information bases supporting the development of the models include financial performance data and customer master data.

The models adopt a counterparty-centric approach, for the purposes of credit acceptance and ongoing monitoring of credit performance, and are also used in credit granting processes (both at the initial disbursement stage and when renewing or revising credit lines).

The creditworthiness assessment is derived from the integration of modules based on economic-financial data, internal performance information, data from the Central Credit Register, personal details and qualitative

assessments. The latter are obtained through a structured questionnaire, the results of which affect the rating via specific adjustment rules (notching).

For the Corporate Enterprises and Retail Enterprises exposure classes, the rating generated by the PD model may be adjusted through expert intervention (override).

The Rating System employs two Loss Given Default (LGD) models: LGD for SMEs (covering counterparties in the AIRB Corporate SME and Retail SME exposure classes) and LGD for Individuals.

The model design is common to both models and is based on a modular approach, in which the LGD value is derived by combining several components, described below:

- Component representing the loss experienced at the end of the default cycle, differentiated according to the outcome of the cycle between Loss Given Non-Performing (LGS), LGD Performing Closure and LGD Write-Off;
- Danger Rate component, which involves calculating the Probability of Migration, i.e., the probability associated with each possible outcome of the default cycle (transition to non-performing, return to performing, or repayment and write-off), and, for cycles involving a transition to non-performing, the Exposure Delta. The purpose of this parameter is to quantify the change in exposure observed upon entry into non-performing status;
- Adjustment factors, used to incorporate into LGD estimates the regulatory forecasts on the impact of the adverse business cycle (Downturn factor), the evidence of losses observed on disposals and recovery processes not yet completed (Calibration Adjustment), and the impact of indirect costs, i.e., those costs that, by their nature, cannot be attributed to individual cases.

In addition to the modular approach described above, as part of its backtesting activities, and in order to assess the adequacy of the component-based model, the Internal Validation Office conducts a "single-span" LGD estimation exercise based on the reconstruction of the recovery process in its entirety (One Step). For each individual facility in the estimation sample, this exercise takes into account the actual recoveries/increases in costs that occurred both in the pre-non-performing and post-non-performing phases of a single workout process.

For positions classified as Non-Performing, the LGD is determined using the LGD Defaulted Assets (or LGD DA) model. Using this model, the loss estimates take into account the negative impact that the time spent in default (or vintage) may have on the recovery process. Furthermore, the LGD DA model is characterised by the absence of a Danger Rate component, as it is applied to exposures whose default cycle has ultimately resulted in their classification as Non-performing.

For exposures in default (Past Due, Unlikely To Pay and Non-performing), the Expected Loss Best Estimate (ELBE) is also calculated in order to adjust the LGD estimate to reflect current economic conditions. In contrast to the above, in this case, the LGD calculation uses the ELBE adjustment instead of the Downturn adjustment.

The Rating System includes two Exposure at Default (EAD) models: EAD for Corporate Entities and EAD for Individuals. The estimation framework employs a similar model design for both models.

Specifically, the model involves estimating a parameter called the Credit Conversion Factor (CCF) in order to estimate the portion of the available margin that will be drawn down in the twelve months preceding default. The process of estimating this parameter includes a stage for identifying the predictive variables (risk differentiation). This is followed by a calibration phase based on long-term data (risk quantification).

The model involves applying a Downturn adjustment factor to the CCF in order to account for the prudential impact of a negative business cycle on the CCF.

For those exposures for which the calculation of the CCF yields extreme values, due to low margin amounts (i.e., Region of Instability), zero margins or overdrawn margins, the model uses the K-factor to estimate the portion of the available margin that may be utilised in the twelve months preceding default; therefore, the CCF and K-factor act on two complementary scopes.

Comparison between estimated PDs and observed Default Rates (DRs)

Below is a comparison of the estimated PDs and the observed default rates (DRs) over the period 01/10/2024–30/09/2025 for performing counterparties as at 30/09/2024, for the Group models approved for regulatory purposes.

The default rate is calculated by dividing the number of performing counterparties as at 30/09/2024 by the number of defaults that occurred for those counterparties in the subsequent 12 months.

The PD is calculated as the average of the PDs applied, based on the models in use, to performing counterparties as at 30/09/2024 (segmentation consistent with that used for the LGD and EAD models).

AIRB_SEGMENT	TD_2025	PD
CORPORATES	3.60%	4.07%
PRIVATE INDIVIDUALS	1.43%	3.29%

Banco Desio

Quantitative disclosure

Template EU CR6 - IRB - Credit risk exposures by exposure class and PD scale - AIRB

A-IRB	PD range	On-balance-sheet exposures	Pre-CCF off-balance sheet exposures	Exposure-weighted average CCF	Exposures post CCF and post CRM	Exposure-weighted average PD (%)	Number of debtors	Exposure-weighted average LGD (%)	Exposure-weighted average maturity (years)	Risk-weighted exposure amount after application of supporting factors	Density of risk-weighted exposure amounts	Expected loss amount	Value adjustments and allocations
		a	b	c	d	e	f	g	h	i	j	k	l
Exposures to central governments or central banks	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Exposures to regional governments or local authorities	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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continued: Template EU CR6 - IRB - Credit risk exposures by exposure class and PD scale - AIRB

A-IRB	PD range	On-balance-sheet exposures	Pre-CCF off-balance sheet exposures	Exposure-weighted average CCF	Exposures post CCF and post CRM	Exposure-weighted average PD (%)	Number of debtors	Exposure-weighted average LGD (%)	Exposure-weighted average maturity (years)	Risk-weighted exposure amount after application of supporting factors	Density of risk-weighted exposure amounts	Expected loss amount	Value adjustments and allocations
		a	b	c	d	e	f	g	h	i	j	k	l
Exposures to public sector entities	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Exposures to Corporates – Specialised lending	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Banco Desio

continued: Template EU CR6 - IRB - Credit risk exposures by exposure class and PD scale - AIRB

A-IRB	PD range	On-balance-sheet exposures	Pre-CCF off-balance sheet exposures	Exposure-weighted average CCF	Exposures post CCF and post CRM	Exposure-weighted average PD (%)	Number of debtors	Exposure-weighted average LGD (%)	Exposure-weighted average maturity (years)	Risk-weighted exposure amount after application of supporting factors	Density of risk-weighted exposure amounts	Expected loss amount	Value adjustments and allocations
		a	b	c	d	e	f	g	h	i	j	k	l
Exposures to Corporates – Purchased receivables	0.00 to < 0.15	135,487	-	-	135,507	0.15%	157	40.43%	0	24,168	17.84%	78	(25)
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	135,487	-	-	135,507	0.15%	157	40.43%	0	24,168	17.84%	78	(25)
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	120,915	-	-	120,915	0.46%	163	40.63%	0	45,663	37.76%	226	(121)
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	103,185	-	-	102,903	1.29%	196	40.66%	0	61,445	59.71%	539	(729)
	0.75 to < 1.75	72,063	-	-	71,781	0.87%	135	40.69%	0	38,071	53.04%	254	(134)
	1.75 to < 2.5	31,122	-	-	31,122	2.26%	61	40.59%	0	23,374	75.10%	285	(595)
	2.50 to < 10.00	15,023	-	-	15,023	4.64%	52	41.00%	0	14,328	95.37%	287	(744)
	2.5 to < 5	10,835	-	-	10,835	3.91%	34	40.88%	0	9,892	91.30%	173	(373)
	5 to < 10	4,189	-	-	4,189	6.55%	18	41.31%	0	4,436	105.89%	113	(371)
	10.00 to < 100.00	2,013	-	-	2,013	16.15%	10	39.91%	0	3,223	160.11%	130	(32)
	10 to < 20	1,218	-	-	1,218	13.02%	9	39.19%	0	1,591	130.58%	62	(20)
	20 to < 30	794	-	-	794	20.96%	1	41.01%	0	1,632	205.40%	68	(12)
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	2,145	-	-	2,145	100.00%	20	62.31%	0	756	35.23%	1,276	(1,012)
	Subtotal	**378,769**	**-**	**-**	**378,506**	**-**	**598**	**-**	**-**	**149,583**	**39.52%**	**2,535**	**(2,663)**
Exposures to Corporates - other	0.00 to < 0.15	581,121	736,633	15.2%	567,406	0.14%	720	37.63%	3	129,403	22.81%	295	(270)
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	581,121	736,633	15.2%	567,406	0.14%	720	37.63%	3	129,403	22.81%	295	(270)
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	379,747	319,274	17.2%	372,111	0.45%	630	36.50%	0	159,151	42.77%	615	(930)
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	642,063	276,743	42.1%	600,838	1.43%	1,171	34.13%	4	380,226	63.28%	2,927	(13,018)
	0.75 to < 1.75	388,003	180,748	18.2%	360,460	0.88%	851	34.21%	4	195,451	54.22%	1,083	(1,414)
	1.75 to < 2.5	254,060	95,995	23.9%	240,378	2.26%	320	34.00%	4	184,776	76.87%	1,843	(11,604)
	2.50 to < 10.00	237,295	52,881	50.6%	225,138	4.75%	535	31.42%	5	176,107	78.22%	3,372	(15,793)
	2.5 to < 5	156,220	40,768	23.2%	148,422	3.83%	303	31.25%	6	109,149	73.54%	1,780	(8,150)
	5 to < 10	81,076	12,113	27.4%	76,716	6.53%	232	31.77%	5	66,958	87.28%	1,593	(7,643)
	10.00 to < 100.00	40,201	7,954	104.8%	36,129	15.36%	631	31.82%	5	40,569	112.29%	1,776	(4,039)
	10 to < 20	30,850	6,797	24.2%	30,353	12.39%	233	31.15%	6	32,791	108.04%	1,176	(3,193)
	20 to < 30	6,304	1,103	11.8%	3,014	21.13%	38	40.53%	1	4,341	144.07%	258	(532)
	30.00 to < 100.00	3,047	54	68.7%	2,763	41.72%	360	29.67%	6	3,436	124.39%	342	(314)
	100.00 (Default)	110,242	11,407	28.2%	94,098	100.00%	1,512	73.03%	3	31,049	33.00%	66,231	(68,566)
	Subtotal	**1,990,670**	**1,404,892**	**-**	**1,895,721**	**-**	**5,199**	**-**	**-**	**916,505**	**48.35%**	**75,217**	**(102,615)**

Banco Desio

continued: Template EU CR6 - IRB - Credit risk exposures by exposure class and PD scale - AIRB

A-IRB	PD range	On-balance-sheet exposures	Pre-CCF off-balance sheet exposures	Exposure-weighted average CCF	Exposures post CCF and post CRM	Exposure-weighted average PD (%)	Number of debtors	Exposure-weighted average LGD (%)	Exposure-weighted average maturity (years)	Risk-weighted exposure amount after application of supporting factors	Density of risk-weighted exposure amounts	Expected loss amount	Value adjustments and allocations
		a	b	c	d	e	f	g	h	i	j	k	l
Retail exposures – SMEs, secured by real estate	0.00 to < 0.15	7,632	145	40.0%	7,690	0.05%	65	22.79%	-	243	3.16%	1	(1)
	0.00 to < 0.10	7,632	145	40.0%	7,690	0.05%	65	22.79%	-	243	3.16%	1	(1)
	0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	433,706	571	52.2%	418,105	0.16%	4,568	21.02%	-	30,530	7.30%	145	(253)
	0.25 to < 0.50	775,930	1,513	40.0%	747,487	0.37%	8,974	20.73%	-	97,604	13.06%	576	(638)
	0.50 to < 0.75	378,623	674	40.0%	370,002	0.64%	4,627	20.02%	-	68,780	18.59%	476	(375)
	0.75 to < 2.50	923,024	3,857	40.0%	899,327	1.20%	9,080	21.60%	-	274,934	30.57%	2,344	(7,746)
	0.75 to < 1.75	923,024	3,857	40.0%	899,327	1.20%	9,080	21.60%	-	274,934	30.57%	2,344	(7,746)
	1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	531,139	1,983	60.0%	516,053	3.26%	5,227	21.81%	-	287,855	55.78%	3,660	(8,542)
	2.5 to < 5	483,630	1,983	40.0%	469,525	2.88%	4,698	21.81%	-	248,379	52.90%	2,945	(5,965)
	5 to < 10	47,509	0	20.0%	46,528	7.10%	529	21.91%	-	39,476	84.84%	715	(2,577)
	10.00 to < 100.00	27,511	1	40.0%	26,809	16.09%	311	21.57%	-	29,894	111.51%	930	(2,488)
	10 to < 20	24,444	1	40.0%	23,774	14.11%	275	21.59%	-	26,134	109.92%	725	(2,092)
	20 to < 30	790	-	40.0%	790	26.38%	11	23.83%	-	1,098	138.91%	50	(113)
	30.00 to < 100.00	2,277	-	40.0%	2,244	33.36%	25	20.57%	-	2,663	118.66%	155	(283)
	100.00 (Default)	37,532	-	-	36,613	100.00%	489	35.37%	-	30,500	83.30%	10,510	(11,149)
	Subtotal	**3,115,098**	**8,745**		**3,022,085**	**-**	**33,341**	**-**	**-**	**820,341**	**27.14%**	**18,642**	**(31,191)**
Retail exposures – Qualifying revolving	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Banco Desio

continued: Template EU CR6 - IRB - Credit risk exposures by exposure class and PD scale - AIRB

A-IRB	PD range	On-balance-sheet exposures	Pre-CCF off-balance sheet exposures	Exposure-weighted average CCF	Exposures post CCF and post CRM	Exposure-weighted average PD (%)	Number of debtors	Exposure-weighted average LGD (%)	Exposure-weighted average maturity (years)	Risk-weighted exposure amount after application of supporting factors	Density of risk-weighted exposure amounts	Expected loss amount	Value adjustments and allocations
		a	b	c	d	e	f	g	h	i	j	k	l
Retail exposures – Purchased receivables	0.00 to < 0.15	28,388	-	-	28,388	0.00%	202	40.86%	-	2,833	9.98%	17	(6)
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	28,388	-	-	28,388	0.00%	202	40.86%	-	2,833	9.98%	17	(6)
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	61,674	-	-	61,571	0.00%	797	41.05%	-	12,098	19.65%	102	(67)
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	105,861	-	-	104,712	0.00%	1,249	41.54%	-	36,266	34.63%	598	(526)
	0.75 to < 1.75	69,672	-	-	69,010	0.00%	995	41.75%	-	21,443	31.07%	266	(199)
	1.75 to < 2.5	36,189	-	-	35,702	0.00%	254	41.12%	-	14,822	41.52%	331	(327)
	2.50 to < 10.00	34,607	-	-	34,437	0.00%	659	42.18%	-	15,947	46.31%	609	(622)
	2.5 to < 5	24,854	-	-	24,699	0.00%	432	41.96%	-	11,147	45.13%	356	(421)
	5 to < 10	9,753	-	-	9,738	0.01%	227	42.76%	-	4,800	49.29%	253	(202)
	10.00 to < 100.00	5,039	-	-	5,051	0.02%	125	42.47%	-	3,192	63.20%	330	(182)
	10 to < 20	3,345	-	-	3,352	0.01%	98	43.05%	-	1,949	58.15%	167	(126)
	20 to < 30	1,574	-	-	1,579	0.02%	23	41.27%	-	1,141	72.25%	141	(44)
	30.00 to < 100.00	120	-	-	120	0.04%	4	42.03%	-	102	85.06%	21	(12)
	100.00 (Default)	2,287	-	-	2,287	0.10%	90	61.19%	-	858	37.52%	1,330	(1,196)
	Subtotal	**237,856**	**-**	**-**	**236,446**	**-**	**3,122**	**-**	**-**	**71,193**	**30.11%**	**2,985**	**(2,600)**
Retail exposures – other SMEs	0.00 to < 0.15	166,573	532,207	71%	167,062	0.00%	1,645	38.76%	-	15,663	09.38%	91	(110)
	0.00 to < 0.10	1,468	705	58%	1,861	0.00%	63	26.10%	-	72	03.85%	0	(0)
	0.10 to < 0.15	165,105	531,501	13%	165,201	0.00%	1,582	38.90%	-	15,591	09.44%	91	(109)
	0.15 to < 0.25	53,905	32,161	93%	83,796	0.00%	3,424	26.00%	-	7,726	09.22%	36	(18)
	0.25 to < 0.50	501,294	532,683	20%	473,465	0.00%	12,758	34.94%	-	80,201	16.94%	621	(770)
	0.50 to < 0.75	32,543	7,947	86%	39,336	0.00%	1,445	24.14%	-	7,819	19.88%	61	(23)
	0.75 to < 2.50	836,359	480,631	41%	718,990	0.00%	16,490	34.55%	-	210,353	29.26%	3,090	(10,086)
	0.75 to < 1.75	670,312	386,285	22%	586,372	0.00%	15,361	34.18%	-	161,701	27.58%	2,008	(2,899)
	1.75 to < 2.5	166,048	94,345	18%	132,618	0.00%	1,129	36.19%	-	48,652	36.69%	1,082	(7,187)
	2.50 to < 10.00	440,673	168,867	70%	413,112	0.00%	12,880	33.60%	-	164,068	39.72%	5,760	(19,553)
	2.5 to < 5	290,264	130,593	32%	275,309	0.00%	8,027	33.22%	-	104,709	38.03%	2,817	(11,181)
	5 to < 10	150,409	38,274	37%	137,803	0.01%	4,853	34.38%	-	59,359	43.08%	2,943	(8,373)
	10.00 to < 100.00	73,214	11,106	79%	60,570	0.02%	5,759	35.22%	-	33,041	54.55%	3,377	(6,310)
	10 to < 20	58,250	8,481	32%	49,410	0.01%	3,038	34.78%	-	24,810	50.21%	2,089	(4,736)
	20 to < 30	9,411	2,101	18%	6,619	0.02%	366	34.47%	-	4,222	63.79%	538	(879)
	30.00 to < 100.00	5,553	524	29%	4,541	0.04%	2,355	41.13%	-	4,009	88.28%	750	(695)
	100.00 (Default)	111,283	21,367	4%	81,538	0.10%	2,837	66.05%	-	40,002	49.06%	50,658	(54,570)
	Subtotal	**2,215,845**	**1,786,967**	**-**	**2,037,868**	**-**	**57,238**	**-**	**-**	**558,874**	**27.42%**	**63,694**	**(91,440)**

Banco Desio

continued: Template EU CR6 - IRB - Credit risk exposures by exposure class and PD scale - AIRB

A-IRB	PD range	On-balance-sheet exposures	Pre-CCF off-balance sheet exposures	Exposure-weighted average CCF	Exposures post CCF and post CRM	Exposure-weighted average PD (%)	Number of debtors	Exposure-weighted average LGD (%)	Exposure-weighted average maturity (years)	Risk-weighted exposure amount after application of supporting factors	Density of risk-weighted exposure amounts	Expected loss amount	Value adjustments and allocations
		a	b	c	d	e	f	g	h	i	j	k	l
Exposures to collective investment undertakings (CIUs)	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total AIRB portfolio as at 31.12.2025		**7,938,236**	**3,200,603**	**-**	**7,570,627**		**99,498**		**-**	**2,516,495**	**-**	**163,071**	**(230,511)**

Banco Desio

Template EU CR6 - IRB Approach - Credit risk exposures by exposure class and PD range

F-IRB	PD range	On-balance-sheet exposures	Pre-CCF off-balance sheet exposures	Exposure-weighted average CCF	Exposures post CCF and post CRM	Exposure-weighted average PD (%)	Number of debtors	Exposure-weighted average LGD (%)	Exposure-weighted average maturity (years)	Risk-weighted exposure amount after application of supporting factors	Density of risk-weighted exposure amounts	Expected loss amount	Value adjustments and allocations
		a	b	c	d	e	f	g	h	i	j	k	l
Exposures to central governments or central banks	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Exposures to regional governments or local authorities	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Banco Desio

continued: Template EU CR6 - IRB - Credit risk exposures by exposure class and PD scale - AIRB

F-IRB	PD range	On-balance-sheet exposures	Pre-CCF off-balance sheet exposures	Exposure-weighted average CCF	Exposures post CCF and post CRM	Exposure-weighted average PD (%)	Number of debtors	Exposure-weighted average LGD (%)	Exposure-weighted average maturity (years)	Risk-weighted exposure amount after application of supporting factors	Density of risk-weighted exposure amounts	Expected loss amount	Value adjustments and allocations
		a	b	c	d	e	f	g	h	i	j	k	l
Exposures to public sector entities	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Institutions	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Banco Desio

continued: Template EU CR6 - IRB - Credit risk exposures by exposure class and PD scale - AIRB

F-IRB	PD range	On-balance-sheet exposures	Pre-CCF off-balance sheet exposures	Exposure-weighted average CCF	Exposures post CCF and post CRM	Exposure-weighted average PD (%)	Number of debtors	Exposure-weighted average LGD (%)	Exposure-weighted average maturity (years)	Risk-weighted exposure amount after application of supporting factors	Density of risk-weighted exposure amounts	Expected loss amount	Value adjustments and allocations
		a	b	c	d	e	f	g	h	i	j	k	l
Exposures to Corporates – Specialised lending	0.00 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Exposures to Corporates – Purchased receivables	0.00 to < 0.15	38,898	-	-	38,898	0.14%	10	40.00%	0	12,417	31.92%	22	(4)
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	38,898	-	-	38,898	0.14%	10	40.00%	0	12,417	31.92%	22	(4)
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	45,560	-	-	45,560	0.46%	18	40.00%	0	27,132	59.55%	84	(32)
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	16,206	-	-	16,206	1.18%	9	40.00%	0	13,624	84.07%	77	(22)
	0.75 to < 1.75	12,595	-	-	12,595	0.87%	6	40.00%	0	9,813	77.91%	44	(14)
	1.75 to < 2.5	3,611	-	-	3,611	2.26%	3	40.00%	0	3,811	105.56%	33	(8)
	2.50 to < 10.00	1,112	-	-	1,112	5.33%	2	40.00%	-	1,509	135.73%	23	(20)
	2.5 to < 5	529	-	-	529	3.92%	1	40.00%	-	652	123.34%	8	(8)
	5 to < 10	583	-	-	583	6.61%	1	40.00%	-	857	146.95%	15	(12)
	10.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	**101,776**	**-**	**-**	**101,776**	**-**	**39**	**-**	**-**	**54,682**	**53.73%**	**206**	**(78)**

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continued: Template EU CR6 - IRB - Credit risk exposures by exposure class and PD scale - FIRB

F-IRB	PD range	On-balance-sheet exposures	Pre-CCF off-balance sheet exposures	Exposure-weighted average CCF	Exposures post CCF and post CRM	Exposure-weighted average PD (%)	Number of debtors	Exposure-weighted average LGD (%)	Exposure-weighted average maturity (years)	Risk-weighted exposure amount after application of supporting factors	Density of risk-weighted exposure amounts	Expected loss amount	Value adjustments and allocations
		a	b	c	d	e	f	g	h	i	j	k	l
Exposures to Corporates - other	0.00 to < 0.15	187,134	141,870	9.3%	195,506	0.14%	68	38.54%	3	59,566	30.47%	103	(58)
	0.00 to < 0.10	-	-	-	-	-	-	-	-	-	-	-	-
	0.10 to < 0.15	187,134	141,870	9.3%	195,506	0.14%	68	38.54%	3	59,566	30.47%	103	(58)
	0.15 to < 0.25	-	-	-	-	-	-	-	-	-	-	-	-
	0.25 to < 0.50	109,132	146,347	18.0%	126,659	0.46%	61	36.14%	3	68,148	53.80%	210	(290)
	0.50 to < 0.75	-	-	-	-	-	-	-	-	-	-	-	-
	0.75 to < 2.50	83,178	46,930	18.8%	77,567	1.34%	55	36.58%	4	60,646	78.19%	354	(1,445)
	0.75 to < 1.75	57,978	25,228	12.3%	51,495	0.87%	32	40.00%	3	40,120	77.91%	179	(170)
	1.75 to < 2.5	25,200	21,702	6.5%	26,072	2.26%	23	29.83%	6	20,526	78.73%	175	(1,275)
	2.50 to < 10.00	12,151	3,732	6.5%	11,635	5.26%	13	30.84%	5	12,432	106.85%	203	(1,353)
	2.5 to < 5	6,160	888	6.5%	5,848	3.92%	6	21.78%	7	3,928	67.16%	50	(358)
	5 to < 10	5,991	2,844	-	5,787	6.61%	7	40.00%	3	8,504	146.95%	153	(995)
	10.00 to < 100.00	-	-	-	-	20.96%	1	40.00%	-	1	213.66%	-	-
	10 to < 20	-	-	-	-	-	-	-	-	-	-	-	-
	20 to < 30	-	-	-	-	20.96%	1	40.00%	-	1	213.66%	-	-
	30.00 to < 100.00	-	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	2,917	50	-	2,144	100.00%	2	40.00%	0	-	-	858	(1,326)
	Subtotal	**394,512**	**338,929**	**-**	**413,511**	**-**	**200**	**-**	**-**	**200,792**	**48.56%**	**1,729**	**(4,472)**
Total FIRB portfolio as at 31.12.2025		**496,288**	**338,929**	**-**	**515,287**		**239**		**-**	**255,474**	**50%**	**1,935**	**(4,550)**

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Template EU CR6-A: Scope of use of the IRB and SA approaches

		Total exposure value as defined in Article 166 of the CRR for exposures subject to the IRB approach	Total exposure value for exposures subject to the Standardised approach and the IRB approach	Percentage of total exposure value subject to permanent partial use of the SA approach (%)	Percentage of total exposure value subject to the IRB approach (%)	Percentage of the total exposure value subject to a roll-out plan (%)
		a	b	c	d	e
1	Central governments or central banks	5,323,842	5,226,924	99.86%	-	0.14%
2	Regional governments and local authorities	32,042	17,912	61.83%	-	38.17%
3	Public sector entities	11,518	10,808	95.88%	-	4.12%
4	Institutions		1,098,939	100.00%	-	-
5	Corporates	5,418,500	3,667,231	13.85%	82.94%	3.22%
5.1	*of which undertakings – in general*	3,575,807	3,090,414	-	-	-
5.2	*of which corporates – specialised lending*	-	-	-	-	-
5.2.1	*Of which: corporates – specialised lending, excluding the slotting approach*	-	2,596	*100.00%*	-	-
5.2.2	*Of which corporates – specialised lending, under the slotting approach*	-	(2,596)	-	-	-
5.3	*of which undertakings – purchased receivables*	581,954	576,817	*14.52%*	*82.83%*	*2.64%*
6	Retail	10,657,989	7,196,430	11.68%	79.16%	9.17%
6.1	*of which retail – qualifying revolving*	-	-	-	-	-
6.2	*of which retail - secured by residential property*	-	3,598,711	-	-	-
6.3	*of which retail – purchased receivables*	1,007,016	1,000,546	*74.28%*	*23.51%*	*2.21%*
6.4	*of which retail – other retail exposures*	6,005,144	2,597,173	*14.02%*	*164.25%*	*21.73%*
7	Equity instruments	18,258	18,258	100.00%	-	-
EU 7a	Collective investment undertakings (CIU)	218,215	218,215	100.00%	-	-
8	Other non-credit assets	463,240	446,051	99.75%	-	0.25%
9	**Total as at 31/12/2025**	**23,315,891**	**17,900,768**	**46.75%**	**48.81%**	**4.43%**

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Template EU CR7 – IRB approach: Effect on the RWEAs of credit derivatives used as CRM techniques

		Pre-credit derivatives risk weighted exposure amount	Actual risk weighted exposure amount
		a	b
1	Central governments and central banks – IRB-A	-	-
EU 1a	Regional governments and local authorities – F-IRB	-	-
EU 1b	Public sector entities – F-IRB	-	-
2	Central governments and central banks – A-IRB	-	-
EU 2a	Regional governments and local authorities – A-IRB	-	-
EU 2b	Public sector entities – A-IRB	-	-
3	Institutions – F-IRB	-	-
4	*Not applicable*	-	-
5	Corporates – F-IRB	-	255,476
EU 5a	Corporates – general	-	200,793
EU 5b	Corporates – Specialised lending	-	-
EU 5c	Corporates - receivables purchased	-	54,683
6	Corporates – A-IRB	-	1,066,088
EU 6a	Corporates – general	-	916,505
EU 6b	Corporates – Specialised lending	-	-
EU 6c	Corporates - receivables purchased	-	149,583
7	*Not applicable*	-	-
8	*Not applicable*	-	-
EU 8a	Retail – A-IRB	-	1,450,406
9	Retail – Qualifying Revolving Exposures (QRRE)	-	-
10	Retail – secured by residential properties	-	820,339
EU10a	Retail – purchased receivables	-	71,193
EU10b	Retail – other retail exposures	-	558,874
11	*Not applicable*	-	-
12	*Not applicable*	-	-
13	*Not applicable*	-	-
14	*Not applicable*	-	-
15	*Not applicable*	-	-
16	*Not applicable*	-	-
17	**Exposures under the F-IRB approach**	**-**	**255,476**
18	**Exposures under the A-IRB approach**	**-**	**2,516,494**
19	**Total exposures**	**-**	**2,771,970**

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Template EU CR7-A – IRB approach: Disclosure of the extent of the use of CRM techniques

A-IRB		Total exposures	Credit risk mitigation techniques											Credit risk mitigation techniques in the calculation of RWEAs	
			Funded credit protection (FCP)									Unfunded credit protection (UFCP)			
			Part of exposures covered by financial collaterals (%)	Part of exposures covered by other eligible collaterals (%)	Part of exposures covered by immovable property collaterals (%)	Part of exposures covered by receivables (%)	Part of exposures covered by other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by cash on deposits (%)	Part of exposures covered by life insurance policies (%)	Part of exposures covered by instruments held by third parties (%)	Part of exposures covered by personal guarantees (%)	Part of exposures covered by credit derivatives (%)	RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional governments and local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Corporates	2,274,227	2.02%	21.63%	21.63%	-	-	-	-	-	-	-	-	-	1,066,088
5.1	*Corporates – general*	*1,895,721*	2.43%	25.94%	25.94%	-	-	-	-	-	-	-	-	-	*916,505*
5.2	*Corporates – Specialised lending*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.3	*Corporates - receivables purchased*	*378,506*	0.00%	-	-	-	-	-	-	-	-	-	-	-	*149,583*
6	Retail	5,296,400	1.53%	68.00%	68.00%	-	-	-	-	-	-	-	-	-	1,450,406
6.1	*Retail – Qualifying revolving*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	*Retail – secured by residential properties*	*3,022,086*	0.01%	99.71%	99.71%	-	-	-	-	-	-	-	-	-	*820,339*
6.3	*Retail – purchased receivables*	*236,446*	0.09%	-	-	-	-	-	-	-	-	-	-	-	*71,193*
6.4	*Retail – other retail exposures*	*2,037,868*	3.94%	28.87%	28.87%	-	-	-	-	-	-	-	-	-	*558,874*
7	**Total as at 31/12/2025**	**7,570,627**	**1.68%**	**54.07%**	**54.07%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,516,494**

F-IRB		Total exposures	Credit risk mitigation techniques											Credit risk mitigation techniques in the calculation of RWEAs	
			Funded credit protection (FCP)									Unfunded credit protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and substitution effects)
			Part of exposures covered by financial collaterals (%)	Part of exposures covered by other eligible collaterals (%)	Part of exposures covered by immovable property collaterals (%)	Part of exposures covered by receivables (%)	Part of exposures covered by other physical collateral (%)	Part of exposures covered by Other funded credit protection (%)	Part of exposures covered by cash on deposits (%)	Part of exposures covered by life insurance policies (%)	Part of exposures covered by instruments held by third parties (%)	Part of exposures covered by personal guarantees (%)	Part of exposures covered by credit derivatives (%)		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional governments and local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Corporates	515,288	3.02%	5.08%	-	-	-	-	-	-	5.95%	-	-	-	255,476
5.1	*Corporates – General*	*413,513*	-	-	-	-	-	-	-	-	-	-	-	-	*200,794*
5.2	*Corporates – Specialised lending*	-	*3.77%*	*6.33%*	-	-	-	-	-	-	*7.41%*	-	-	-	-
5.3	*Corporates – Purchased Receivables*	*101,776*	-	-	-	-	-	-	-	-	-	-	-	-	*54,683*
6	**Total as at 31/12/2025**	**515,288**	**3.02%**	**5.08%**	**-**	**-**	**-**	**-**	**-**	**-**	**5.95%**	**-**	**-**	**-**	**255,476**

Banco Desio

Template EU CR8: RWEA flow statements of credit risk exposures under the IRB approach

		Quarter ending 31.12.2025	Cumulative from the beginning of the year to 31.12.2025
		Risk-weighted exposure amounts	Risk-weighted exposure amounts
		a	
1	**Risk-weighted exposure amount as at the end of the previous reporting period**	**2,827,586**	**-**
2	Asset size (+/-)	90,794	-
3	Asset quality (+/-)	(137,383)	-
4	Model updates (+/-)	-	-
5	Methodology and policy (+/-)	-	-
6	Acquisitions and disposals (+/-)	(9,028)	-
7	Foreign exchange movements (+/-)	-	-
8	Other (+/-)	-	-
9	**Risk-weighted exposure amount as at the end of the reporting period**	**2,771,970**	**-**

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Template CR9 – IRB approach: Back-testing of PD per exposure class (fixed PD scale) – AIRB

Exposure classes	PD range	Number of obligors at the end of the previous year	of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposure-weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
Exposures to central governments or central banks	0.00 to < 0.15	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
Exposures to regional governments or local authorities	0.00 to < 0.15	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-

continued: Template CR9 – IRB approach: Back-testing of PD per exposure class (fixed PD scale) – AIRB

Exposure classes	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposure-weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Exposures to public sector entities	0.00 to < 0.15	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
Exposures to Corporates - SMEs	0.00 to < 0.15	220	1	0.45%	-	0.14%	0.09%
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	220	1	0.45%	-	0.14%	0.09%
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	329	2	0.61%	-	0.41%	0.46%
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	505	8	1.58%	-	1.37%	1.17%
	0.75 to < 1.75	339	4	1.18%	-	0.93%	1.06%
	1.75 to < 2.5	166	4	2.41%	-	2.26%	1.38%
	2.50 to < 10.00	273	10	3.66%	-	4.68%	2.54%
	2.5 to < 5	166	5	3.01%	-	3.56%	1.67%
	5 to < 10	107	5	4.67%	-	6.41%	3.96%
	10.00 to < 100.00	56	8	14.29%	-	16.59%	11.71%
	10 to < 20	40	2	5.00%	-	11.98%	7.31%
	20 to < 30	11	3	27.27%	-	21.95%	15.00%
	30.00 to < 100.00	5	3	60.00%	-	41.75%	34.92%
	100.00 (default)	36	36	100.00%	-	100.00%	100.00%

continued: Template CR9 – IRB approach: Back-testing of PD per exposure class (fixed PD scale) – AIRB

Exposure classes	PD range	Number of obligors at the end of the previous year	of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposure-weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
Exposures to Corporates – Specialised lending	0.00 to < 0.15	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
Exposures to Corporates – Purchased receivables	0.00 to < 0.15	58	1	1.72%	-	0.14%	0.34%
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	58	1	1.72%	-	0.14%	0.34%
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	85	1	1.18%	-	0.45%	0.77%
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	95	6	6.32%	-	1.30%	2.46%
	0.75 to < 1.75	66	2	3.03%	-	0.88%	1.33%
	1.75 to < 2.5	29	4	13.79%	-	2.26%	5.03%
	2.50 to < 10.00	27	2	7.41%	-	4.87%	8.36%
	2.5 to < 5	16	-	-	-	3.83%	6.90%
	5 to < 10	11	2	18.18%	-	6.39%	8.72%
	10.00 to < 100.00	3	-	-	-	14.50%	11.90%
	10 to < 20	2	-	-	-	11.27%	15.00%
	20 to < 30	1	-	-	-	20.96%	-
	30.00 to < 100.00	-	-	-	-	-	25.00%
	100.00 (default)	6	6	100.00%	-	100.00%	100.00%

continued: Template CR9 – IRB approach: Back-testing of PD per exposure class (fixed PD scale) – AIRB

Exposure classes	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposure-weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Memorandum item: Corporates – Large corporates	0.00 to < 0.15	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-
Exposures to Corporates - other	0.00 to < 0.15	529	2	0.38%	-	0.14%	0.20%
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	529	2	0.38%	-	0.14%	0.20%
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	579	2	0.35%	-	0.42%	0.40%
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	1,517	14	0.92%	-	1.17%	0.61%
	0.75 to < 1.75	1,352	10	0.74%	-	1.04%	0.57%
	1.75 to < 2.5	165	4	2.42%	-	2.26%	0.96%
	2.50 to < 10.00	905	30	3.31%	-	3.92%	2.26%
	2.5 to < 5	545	9	1.65%	-	2.78%	1.57%
	5 to < 10	360	21	5.83%	-	5.63%	3.36%
	10.00 to < 100.00	462	62	13.42%	-	26.48%	9.40%
	10 to < 20	218	17	7.80%	-	12.81%	5.50%
	20 to < 30	44	13	29.55%	-	25.52%	15.78%
	30.00 to < 100.00	200	32	16.00%	-	41.59%	13.96%
	100.00 (default)	1,582	1,582	100.00%	-	100.00%	100.00%

continued: Template CR9 – IRB approach: Back-testing of PD per exposure class (fixed PD scale) – AIRB

Exposure classes	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposure-weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Retail exposures – SMEs, secured by real estate	0.00 to < 0.15	73	-	-	-	0.06%	-
	0.00 to < 0.10	68	-	-	-	0.05%	-
	0.10 to < 0.15	5	-	-	-	0.15%	-
	0.15 to < 0.25	4,007	3	0.07%	-	0.16%	0.10%
	0.25 to < 0.50	8,828	8	0.09%	-	0.37%	0.12%
	0.50 to < 0.75	4,631	6	0.13%	-	0.64%	0.21%
	0.75 to < 2.50	8,591	21	0.24%	-	1.19%	0.26%
	0.75 to < 1.75	8,580	21	0.24%	-	1.19%	0.26%
	1.75 to < 2.5	11	-	-	-	2.26%	-
	2.50 to < 10.00	5,033	55	1.09%	-	3.36%	1.09%
	2.5 to < 5	4,430	28	0.63%	-	2.87%	0.61%
	5 to < 10	603	27	4.48%	-	6.92%	4.00%
	10.00 to < 100.00	350	45	12.86%	-	16.58%	12.83%
	10 to < 20	299	33	11.04%	-	13.75%	10.67%
	20 to < 30	14	4	28.57%	-	26.38%	27.13%
	30.00 to < 100.00	37	8	21.62%	-	35.71%	21.86%
	100.00 (default)	469	469	100.00%	-	100.00%	100.00%
Retail exposures – Qualifying revolving	0.00 to < 0.15	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-

continued: Template CR9 – IRB approach: Back-testing of PD per exposure class (fixed PD scale) – AIRB

Exposure classes	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposure-weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Retail exposures – Purchased receivables	0.00 to < 0.15	206	-	-	-	0.14%	0.19%
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	206	-	-	-	0.14%	0.19%
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	854	11	1.29%	-	0.38%	0.67%
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	1,271	48	3.78%	-	1.24%	2.11%
	0.75 to < 1.75	1,008	26	2.58%	-	0.98%	1.67%
	1.75 to < 2.5	263	22	8.37%	-	2.26%	4.09%
	2.50 to < 10.00	699	60	8.58%	-	3.90%	5.59%
	2.5 to < 5	455	32	7.03%	-	2.94%	4.39%
	5 to < 10	244	28	11.48%	-	5.70%	7.69%
	10.00 to < 100.00	129	29	22.48%	-	15.05%	17.60%
	10 to < 20	105	17	16.19%	-	12.25%	14.21%
	20 to < 30	19	8	42.11%	-	23.53%	29.21%
	30.00 to < 100.00	5	4	80.00%	-	41.62%	43.43%
	100.00 (default)	390	390	100.00%	-	100.00%	100.00%
Retail exposures – other SMEs	0.00 to < 0.15	1,687	5	0.30%	-	0.14%	0.19%
	0.00 to < 0.10	71	1	1.41%	-	0.05%	0.65%
	0.10 to < 0.15	1,616	4	0.25%	-	0.14%	0.17%
	0.15 to < 0.25	3,126	4	0.13%	-	0.16%	0.08%
	0.25 to < 0.50	11,915	48	0.40%	-	0.36%	0.26%
	0.50 to < 0.75	1,259	7	0.56%	-	0.64%	0.40%
	0.75 to < 2.50	14,779	204	1.38%	-	1.16%	1.04%
	0.75 to < 1.75	13,656	161	1.18%	-	1.07%	0.94%
	1.75 to < 2.5	1,123	43	3.83%	-	2.26%	2.43%
	2.50 to < 10.00	12,449	480	3.86%	-	4.14%	3.09%
	2.5 to < 5	7,651	212	2.77%	-	2.79%	2.24%
	5 to < 10	4,798	268	5.59%	-	6.30%	4.33%
	10.00 to < 100.00	4,759	823	17.29%	-	21.29%	14.63%
	10 to < 20	2,915	399	13.69%	-	13.29%	11.26%
	20 to < 30	365	109	29.86%	-	25.64%	26.33%
	30.00 to < 100.00	1,479	315	21.30%	-	35.98%	22.73%
	100.00 (default)	1,992	1,992	100.00%	-	100.00%	100.00%

continued: Template CR9 – IRB approach: Back-testing of PD per exposure class (fixed PD scale) – AIRB

Exposure classes	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposure-weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Memorandum item: Retail – secured by real estate, SMEs	0.00 to < 0.15	56	-	-	-	0.14%	-
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	56	-	-	-	0.14%	-
	0.15 to < 0.25	1	-	-	-	0.16%	-
	0.25 to < 0.50	395	-	-	-	0.34%	0.15%
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	684	2	0.29%	-	1.11%	0.64%
	0.75 to < 1.75	635	2	0.31%	-	1.02%	0.65%
	1.75 to < 2.5	49	-	-	-	2.26%	0.67%
	2.50 to < 10.00	387	9	2.33%	-	3.76%	2.32%
	2.5 to < 5	247	2	0.81%	-	2.77%	1.01%
	5 to < 10	140	7	5.00%	-	5.51%	4.33%
	10.00 to < 100.00	98	15	15.31%	-	17.28%	14.88%
	10 to < 20	74	6	8.11%	-	12.06%	9.62%
	20 to < 30	13	6	46.15%	-	26.38%	34.67%
	30.00 to < 100.00	11	3	27.27%	-	41.62%	28.65%
	100.00 (default)	34	34	100.00%	-	100.00%	100.00%
Memorandum item: Retail – secured by real estate, non-SME	0.00 to < 0.15	71	-	-	-	0.05%	-
	0.00 to < 0.10	71	-	-	-	0.05%	-
	0.10 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	4,099	3	0.07%	-	0.16%	0.10%
	0.25 to < 0.50	9,068	10	0.11%	-	0.38%	0.12%
	0.50 to < 0.75	4,873	7	0.14%	-	0.64%	0.22%
	0.75 to < 2.50	9,070	21	0.23%	-	1.19%	0.24%
	0.75 to < 1.75	9,070	21	0.23%	-	1.19%	0.24%
	1.75 to < 2.5	-	-	-	-	-	-
	2.50 to < 10.00	5,277	57	1.08%	-	3.36%	1.11%
	2.5 to < 5	4,657	29	0.62%	-	2.87%	0.63%
	5 to < 10	620	28	4.52%	-	7.01%	4.08%
	10.00 to < 100.00	362	46	12.71%	-	16.59%	12.87%
	10 to < 20	311	35	11.25%	-	13.88%	11.02%
	20 to < 30	13	4	30.77%	-	26.38%	21.62%
	30.00 to < 100.00	38	7	18.42%	-	35.37%	21.51%
	100.00 (default)	520	520	100.00%	-	100.00%	100.00%

continued: Template CR9 – IRB approach: Back-testing of PD per exposure class (fixed PD scale) – AIRB

Exposure classes	PD range	Number of obligors at the end of the previous year		Observed average default rate (%)	Exposure-weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted in the year				
a	b	c	d	e	f	g	h
Memorandum item: Retail – other SMEs	0.00 to < 0.15	1,616	4	0.25%	-	0.14%	0.17%
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	1,616	4	0.25%	-	0.14%	0.17%
	0.15 to < 0.25	3	-	-	-	0.16%	-
	0.25 to < 0.50	6,711	35	0.52%	-	0.35%	0.29%
	0.50 to < 0.75	2	-	-	-	0.64%	-
	0.75 to < 2.50	11,281	180	1.60%	-	1.15%	1.21%
	0.75 to < 1.75	10,158	137	1.35%	-	1.03%	1.09%
	1.75 to < 2.5	1,123	43	3.83%	-	2.26%	2.44%
	2.50 to < 10.00	7,429	340	4.58%	-	3.80%	3.55%
	2.5 to < 5	4,659	157	3.37%	-	2.76%	2.73%
	5 to < 10	2,770	183	6.61%	-	5.54%	4.85%
	10.00 to < 100.00	2,292	437	19.07%	-	20.62%	17.61%
	10 to < 20	1,467	192	13.09%	-	12.32%	12.00%
	20 to < 30	319	101	31.66%	-	25.53%	27.87%
	30.00 to < 100.00	506	144	28.46%	-	41.58%	30.59%
	100.00 (default)	934	934	100.00%	-	100.00%	100.00%
Memorandum item: Retail – other non-SMEs	0.00 to < 0.15	71	1	1.41%	-	0.05%	0.65%
	0.00 to < 0.10	71	1	1.41%	-	0.05%	0.65%
	0.10 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	3,123	4	0.13%	-	0.16%	0.08%
	0.25 to < 0.50	5,359	13	0.24%	-	0.37%	0.22%
	0.50 to < 0.75	1,257	7	0.56%	-	0.64%	0.40%
	0.75 to < 2.50	3,891	26	0.67%	-	1.18%	0.61%
	0.75 to < 1.75	3,891	26	0.67%	-	1.18%	0.61%
	1.75 to < 2.5	-	-	-	-	-	-
	2.50 to < 10.00	5,507	168	3.05%	-	4.57%	2.62%
	2.5 to < 5	3,276	68	2.08%	-	2.82%	1.72%
	5 to < 10	2,231	100	4.48%	-	7.15%	3.81%
	10.00 to < 100.00	2,671	437	16.36%	-	21.85%	12.94%
	10 to < 20	1,571	229	14.58%	-	14.09%	10.96%
	20 to < 30	81	18	22.22%	-	26.38%	23.72%
	30.00 to < 100.00	1,019	190	18.65%	-	33.46%	19.47%
	100.00 (default)	1,068	1,068	100.00%	-	100.00%	100.00%

continued: Template CR9 – IRB approach: Back-testing of PD per exposure class (fixed PD scale) – AIRB

Exposure classes	PD range	Number of obligors at the end of the previous year	of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposure-weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
Exposures to collective investment undertakings (CIUs)	0.00 to < 0.15	-	-	-	-	-	-
	0.00 to < 0.10	-	-	-	-	-	-
	0.10 to < 0.15	-	-	-	-	-	-
	0.15 to < 0.25	-	-	-	-	-	-
	0.25 to < 0.50	-	-	-	-	-	-
	0.50 to < 0.75	-	-	-	-	-	-
	0.75 to < 2.50	-	-	-	-	-	-
	0.75 to < 1.75	-	-	-	-	-	-
	1.75 to < 2.5	-	-	-	-	-	-
	2.50 to < 10.00	-	-	-	-	-	-
	2.5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10.00 to < 100.00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30.00 to < 100.00	-	-	-	-	-	-
	100.00 (default)	-	-	-	-	-	-

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Template CR9 – IRB approach: Back-testing of PD per exposure class (fixed PD scale) – FIRB

Exposure classes	Intervallo di PD	Number of obligors at the end of the previous		Observed average default rate (%)	Exposure-weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted in the year				
	b	c	d	e	f	g	h
Exposures to central governments or central banks	0,00 to < 0,15	-	-	-	-	-	-
	0,00 a < 0,10	-	-	-	-	-	-
	0,10 to < 0,15	-	-	-	-	-	-
	0,15 to < 0,25	-	-	-	-	-	-
	0,25 to < 0,50	-	-	-	-	-	-
	0,50 to < 0,75	-	-	-	-	-	-
	0,75 to < 2,50	-	-	-	-	-	-
	0,75 to < 1,75	-	-	-	-	-	-
	1,75 to < 2,5	-	-	-	-	-	-
	2,50 to < 10,00	-	-	-	-	-	-
	2,5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10,00 to < 100,00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30,00 to < 100,00	-	-	-	-	-	-
	100,00 (deftoult)	-	-	-	-	-	-
Exposures to regional governments or local authorities	0,00 to < 0,15	-	-	-	-	-	-
	0,00 to < 0,10	-	-	-	-	-	-
	0,10 to < 0,15	-	-	-	-	-	-
	0,15 to < 0,25	-	-	-	-	-	-
	0,25 to < 0,50	-	-	-	-	-	-
	0,50 to < 0,75	-	-	-	-	-	-
	0,75 to < 2,50	-	-	-	-	-	-
	0,75 to < 1,75	-	-	-	-	-	-
	1,75 to < 2,5	-	-	-	-	-	-
	2,50 to < 10,00	-	-	-	-	-	-
	2,5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10,00 to < 100,00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30,00 to < 100,00	-	-	-	-	-	-
	100,00 (default)	-	-	-	-	-	-

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continued: Template CR9 – IRB approach: Back-testing of PD per exposure class (fixed PD scale) – FIRB

Exposure classes	Intervallo di PD	Number of obligors at the end of the previous	of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposure-weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
	b	c	d	e	f	g	h
Exposures to public sector entities	0,00 to < 0,15	-	-	-	-	-	-
	0,00 a < 0,10	-	-	-	-	-	-
	0,10 to < 0,15	-	-	-	-	-	-
	0,15 to < 0,25	-	-	-	-	-	-
	0,25 to < 0,50	-	-	-	-	-	-
	0,50 to < 0,75	-	-	-	-	-	-
	0,75 to < 2,50	-	-	-	-	-	-
	0,75 to < 1,75	-	-	-	-	-	-
	1,75 to < 2,5	-	-	-	-	-	-
	2,50 to < 10,00	-	-	-	-	-	-
	2,5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10,00 to < 100,00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30,00 to < 100,00	-	-	-	-	-	-
	100,00 (deftoult)	-	-	-	-	-	-
Institutions	0,00 to < 0,15	-	-	-	-	-	-
	0,00 to < 0,10	-	-	-	-	-	-
	0,10 to < 0,15	-	-	-	-	-	-
	0,15 to < 0,25	-	-	-	-	-	-
	0,25 to < 0,50	-	-	-	-	-	-
	0,50 to < 0,75	-	-	-	-	-	-
	0,75 to < 2,50	-	-	-	-	-	-
	0,75 to < 1,75	-	-	-	-	-	-
	1,75 to < 2,5	-	-	-	-	-	-
	2,50 to < 10,00	-	-	-	-	-	-
	2,5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10,00 to < 100,00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30,00 to < 100,00	-	-	-	-	-	-
	100,00 (default)	-	-	-	-	-	-

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continued: Template CR9 – IRB approach: Back-testing of PD per exposure class (fixed PD scale) – FIRB

Exposure classes	Intervallo di PD	Number of obligors at the end of the previous		Observed average default rate (%)	Exposure-weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted in the year				
	b	c	d	e	f	g	h
Exposures to Corporates - SMEs	0,00 to < 0,15	-	-	-	-	-	-
	0,00 a < 0,10	-	-	-	-	-	-
	0,10 to < 0,15	-	-	-	-	-	-
	0,15 to < 0,25	-	-	-	-	-	-
	0,25 to < 0,50	-	-	-	-	-	-
	0,50 to < 0,75	-	-	-	-	-	-
	0,75 to < 2,50	-	-	-	-	-	-
	0,75 to < 1,75	-	-	-	-	-	-
	1,75 to < 2,5	-	-	-	-	-	-
	2,50 to < 10,00	-	-	-	-	-	-
	2,5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10,00 to < 100,00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30,00 to < 100,00	-	-	-	-	-	-
	100,00 (deftoult)	-	-	-	-	-	-
Exposures to Corporates – Specialised lending	0,00 to < 0,15	-	-	-	-	-	-
	0,00 to < 0,10	-	-	-	-	-	-
	0,10 to < 0,15	-	-	-	-	-	-
	0,15 to < 0,25	-	-	-	-	-	-
	0,25 to < 0,50	-	-	-	-	-	-
	0,50 to < 0,75	-	-	-	-	-	-
	0,75 to < 2,50	-	-	-	-	-	-
	0,75 to < 1,75	-	-	-	-	-	-
	1,75 to < 2,5	-	-	-	-	-	-
	2,50 to < 10,00	-	-	-	-	-	-
	2,5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10,00 to < 100,00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30,00 to < 100,00	-	-	-	-	-	-
	100,00 (default)	-	-	-	-	-	-

continued: Template CR9 – IRB approach: Back-testing of PD per exposure class (fixed PD scale) – FIRB

Exposure classes	Intervallo di PD	Number of obligors at the end of the previous		Observed average default rate (%)	Exposure-weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
			of which number of obligors which defaulted in the year				
	b	c	d	e	f	g	h
Exposures to Corporates – Purchased receivables	0,00 to < 0,15	-	-	-	-	-	-
	0,00 a < 0,10	-	-	-	-	-	-
	0,10 to < 0,15	-	-	-	-	-	-
	0,15 to < 0,25	-	-	-	-	-	-
	0,25 to < 0,50	-	-	-	-	-	-
	0,50 to < 0,75	-	-	-	-	-	-
	0,75 to < 2,50	-	-	-	-	-	-
	0,75 to < 1,75	-	-	-	-	-	-
	1,75 to < 2,5	-	-	-	-	-	-
	2,50 to < 10,00	-	-	-	-	-	-
	2,5 to < 5	-	-	-	-	-	-
	5 to < 10	-	-	-	-	-	-
	10,00 to < 100,00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30,00 to < 100,00	-	-	-	-	-	-
	100,00 (deftoult)	-	-	-	-	-	-
Memorandum item: Corporates – Large corporates	0,00 to < 0,15	65	1	1.54%	-	0.14%	0.8%
	0,00 to < 0,10	-	-	-	-	-	0.0%
	0,10 to < 0,15	65	1	1.54%	-	0.14%	0.8%
	0,15 to < 0,25	-	-	-	-	-	0.0%
	0,25 to < 0,50	48	-	-	-	0.46%	0.7%
	0,50 to < 0,75	-	-	-	-	-	-
	0,75 to < 2,50	54	1	1.85%	-	1.56%	1.0%
	0,75 to < 1,75	27	1	3.70%	-	0.87%	0.7%
	1,75 to < 2,5	27	-	-	-	2.26%	2.0%
	2,50 to < 10,00	20	1	5.00%	-	4.86%	1.0%
	2,5 to < 5	13	1	7.69%	-	3.92%	1.5%
	5 to < 10	7	-	-	-	6.61%	-
	10,00 to < 100,00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30,00 to < 100,00	-	-	-	-	-	-
	100,00 (default)	2	2	100.00%	-	100.00%	100.00%

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continued: Template CR9 – IRB approach: Back-testing of PD per exposure class (fixed PD scale) – FIRB

Exposure classes	Intervallo di PD	Number of obligors at the end of the previous	of which number of obligors which defaulted in the year	Observed average default rate (%)	Exposure-weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
a	b	c	d	e	f	g	h
Exposures to companies - Other	0,00 to < 0,15	65	1	1.54%	-	0.1%	0.8%
	0,00 a < 0,10	-	-	-	-	-	-
	0,10 to < 0,15	65	1	1.54%	-	0.1%	0.8%
	0,15 to < 0,25	-	-	-	-	0.0%	0.0%
	0,25 to < 0,50	48	-	-	-	0.5%	0.7%
	0,50 to < 0,75	-	-	-	-	-	-
	0,75 to < 2,50	54	1	1.85%	-	1.6%	1.0%
	0,75 to < 1,75	27	1	3.70%	-	0.9%	0.7%
	1,75 to < 2,5	27	-	-	-	2.3%	2.0%
	2,50 to < 10,00	20	1	5.00%	-	4.9%	1.0%
	2,5 to < 5	13	1	7.69%	-	3.9%	1.5%
	5 to < 10	7	-	-	-	6.6%	-
	10,00 to < 100,00	-	-	-	-	-	-
	10 to < 20	-	-	-	-	-	-
	20 to < 30	-	-	-	-	-	-
	30,00 to < 100,00	-	-	-	-	-	-
	100,00 (deftoult)	2	2	100.00%	-	100.0%	100.0%

11. Disclosure of counterparty risk exposures[32]

Table EU CCRA: Qualitative information about counterparty risk

The CRR provides for a standardised approach for calculating the value of EAD in derivative instruments ("SA-CCR").

The standardised approach aims to lead to own funds requirements that reflect the risks associated with derivative transactions, while recognising the benefits of clearing. The regulatory framework provides for the right of determining the capital requirement for Counterparty Risk using simplified methodologies depending on the size of the institution's derivatives business (original exposure approach for derivatives business size not exceeding 5% total assets and EUR 100/mln and simplified approach for derivatives business size not exceeding 10% of total assets and EUR 300/mln).

In 2023, Banco Desio joined the Clearing service for OTC interest rate derivatives by identifying the qualified central counterparty (Eurex Clearing) for clearing derivative transactions.

At the reporting date, the Group used the simplified standardised approach for calculating counterparty risk.

In the context of this methodological choice, the Group refers to the present value method for the calculation of the exposure value, as provided for by the regulations (Circular No. 285/13 Part Two - Chapter 7, Section I).

For a more accurate analysis of the methodology used to assign the defined internal capital and credit limits on credit exposures to a counterparty and of the risk management objectives and relevant CCR policies, see Section 2. Disclosure of risk management objectives and policies (Art. 2 Reg. 2021/637) - Table EU OVA: Institution risk management approach.

[32] See Art. 13 of Implementing Regulation (EU) 2021/637

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Template EU CCR1: Analysis of CCR exposure by approach

		a	b	c	d	e	f	g	h
		Replacement Cost (RC)	Potential Future Exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-		-	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	1,373	10,010		-	15,937	15,937	15,937	8,000
1	SA-CCR (for derivatives)	-	-		-	-	-	-	-
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	*of which securities financing transactions netting sets*			-		-	-	-	-
2b	*of which derivatives and long settlement transactions netting sets*			-		-	-	-	-
2c	*of which from contractual cross-product netting sets*			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					281,429	281,429	281,429	18,204
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	**Total 31/12/2025**					**297,366**	**297,366**	**297,366**	**26,204**
	Total 31/12/2024					**440,469**	**440,469**	**440,469**	**29,489**

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Template EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

	Exposure classes	Risk weight									
		a	b	c	d	e	f	g	h	i	l
		0%	2%	20%	30%	40%	50%	75%	100%	150%	Total exposure value
1	Central governments or central banks			-	-	-	-	-	-	-	-	-	-
2	Regional governments or local authorities			-	-	-	-	-	-	-	-	-	-
3	Public sector entities			-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks			-	-	-	-	-	-	-	-	-	-
5	International organisations			-	-	-	-	-	-	-	-	-	-
6	Institutions			-	542,355	29,475	48,382	675	5	206	-	-	621,098
7	Corporates			-	-	-	-	-	1,483	453	4,246	-	6,182
8	Retail exposures			-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment			-	-	-	-	-	-	-	-	-	-
10	Other items			2,307,107	-	-	-	-	-	-	13	18	2,307,138
11	**Total exposure value 31/12/2025**			**2,307,107**	**542,355**	**29,475**	**48,382**	**675**	**1,488**	**659**	**4,259**	**18**	**2,934,418**
	Total exposure value 31/12/2024			**1,539,750**	**61,005**	**59,663**	**-**	**-**	**19,075**	**-**	**8,011**	**4**	**1,687,510**

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Template EU CCR8: Exposures to CCPs

		Exposure value	RWEA
		a	b
1	**Exposures to QCCP (total)**		**3,594**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which:	167,826	3,357
3	*i) OTC derivatives*	*167,826*	3,357
4	*ii) exchange-traded derivatives*	-	-
5	*iii) SFTs*	-	-
6	*iv) netting sets where cross-product netting has been approved*	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Pre-funded guarantee fund contributions	11,879	238
10	Unfunded guarantee fund contributions	-	-
11	**Exposures to non-QCCP (total)**		**-**
12	Exposures for trades at non-QCCPs (excluding initial margin and guarantee fund contributions), of which:	-	-
13	*i) OTC derivatives*	-	-
14	*ii) exchange-traded derivatives*	-	-
15	*iii) SFTs*	-	-
16	*iv) netting sets where cross-product netting has been approved*	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Pre-funded guarantee fund contributions	-	-
20	Unfunded guarantee fund contributions	-	-

12. Disclosure of exposures in securitisation positions[33]

Table EU SECA: Qualitative disclosure requirements related to securitisation exposures

Third-party securitisation transactions

Lumen transaction carried out by Banco Desio through ABS investment

In 2020, Banco Desio subscribed to a security (Asset-Backed Security or "ABS") for EUR 50 million, issued by Lumen SPV S.r.l. (special purpose vehicle or "SPV"), having as underlying assets medium- to long-term loans granted by Credimi S.p.A. ("Originator") to SMEs and assisted by a guarantee from Medio Credito Centrale (MCC) as provided for by Decree Law 23 of 8 April 2020 (Liquidity Decree Law). During 2021, another Lumen issue with underlying loans of the same type was subscribed for a further EUR 50 million.

The objectives of the initiative are:

1. obtaining an expected return consistent with the risk profile of the transaction with underlying financing guaranteed by Medio Credito Centrale;
2. increasing the customer base with a target in line with commercial and credit policies (geography, company size and expected portfolio loss);
3. starting operations on fintech channels (co-branded portal) that allow customers to have a completely on-line, simple and fast user experience.

Viveracqua transaction carried out by Banco Desio through ABS investment

During the 2020 financial year, with a view to diversifying its securities portfolio and in search of an attractive yield, the Bank made an investment of EUR 5 million in senior notes issued by the special purpose vehicle Viveracqua maturing in 2034 with the underlying 6 bond issues of companies operating in the water sector.

Banco Desio's investment transactions in third-party senior tranches

Also with a view to diversifying its securities portfolio during 2021, investments were made in senior tranches of third-party securitisations as follows:

- initial commitment of EUR 30 million relating to a standardised simple transparent senior issue ("STS") of Kripton SPV with underlying loans to SMEs guaranteed by Medio Credito Centrale: as at 31 December 2024, the ramp-up phase was completed and the investment amounted to approximately EUR 4.3 million at 31 December 2025;
- initial commitment of EUR 15 million related to a senior issue of the P2P vehicle Lendit with underlying consumer credit loans to private individuals: as at 31 December 2024 the ramp-up phase was completed and about EUR 1.7 million has been paid in.

Own securitisation transactions

GACS transaction "2Worlds s.r.l." carried out by Banco Desio as originator

During the course of 2018, a securitisation transaction was carried out with recourse to the procedure for the release by the Italian State of the guarantee on the securitisation of non-performing loans on senior securities pursuant to Decree-Law 18/2016 ("GACS") aimed at deconsolidating Banco Desio Group loans for a gross countervalue of EUR 1.0 billion (the "Transaction").

The Transaction was structured in order to realise the significant transfer of credit risk associated with the securitised receivables ("SRT") pursuant to Articles 243 et seq. of Regulation (EU) No. 575/2013; the reference non-performing loans portfolio, transferred on 12 June 2018 to the special purpose vehicle "2Worlds S.r.l." ("SPV" or "Vehicle") specifically set up, is composed of mortgage or unsecured loan contracts granted by Banco di

[33] See Art. 14 of Implementing Regulation (EU) 2021/637

Desio e della Brianza and Banca Popolare di Spoleto in favour of "secured" customers, i.e. with transactions secured by mortgages, and "unsecured", i.e. with transactions without collateral.

On 25 June 2018, the SPV therefore issued the following classes of Asset-Backed Securities (ABS):

- senior securities amounting to EUR 288.5 million, corresponding to 28.8% of the Gross Book Value (GBV) at the date of identification of the loans on 31 December 2020, which were rated "BBB Low" and "BBB" respectively by DBRS Ratings Ltd and Scope Ratings GmbH;
- mezzanine securities in the amount of EUR 30.2 million, which were rated "B Low" and "B" by DBRS Ratings Ltd and Scope Ratings GmbH, respectively;
- junior securities in the amount of EUR 9.0 million, unrated.

On 11 July 2018, the Banco Desio Group accepted the final binding agreement for the sale of 95% of the mezzanine and junior securities, which was finalised on 23 July 2018 through the settlement of the transaction itself and thus the deconsolidation of the transferred bad loans.

On 3 October 2018, the Banco Desio Group received formal notice that the Minister of the Economy and Finance, by order of 5 September 2018, granted the State guarantee on the senior securities issued by the Vehicle with effect as of the date of adoption of the aforementioned order as the conditions had already been verified provided for by Decree Law 18/2016.

It should be noted that during December 2023, Banco Desio repurchased bad loans included in the portfolio sold in 2018 to the securitisation special purpose vehicle "2Worlds S.r.l.", subject to an indemnity claim, for a GBV of EUR 22.4 million. The repurchase price was agreed at EUR 8 million (equal to the original price plus interest and net of any collections from the cut-off to the repurchase date). Receivables were treated in accordance with IFRS9 as POCI (purchased or originated credit impaired) and recorded at a fair value of EUR 4.6 million determined in line with the Bank's valuation policies.

GACS transaction "Cassa Centrale Banca (Buonconsiglio 4)" multioriginator (including Banco Desio)

In December 2021, Banco Desio participated in a multi-originator securitisation of non-performing loans with a GACS state guarantee carried out by the Cassa Centrale Banca team (Buonconsiglio 4). In particular, on 15 December, Banco Desio finalised the sale without recourse in the form of a securitisation, carried out pursuant to Law 130/1999 (the "Transaction"), of a portfolio of non-performing positions ("NPL") with a total gross value ("GBV") of EUR 22.9 million, in favour of the Special Purpose Vehicle "Buonconsiglio 4 S.r.l." ("SPV" or "Vehicle").

In order to comply with the retention obligation under (i) Art. 405, paragraph 1, of EU Regulation 575/2013 ("CRR"), (ii) Article 51, paragraph 1, of Delegated Regulation (EU) 231/2013 ("AIMFD Regulation") and (iii) Article 254 of Delegated Regulation (EU) 35/2015 ("Solvency II Regulation"), the Group has decided to maintain a net economic interest of the nominal value of each Junior (approximately 7%) and Mezzanine (approximately 6%) tranche transferred to third-party investors, in addition to maintaining 100% of the Senior tranche, pursuant to Article 405, paragraph 1(a) of the CRR. The consideration for the sale, amounting to EUR 4.59 million gross of the collections of EUR 90 thousand relating to the period 1 August 2021 - 1 December 2021, as provided for by the GACS Decree of 3 August 2016, Article 2, paragraph 1(a), was recognised through the subscription by BDB of ABS securities ("Notes") issued by the SPV on 14 December 2021, against the NPLs acquired pro-rata by each transferring bank. On 15 December 2021, Banco di Desio e della Brianza signed the final binding agreement for the sale by the Originator banks of approximately 94% of the Mezzanine securities and 93% of the Junior securities formulated by a third-party institutional investor for a pro-rata consideration of EUR 202,322, collecting the consideration on the scheduled settlement date of the securities transaction, i.e. 17 December 2021.

DESIO SME transaction

On 12 February 2024 ("legal effective date"), the sale was finalised for consideration, en bloc and without recourse, of a portfolio of receivables arising from loans to Italian SMEs that are mortgage-backed, unsecured and, in part, guaranteed by Medio Credito Centrale, disbursed by Banco di Desio e della Brianza S.p.A. (or the merged Banca Popolare di Spoleto S.p.A.) to the specially incorporated securitisation vehicle, Desio SME SPV

S.r.l., based in Italy and having Stichting Rugiada as sole shareholder. The value of the loan portfolio transferred in the transaction is EUR 540 million in terms of gross book value.

As part of the Transaction, the Bank was appointed by Desio SME SPV S.r.l. to carry out, in the role of Servicer, the collection activities of the assigned credits and cash and payment services pursuant to art. 2, paragraphs 3, 6 and 6-bis of Law 130.

The initiative is part of a securitisation of performing loans (without derecognition) aimed at improving liquidity management by optimising portfolio management and diversifying funding sources.

Coppedè 2023 Transaction

It should be noted that in 2023, the subsidiary Fides finalised the sale, for consideration and without recourse, of a portfolio of pecuniary receivables arising from loans to customers repayable by payment delegation and/or of salary- and/or pension-backed loan (the "Portfolio" and the "Receivables") from Fides S.p.A. ("Originator") to the specially incorporated securitisation special purpose company Coppedé SPV S.r.l. ("SPV"), based in Italy and having Stichting Lapislazzuli as sole shareholder.

The securitisation was structured in compliance with the "simplicity, transparency and standardisation" (STS) requirements of Regulation (EU) 2017/2402.

The transaction is structured with the objective of achieving an improvement in liquidity management, focusing on optimising the management of the loan portfolio and the diversification of financing sources, reducing their cost, and matching the natural maturities of assets with those of liabilities, and has made it possible to ensure the necessary liquidity for its operations.

The Private Placement Transaction was finalised through the issuance of "partly paid" securities and provides for a ramp-up period of 12 months; in 2024, additional loan portfolios were sold, with defined eligibility criteria, deriving from loans of the same nature originated by Fides.

The initial portfolio of the transaction has a nominal value of EUR 267,349,509 (Outstanding Principal) and they are all performing loans with a disposal price including accrued interest of EUR 267,668,072.

The Senior Note was subscribed by professional investors and the amount was collected in full by the Company. The countervalue of the Senior Note is shown in Item 10 Financial liabilities measured at amortised cost b) securities outstanding. The corresponding interest expenses are shown in the income statement under item 20 Interest and similar expenses.

The Junior Note was fully endorsed by the Company. Fides therefore complies with the retention obligations set forth in Article 6 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 through the option referred to in paragraph 3 (d) (first loss) having fully subscribed to the Junior security from which it follows that all risks and rewards of the same assigned receivables remain with the Originator itself.

The Subsidiary, having retained substantially all risks and rewards related to the transferred assets, maintains these receivables in the balance sheet for their full amount, applying the accounting treatment prescribed by IFRS9 for the category of financial instruments to which they belong. At least until part of the junior securities are eventually placed on the market, the aforesaid sale and purchase transactions, to be considered together by virtue of the principle of substance over form, constitute a mere transformation of the receivables into securities, without there being any substantial economic effect.

As part of the Transaction, Fides acts as a Servicer, performing the collection of assigned receivables and cash and payment services pursuant to Article 2, paragraphs 3, 6 and 6-bis of Law 130.

Fauno transaction

During 2024, the subsidiary Fides S.p.A. finalised the sale for consideration and without recourse of a portfolio of pecuniary receivables arising from personal loans (the "Portfolio" and the "Loans") from Fides S.p.A. ("Originator") to the specially incorporated securitisation vehicle company Fauno SPV srl ("SPV"), based in Italy and having M&G Trustee Company Limited as sole shareholder.

The securitisation was structured in compliance with the "simplicity, transparency and standardisation" (STS) requirements of Regulation (EU) 2017/2402.

The transaction is structured with the objective of optimising liquidity management, while at the same time diversifying the sources of financing to enable the Company to finance its operations.

The transaction - the subject of a private placement - was finalised through the issue of fully paid securities.

The initial portfolio of the transaction had a nominal value of EUR 249,657,089.25 (Outstanding Principal) and they are all performing loans with a disposal price including accrued interest and expenses for the collection of the instalment falling due of EUR 252,049,127.20.

The Senior Note was subscribed by institutional investors and the amount was collected in full by the Company. The countervalue of the Senior Note is shown in Item 10 Financial liabilities measured at amortised cost a) payables; the related interest expenses are shown in the income statement in Item 20 Interest and similar expenses.

The Junior Note was fully endorsed by the Company. Fides therefore complies with the retention obligations set forth in Article 6 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 through the option referred to in paragraph 3 (d) (first loss) having fully subscribed to the Junior security from which it follows that all risks and rewards of the same assigned receivables remain with the Originator itself. The Company, having retained substantially all risks and rewards related to the transferred assets, maintains these receivables in the balance sheet for their full amount, applying the accounting treatment prescribed by IFRS9 for the category of financial instruments to which they belong. At least until part of the junior securities are eventually placed on the market, the aforesaid sale and purchase transactions, to be considered together by virtue of the principle of substance over form, constitute a mere transformation of the receivables into securities, without there being any substantial economic effect.

As part of the transaction, Fides acts as a Servicer, performing the collection of assigned receivables and cash and payment services pursuant to Article 2, paragraphs 3, 6 and 6-bis of Law 130.

Coppedè 2025 Transaction

In October 2025, the subsidiary Fides S.p.A. finalised the sale, for consideration and without recourse, of a portfolio of receivables arising from loans granted by the Company and secured by salary-backed loans and/or deduction at source from Fides S.p.A. ("Originator") to the securitisation special purpose company Coppedé SPV S.r.l. ("SPV"). For the aforementioned transaction, the SPV established a dedicated, segregated sub-fund, and also accommodates the Coppede 2022 and Coppede 2023 transactions in separate sub-funds.

The transaction, which was the subject of a private placement, was finalised through the issue of securities on the issue date of 28 December 2025, for a total amount of EUR 313,262,000:

- Class A Senior EUR 276,000,000 (Issue price: 100%)
- Class J Junior EUR 37,262,000 (Issue price: 100%)

The initial portfolio of the transaction has a nominal value of EUR 306,939,825.78 (Outstanding Principal) and they are all performing loans with a disposal price including accrued interest of EUR 269,811,188.28.

Fides complies with the retention obligations set forth in Article 6 of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 through the option referred to in paragraph 3 (d) (first loss) having fully subscribed to the Junior security from which it follows that all risks and rewards of the same assigned receivables remain with the Originator itself.

The securitisation was structured in compliance with the "simplicity, transparency and standardisation" (STS) requirements of Regulation (EU) 2017/2402. Prime Collateralised Securities (PCS) EU SAS acted as the third-party verifier of these requirements.

Banca Finanziaria Internazionale S.p.A. and Crédit Agricole Corporate and Investment Bank (CACIB) acted as Arranger and Co-Arranger, respectively.

Crédit Agricole Corporate and Investment Bank (CACIB) has fully subscribed to the senior note.

Banco di Desio acts as cash deposit account.

As part of the Transaction, Fides acts as a Servicer, performing the collection of assigned receivables and cash and payment services pursuant to Article 2, paragraphs 3, 6 and 6-bis of Law 130.

Rainbow transaction

In December 2021, Dynamica Retail launched the securitisation transaction through the vehicle Rainbow SPV, with a partly paid structure, in which Dynamica Retail S.p.A. assumed the role of originator, servicer - also pursuant to Article 2, paragraph 3, of L130/1999 - and subscriber of the entire junior tranche of the ABS securities issued by the vehicle. In addition to the entire junior class, Dynamica Retail S.p.A. acquired a portion of the mezzanine and senior securities amounting to approximately 5% of each series in accordance with the requirement of Article 6 EU Reg 2017/2402 in order to maintain a material economic interest in the transaction. The sale of the initial portfolio took place on 7 December 2021 and the issue of the securities on 21 December. The ramp-up period for the Rainbow transaction (as stipulated in the amendment agreement signed in January 2023) ended in April 2023.

With a view to selling the files and thus mobilising the receivables originated, Dynamica entered into a non-recourse assignment agreement with the "IBL" Banking Group and the Banco Desio Group in 2022 and 2023. With the latter, a servicing agreement was also concluded with a term until the end of the year 2023 for a financed amount of EUR 120 million.

Considering that the former Subsidiary, by subscribing the entire junior tranche, has retained substantially all risks and rewards, the securitised assets have not been derecognised, as the derecognition criteria set forth in IFRS 9 have not been met.

In this regard, it should be noted that, following the merger by incorporation of Dynamica into Fides S.p.A., as at 31 December 2025, the securities issued as part of the Rainbow transaction are held by Fides S.p.A.

Dyret II transaction

Following the sale of the initial portfolio on 6 December 2018, consisting of the former Lake Securitisation portfolio and a Dynamica Retail portfolio, 4 classes of securities were issued on a partly paid basis.

The tasks assigned to Dynamica as Servicer are the standard tasks inherent to the role assumed.

The end of March 2019 saw the completion of the process of incorporating into the Dyret II portfolio the receivables belonging to the former Dyret I segment relating to a transaction initiated on the Company's receivables in 2014. The incorporation process involved:

- the withdrawal of the ratings on the Senior and Mezzanine securities of the Dyret I transaction;
- the liquidation of all securities issued under this transaction;
- the repurchase by Dynamica Retail of the securitised portfolio as part of the Dyret I transaction and the simultaneous sale by Dynamica to Dyret of this portfolio, which was thereby incorporated into the Dyret II portfolio;
- the increase in the nominal value of the securities issued under the Dyret II transaction.

The structure of the Ramp-up remained unchanged in terms of both characteristics and durability.

At the end of August 2019, and in particular with the Payment Date of September 2019, considering that the total value of the Junior (Class C) securities issued was higher than the committed amount of the Junior security itself, and in order to be able to conclude the ramp-up period (sale of the incremental portfolios from October 2019 to December 2019), the nominal value of the Junior security was increased from a total of EUR 25,252,000 to a total of EUR 32,000,000.

The ramp-up period of the Dyret II transaction ended with the sale of the incremental portfolio in December 2019. The securities therefore entered the amortisation period still running on 31 December 2025.

In this regard, it should be noted that, following the merger by incorporation of Dynamica into Fides S.p.A., as at 31 December 2025, the securities issued as part of the Dyret II transaction are held by Fides S.p.A.

Dyret III transaction

In January 2020, the Dyret III securitisation programme was launched. The initial portfolio was disposed of and 4 classes of securities were issued:

The ramp-up period of the Dyret III transaction ended with the disposal of the incremental portfolio in December 2020. The securities therefore entered the amortisation period.

In July 2022, Dyret III incorporated the following securities previously issued as part of the Dyrect IV transaction:

The merger therefore resulted in the termination of the Dyret IV transaction and the restructuring of the Dyret III transaction, leading to an increase in the nominal value of the securities issued.

In this regard, it should be noted that, following the merger by incorporation of Dynamica into Fides S.p.A., as at 31 December 2025, the securities issued as part of the Dyret III transaction are held by Fides S.p.A.

Exposure calculation methods

The Group uses the "standardised approach" to calculate the capital requirement for securitisation exposures.

Accounting Impacts

Exposures to securitisations (in the form of junior securities or deferred purchase prices) are allocated to Financial assets measured at fair value through profit or loss. However, if the relationship between the originator company and the securitisation special purpose vehicle (i.e. the segregated assets managed by the latter) falls within the definition of control defined by IFRS 10, the latter is included in the Group's scope of consolidation.

Financial assets measured at amortised cost include, according to their relevant composition, loans to w5

The consideration received for the sale of these receivables, net of the securities issued by the special purpose vehicle and repurchased by the originator, is allocated to Financial liabilities measured at amortised cost.

For further details, please refer to the information provided in the Notes to the Financial Statements under "Part A – Accounting policies – A.2 Section on the main financial statement items – Securitisations" and under "Part E – Section 1 – C. Securitisation transactions" of the Banco Desio Group's consolidated financial report as at 31 December 2025.

Template EU-SEC1: Securitisation exposures in the non-trading book

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as transferor							Institution acts as promoter				Institution acts as an investor			
		Traditional				Synthetic			Traditional				Traditional			
		STS		Non-STS			of which SRT	Subtotal	STS	Non-STS	Synthetic	Subtotal	STS	Non-STS	Synthetic	Subtotal
			of which SRT		of which SRT											
1	**Total exposures as at 31.12.2025**	-	-	31	31	-	-	31	-	-	-	-	3,740	10,661	-	14,401
2	**Retail (total)**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Credit cards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	**Wholesale (total)**	-	-	31	31	-	-	31	-	-	-	-	-	-	-	-
8	Loans to corporates	-	-	31	31	-	-	31	-	-	-	-	-	-	-	-
9	Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Leasing and Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	**Total exposures as at 31.12.2024**	-	-	31	31	-	-	31	-	-	-	-	-	13,667	-	13,667

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Template EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements: institution acting as transferor or promoter

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure values (per RW/deduction band)					Exposure values (by regulatory method)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20 % RW	>20% TO 50% RW	>50% TO 100% RW	>100% TO <1250% RW	1250% RW/ DEDUCTIONS	SEC-IRBA	SEC-GRASS (INCL. IAA)	SEC-SA	1250% RW/ DEDUCTIONS	Capital charge after cap	SEC-GRASS (INCL. IAA)	SEC-SA	1250% RW	SEC-IRBA	SEC-GRASS (INCL. IAA)	SEC-SA	1250% RW
1	**Total exposures as at 31.12.2025**	**-**	**-**	**-**	**31**	**-**	**-**	**-**	**31**	**-**	**-**	**-**	**9,577**	**-**	**-**	**-**	**766**	**-**
2	**Traditional operations**	**-**	**-**	**-**	**31**	**-**	**-**	**-**	**31**	**-**	**-**	**-**	**9,577**	**-**	**-**	**-**	**766**	**-**
3	Securitisation	-	-	-	31	-	-	-	31	-	-	-	9,577	-	-	-	766	-
4	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	*of which STS*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	31	-	-	-	31	-	-	-	9,577	-	-	-	766	-
7	*of which STS*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	**Synthetic operations**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	**Total exposures as at 31.12.2024**	**-**	**-**	**-**	**31**	**-**	**-**	**-**	**31**	**-**	**-**	**-**	**-**	**228**	**-**	**-**	**-**	**-**

Template EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements: institution acting as investor

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure values (per RW/deduction band)					Exposure values (by regulatory method)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20 % RW	>20% TO 50% RW	>50% TO 100% RW	>100% TO <1250% RW	1250% RW/ DEDUCTIONS	SEC-IRBA	SEC-GRASS (INCL. IAA)	SEC-SA	1250% RW/ DEDUCTIONS	SEC-IRBA	SEC-GRASS (INCL. IAA)	SEC-SA	1250% RW	SEC-IRBA	SEC-GRASS (INCL. IAA)	SEC-SA	1250% RW
1	**Total exposures as at 31.12.2025**	**10,661**	**-**	**-**	**3,740**	**-**	**-**	**-**	**14,401**	**-**	**-**	**-**	**7,176**	**-**	**-**	**-**	**345**	**-**
2	**Traditional securitisation**	**10,661**	**-**	**-**	**3,740**	**-**	**-**	**-**	**14,401**	**-**	**-**	**-**	**7,176**	**-**	**-**	**-**	**345**	**-**
3	Securitisation	10,661	-	-	3,740	-	-	-	14,401	-	-	-	7,176	-	-	-	345	-
4	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	*of which STS*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	*of which STS*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	**Synthetic securitisation**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	**Total exposures as at 31.12.2024**	**3,825**	**9,853**	**-**	**4,153**	**-**	**-**	**-**	**17,830**	**-**	**-**	**-**	**-**	**11,028**	**-**	**-**	**-**	**-**

Template EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
			of which exposures in default	
1	**Total exposures as at 31.12.2025**	**2,748,752**	**993,817**	**11,423**
2	**Retail (total)**	**920,383**	**4,750**	**3,589**
3	Residential mortgage	-	-	-
4	Credit cards	-	-	-
5	Other retail exposures	920,383	4,750	3,589
6	Re-securitisation	-	-	-
7	**Wholesale (total)**	**1,828,369**	**989,067**	**7,834**
8	Loans to corporates	1,828,369	989,067	7,834
9	Commercial mortgage	-	-	-
10	Leasing and Credit	-	-	-
11	Other wholesale	-	-	-
12	Re-securitisation	-	-	-
13	**Total exposures as at 31.12.2024**	**2,498,279**	**912,901**	**4,406**

13. Market Risk Disclosure[34]

Table EU MRA: Qualitative disclosure requirements related to market risk

Market risk capital requirements on the trading book are determined according to the standardised approach as defined by supervisory regulations. This method involves calculating the requirement on the basis of the "building-block approach", according to which the overall requirement is the sum of the capital requirements determined against individual risks. As part of this methodological choice, the Group refers to the provisions of the regulations (Circular No. 285/13 Part Two - Chapter 9, Section I).

For a more detailed analysis of the market risk management strategies and processes, the structure and organisation of the risk management function and the relationships between the credit risk management, risk control, compliance control and internal audit functions, please refer to the description in Section 2. Disclosure of risk management objectives and policies (Art. 2 Reg. 2021/637) - Table EU OVA: Institution risk management approach.

Template EU MR1: Market risk under the standardised approach

		a
		RWEA
	Outright products	
1	Interest rate risk (general and specific)	14,393
2	Equity risk (general and specific)	16,018
3	Foreign exchange risk	-
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	**Total 31.12.2025**	**30,411**

[34] See Art. 15 of Implementing Regulation (EU) 2021/637

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14. Operational Risk Disclosure[35]

Table EU ORA: Qualitative Information on Operational Risk

For the purpose of measuring the prudential requirement for operational risk, in line with the provisions of the relevant external regulations (CRR3), the Group uses the Standardised Measurement Approach (SMA); it should be noted that, in accordance with the express provisions of the Bank of Italy, the subsidiary Fides has chosen to continue using the TSA until CRR3 is fully implemented in Bank of Italy Circular No. 288/2015. For a more detailed analysis on operational risk management objectives and policies, please refer to what has already been described in Section 2. Disclosure of risk management objectives and policies (Art. 2 Reg. 2021/637) - Table EU OVA: Institution risk management approach.

Template EU OR2: Business indicator, components and sub-components

		a	b	c	d
	Business indicator (BI) and sub-components	31.12.2025	31.12.2024	31.12.2023	Average value
1	**Interest, lease and dividend component (ILDC)**				366,577
EU 1	**ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3))**				366,577
1a	Interest and lease income	559,599	662,414	644,637	-
1b	Interest and lease expense	(222,889)	(278,394)	(267,678)	-
1c	Total assets/asset component	18,780,728	17,790,681	18,069,498	18,213,636
1d	Dividend income / dividend component	691	752	600	681
2	**Services component (SC)**				-
2a	Fee and commission income	250,790	256,057	235,576	247,474
2b	Fee and commission expense	(16,912)	(14,341)	(49,427)	(26,893)
2c	Other operating income	2,439	5,900	16,556	8,298
2d	Other operating expense	(8,561)	(28,261)	(31,018)	22,613
3	**Financial component (FC)**				19,973
3a	Net profit or loss applicable to trading book (TB)	4,642	3,915	31,322	13,293
3b	Net profit or loss applicable to banking book (BB)	10,023	601	(9,417)	6,681
EU 3c	Approach followed to determine the TB/BB boundary (PBA or accounting approach)				-
4	**Business indicator (BI)**				656,638
5	**Business indicator component (BIC)**				78,797

Disclosure on the BI:

		a
6a	BI gross of excluded divested activities	656,638
6b	Reduction in BI due to excluded divested activities	-
EU 6c	Impact in BI of mergers/acquisitions	14,081

[35] See Art. 16 of Implementing Regulation (EU) 2021/637

15. Disclosure of interest rate risk exposures on positions not included in the trading book[36]

Template EU IRRBB1 - Interest rate risks of non-trading book activities

Economic value sensitivity is calculated by applying interest rate shocks as defined by the EBA guidelines, referring only to the euro currency and applied to the entire portfolio, as other currencies are not relevant:

- parallel upward shock (+200bp);
- parallel downward shock (-200bp);
- steepener shock (fall in short-term rates and rise in long-term rates);
- flattener shock (rise in short-term rates and fall in long-term rates);
- shock up of short-term rates;
- shock down of long-term rates.

The group is structurally exposed to the risk of rising rates from the perspective of a change in economic value.

With regard to the net interest income component, on the other hand, the bank is exposed to the risk of interest rate changes.

Risk exposure remains within the limits defined by prudential supervisory regulations (Circular No. 285 of 2013).

The sensitivity of net interest income is calculated on an annual horizon under constant balance sheet assumptions, starting from the actual repricing date until the end of the simulation period, with the application of regulatory prudential interest rate shocks, only the euro currency is material as other currencies are not relevant:

- parallel upward shock (+200bp);
- parallel downward shock (-200bp);

The table below provides a representation of the change in economic value and net interest income for each rate shock.

	Scenarios	a	b	c	d
		Change in Economic Value		Change in net interest income	
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
1	*parallel upward shock*	(63,849)	(131,994)	22,590	19.523
2	*parallel downward shock*	90,025	89,256	(26,136)	(44,059)
3	*Steepener shock*	(69,037)	(67,341)		
4	Flattener shock	63,392	35.820		
5	*Shock up of short-term rates*	37,171	(10,769)		
6	*Shock down of long-term rates*	(45,745)	(18,983)		

[36] See Art. *16a* of Implementing Regulation (EU) 2021/637

Table EU IRRBBA - Qualitative information on interest rate risk of non-trading book activities

For the purposes of regulatory supervision, the Group uses the calculation methodologies set forth in the reference regulations, Circular No. 285 of 2013 (Part One, Title III, Chapter 1, Annex C and C-bis) and in compliance with the criteria defined by the EBA guidelines (ABE/GL/2022/10).

To determine the exposure to interest rate risk on the banking book, the Group measures the potential impact on both the economic value and the interest margin, considering different scenarios of changes in the level and shape of the yield curve, in accordance with the supervisory regulations and respecting the criteria defined by the EBA guidelines with the application of the minimum floor to the post-shock rate.

Consistent with its membership of Regulatory Class 2, the Group adopts an approach that incorporates certain evolutions from the application of the simplified methodology proposed by Circular No. 285.

The main modelling assumptions refer to the use of management data, performed on the basis of the findings of the internal full evaluation model and the application of a statistical-behavioural model for items without contractual maturity, which was updated in 2025.

16. Remuneration policy disclosure[37]

Qualitative information

Table EU REMA: remuneration policy

a) Information relating to the bodies that oversee remuneration.

The name, composition and mandate of the main body (management body and remuneration committee where established) overseeing the remuneration policy and the number of meetings held by that main body during the financial year are provided below.

BOARD OF DIRECTORS

First and last name	Role
Stefano Lado	Chairman
Alessandro Maria Decio	Chief Executive Officer and General Manager
Graziella Bologna	Director
Paola Bruno	Director
Valentina Casella	Director
Agostino Gavazzi	Director
Gerolamo Gavazzi	Director
Tito Gavazzi	Director
Alessandra Maraffini	Director
Laura Tulli	Director
Folco Trabalza	Director

REMUNERATION COMMITTEE (from 27/04/2023)

Valentina Casella	Chairperson of the Remuneration Committee
Stefano Lado	Member of the Remuneration Committee
Laura Tulli	Member of the Remuneration Committee

Number of meetings in 2025: 10 (some in joint session with the Control and Risk Committee, with the Sustainability Committee and the Appointments Committee).

External consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework

The company Mercer was commissioned by the CEO/GM in 2025 to assist in the preparation of the Report on the Remuneration Policy and Compensation Paid.

Description of the scope of the institution's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries

The Remuneration Policy of the Banco Desio Group applies to the company Banco di Desio e della Brianza S.p.A, parent company of the banking group of the same name, with reference to its employees, taking into account the specific characteristics of their roles and duties, and to the distribution network in line with the remuneration and regulatory specificities applicable to it. Specific provisions contained in the Remuneration Policy apply exclusively to the Group's Key Personnel, identified according to the criteria established by the relevant regulations. Banco Desio, as parent company, ensures that remuneration in the group companies, with specific reference to the subsidiaries, complies with the principles and rules contained in the Group Remuneration Policy, consistent with the specific business sector and the applicable regulatory framework.

[37] See Art. 17 of Implementing Regulation (EU) 2021/637

Description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile

The categories of personnel that have a material impact on the risk profile of the institution are those that are identified annually in accordance with the provisions in force, on the basis of qualitative and quantitative criteria, and correspond, in addition to the members of the Board of Directors, to the Chief Executive Officer/General Manager, the Managers of Head Offices, the heads of control functions and those who hold roles falling within the qualitative and quantitative criteria of the PPR.

b) Information relating to the design and structure of the remuneration system for key personnel. Disclosures shall include:

— **an overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders.**

The 2025 remuneration policy envisages that the remuneration systems adopted are, in the interest of all stakeholders and in compliance with the instructions of the Supervisory Authority, aligned with the strategy and corporate objectives that are sustainable over the long term, linked to the company's results appropriately adjusted to take into account all risks, consistent with the levels of capital and liquidity necessary to cover the activities undertaken and, in any case, such as to avoid incentives that may lead to conflicts of interest and induce excessive risk-taking.

In particular, consistent with the Beyond26 Business Plan, the company has defined the objectives of the incentive system in a way that is closely integrated with the Plan actions from a medium-long term perspective, balancing economic-financial aspects and strategic actions consistent with the Group's social responsibility. In fact, already in 2024, the company implemented - in line with the relevant best practices and with the recommendations of the Corporate Governance Code of Borsa Italiana, which indicate, in particular for management, a performance evaluation period, also multi-year - of a Long-Term Incentive Plan (2024-2026 LTI Plan), intended for the managerial roles of the Group, selected on the basis of the level of the position among the key and non-key personnel, as well as additional personnel identified among the heads of areas and offices, considered fundamental for their respective competences for the implementation and success of the 2024-2026 Strategic Plan. Similarly, with reference to the other incentive systems, the Company is actively pursuing the path of progressively reinforcing sustainability or ESG objectives within the scope of the individual sheets of the short-term incentive system, in accordance with the most recent market relevant best practices and consistent with the commitments undertaken by the Group with the new 2024-2026 Business Plan "beyond 26", characterised by a marked focus on sustainability called "ESG Infusion" that represents Banco Desio's ambition to be recognised by the market, customers and institutions as a leading bank that promotes the transition to a sustainable economy in full respect of environmental, social and good governance values; with particular reference to the roles that deal with investment services, consistent with EBA good practices and in continuity with the process launched last year, the i.e. the definition of specific ESG objectives.

In addition, the Banco Desio Group's remuneration policy also provides for:

- definition of the overall Bonus Pool in service of the variable remuneration based on a "top-down" method, closely correlated to the level of Rorac with respect to the budget, as a further reinforcement of the alignment between the overall variable remuneration system and income results that take into account the risks assumed, in addition to capital strength and liquidity.
- consistently with the Supervisory Provisions, refinement of the "bonus pool" system adopted, by allocating an ad hoc cost component for personnel in control and equivalent functions, not directly linked to the Group's economic-financial performance in order to ensure full independence from the results achieved by the areas subject to control;
- adoption of payout schemes for key personnel, characterised by:
    - extension of the deferral scheme to four years (or five in the case of particularly high variable remuneration);
    - allocation of a portion of the bonus (50% of the up-front component and 50% of the deferred component) in Phantom Shares;
    - adoption of a single materiality threshold ("allowance") of EUR 50,000, for all Group personnel, in line with the limits governed by the Supervisory Provisions (i.e. up to a maximum of EUR 50,000 provided that one third of the total remuneration is not exceeded);

- confirmation of the extension of the incentive system, MBO, to office managers, with a view to linking remuneration with the performance achieved (pay-for-performance) through the structuring of a qualitative/quantitative objective sheet;
- in continuation of the process already started, strengthening of controls in order to ensure the gender neutrality of remuneration policies.

The policy, prepared with the contribution of the corporate functions concerned under the coordination of the Resources Department, was first submitted to the Remuneration Committee, then approved by the Board of Directors and submitted to the Shareholders' Meeting.

— **information on the criteria used for performance measurement and *ex ante* and *ex post* risk adjustment;**

In order to guarantee the sustainability of the system and to ensure that variable remuneration is paid in the event of positive results in terms of profitability and in a context of capital and financial adequacy, the incentive systems - both short-term and long-term - are triggered upon the Group's achievement of certain consolidated targets ("gate" targets in terms of liquidity, capital and profitability), defined in line with the current Risk Appetite Framework (RAF).

At the beginning of the year, criteria were defined for evaluating the performance of individuals, centred on qualitative/quantitative elements, formalised in an objectives sheet divided into an Economic-Financial macro area (Value Creation and Risk Management) and a macro area related to the Activation of the Strategic Plan Guidelines and specific initiatives.

For each KPI, specific targets to be achieved have been assigned in advance and the evaluating body has been identified *ex ante*.

The bonus - also for pursuant to the long-term incentive system - may be reduced, up to zero (*malus*), in the event of disciplinary action or evidence of non-compliance for excessive risk-taking activities, non-compliance with legal or statutory provisions or with the code of ethics, other standards of conduct or violation of internal and/or external regulations resulting in a significant loss (as defined by the Board of Directors) for the Bank or its customers, including the prohibition to use personal hedging or remuneration insurance strategies or other aspects that may alter or affect risk alignment.

The relevant decisions are taken:

- by the Board of Directors, after consulting the Remuneration Committee, with regard to the Chief Executive Officer/General Manager, the heads of the Corporate Control Functions, the Financial Reporting Manager and the Head of the Resources Department;
- by the Chief Executive Officer/General Manager, with the support of the Head of the Resources Department, for the remaining Risk Takers and all other personnel.

The Bank proceeds through clawback actions, in whole or in part, for variable remuneration already paid and the discontinuation of deferred components in the event of evidence within five years of the variable remuneration accrual or payment of the same, of personnel conduct that caused or contributed to:

- violation of codes of ethics or other standards of conduct, and/or internal or external regulations resulting in a significant loss for the Bank or its customers;
- violations of the obligations imposed pursuant to Article 26 or, when the person is an interested party, Article 53(4) et seq. of the Consolidated Banking Act or of remuneration and incentive obligations;
- violations of the rules of the Consolidated Law on Finance concerning remuneration and incentive obligations;
- fraudulent or grossly negligent conduct to the detriment of the Bank;
- as well as conduct resulting in disciplinary measures (ranging from suspension from service to dismissal for just cause or justified subjective reason);
- limited to the Chief Executive Officer/General Manager and to Executives with Strategic Responsibilities, in the event that, following the restatement of the Financial Statements, the satisfaction of the conditions underlying the incentive component (access conditions and/or objectives) is not confirmed.

These provisions are independent of any indemnity or disciplinary profiles and are also activated taking into account the relevant contribution and tax profiles.

Acts and conduct, whether by commission or omission, for which a disciplinary measure of at least suspension from employment for at least one day has been applied, or acts and conduct, whether by commission or omission, of a similar degree of seriousness, even if, for any reason, no disciplinary measure has been applied or no precautionary disciplinary measure is envisaged, are subject to malus and clawback.

In the event of ongoing disciplinary proceedings or potentially unlawful conduct still under investigation, pending the final outcome of the investigation or the conclusion of the disciplinary proceedings, the Bank reserves the right to suspend the payment and/or the vesting period of variable remuneration and/or deferred amounts, pending verification of whether the conditions for the application of clawback clauses or malus criteria are met.

Good and bad leavership cases are also provided for, in order to regulate cases of termination of employment and/or office before the end of the performance period and during the subsequent deferral and/or retention period. In particular, without prejudice to any more detailed rules that may be set out in the ad hoc provisions, and without prejudice in any case to a different decision by the Board of Directors:

(i) In the event of early termination of the employment relationship or early departure from office before the end of the performance measurement period, due to:

- termination of the employment relationship by mutual consent,
- termination of employment due to reaching pension eligibility or access to the extraordinary benefits of the sector Solidarity Fund, or,
- in the event of death or sudden incapacity for work (good leaver),

the beneficiaries shall retain all rights under the Plan on a pro rata temporis basis or, if the termination occurs after the performance measurement period, with respect to the deferred and/or retained portions;

(ii) In all cases of termination of employment or office other than those indicated above (bad leaver), the beneficiaries shall forfeit all rights in relation to the Plan, including any deferred and/or retained shares not yet paid, and they shall not be entitled to receive any remuneration or compensation on any grounds whatsoever from the Company.

The same clauses are set out – with the necessary adjustments – for the 2024–2026 long-term incentive scheme (2024–2026 LTI).

— **whether the management body or the remuneration committee where established reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration;**

The Remuneration policy was reviewed and updated in 2025, although it was drafted in substantial continuity with the 2024 policy. In light of a stable regulatory environment compared to last year, the changes made for 2025 were mainly aimed at supporting the achievement of the strategic plan objectives and strengthening the attraction and retention of the group's personnel.

The 2025 Remuneration Policy was also supplemented with an additional safeguard: on the date on which the conditions for the opening of the gates are assessed, if the Risk Management Department identifies a failure (a "breach") to meet the Risk Tolerance threshold (the ceiling for leverage transactions) for at least one of the following RAF indicators:

- interest rate area: Economic Value
- Market area: Notional value of the total bond portfolio
- Operational risk area: total operational losses / Business Indicator proxy, net operational losses from material events / Business Indicator proxy
- Credit Risk area: Utilisation by AIRB rating class in the upper tier / AIRB performing loan portfolio
- Leverage transactions: leverage transactions (EUR million)
- Asset Quality area: NPL coverage, net impaired loans/net loans, performing–impaired loan flow/gross performing loans (t-1)
- Non-financial: reputational risk, money laundering and terrorist financing risk, cyber risk

The Board of Directors has the power to make decisions regarding the reduction of the bonus pool – for the purposes of risk adjustment – up to a maximum of 20%.

— **Information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee;**

The personnel of the control functions, with particular reference to the key personnel, receive a fixed remuneration of an adequate amount, such as to compensate for the limitation of variable remuneration attributable, in relation to performance, which in any case must be independent from parameters linked to profitability (for these personnel, in fact, the profitability gate is limited to a positive economic result and there are no indicators linked to the controlled activities within the individual objectives sheet). In addition, for this category of personnel, the Bank has defined target bonus percentages that are more prudent than the supervisory limits.

— **policies and criteria applied for the award of guaranteed variable remuneration and severance payments**

No sums were planned or paid as guaranteed variable remuneration.

The Banco Desio Group adopts the following criteria for determining the remuneration to be granted in the event of early termination of employment or early departure from office:

A) for Key Personnel

- the limit on remuneration is set at 2 years of fixed remuneration. For personnel hired under employment contracts, any compensation for termination of employment within the above-mentioned limits is to be understood as supplementing the indemnity in lieu of notice and replacing possible additional applications governed by the CCNL;
- the total amount disbursed to an individual staff member may in no case exceed the limit of EUR 1.5 million, the amount being subject to claw-back;
- the amount is also determined taking into account the individual's performance and the Bank's liquidity, capital and revenue conditions;
- with reference to professional figures with particularly significant characteristics, such that the termination of the relationship may entail risks, the Bank reserves the right to define, on a case-by-case basis, non-competition agreements (also, "NCA") providing for the recognition of consideration commensurate with the duration and extent of the obligation arising from the agreement itself after the termination of the employment relationship and/or termination of office.

According to current legislation, only the portion of the NCA exceeding the last year of fixed remuneration:

- is counted in the variable/fixed ratio for the last year of employment or tenure;
- is subject to the payment rules laid down in the Remuneration Policy for Key Personnel;
- is linked to individual performance and the bank's risk-adjusted performance, capital and liquidity levels;

the Bank can also recognise amounts agreed as part of an agreement between the Bank and the staff, wherever reached, for the settlement of an actual or potential dispute. In that case, the amount is defined by the following formula:

- 2 months' salary for Risk Takers or 6 months' salary for control functions of the annual global remuneration (gross annual remuneration of the last year with the addition of the average of the amounts paid under the annual incentive scheme, whether up-front or deferred, in the previous two years) multiplied by the number of years of seniority, in any case, without prejudice to the maximum limit of two years and EUR 1.5 million defined by the Shareholders' Meeting. Pursuant to current legislation, this type of remuneration, calculated using the above formula, is not counted in the variable/fixed limit of the last year in office.

The total amount, with the exceptions i) of the portion of the NCA that does not exceed the beneficiary's last year of fixed remuneration ii) for employees only, for the portion that does not exceed any indemnity in lieu of notice, will be paid in the manner provided for the variable remuneration of Risk Taker personnel (deferment, correlation to share performance, malus, clawback) in force at the time of recognition.

Any remuneration disbursed is subject to the same malus and clawback rules provided for variable remuneration; in particular, the Bank shall take action to repay the amounts disbursed in the event of ascertainment, within 5 years from the payment of the immediate or deferred component, of conduct by employees, directors or associates benefiting from the same during the period of employment, in violation of internal or external rules or regulations, resulting in a loss considered "significant" for the Bank, in violation of the conditions and limits for the assumption of risk activities with respect to those who can influence the

management of the Bank and persons connected to it (pursuant to Art. 53 paragraphs 4 et seq. of the TUB), violation of remuneration and incentive obligations and fraudulent and grossly negligent conduct, with reference to Key Managers, in the case of data relating to gates or vesting conditions that later proved to be manifestly incorrect;

B) for the remaining Personnel

- the limit on remuneration is set at 2 years of fixed remuneration. For personnel hired under employment contracts, any compensation for termination of employment within the above-mentioned limits is to be understood as supplementing the indemnity in lieu of notice and replacing possible additional applications governed by the CCNL;
- the total amount disbursed to an individual staff member may in no case exceed the limit of EUR 1.5 million, the amount being subject to claw-back;
- amounts agreed in view of or on the occasion of the early termination of employment are included in the calculation of the incidence of the variable remuneration with respect to the fixed remuneration for the last year of employment or tenure, with the exception of amounts agreed and recognised in the context of an agreement between the bank and the staff, wherever reached, for the settlement of an actual or potential dispute defined according to the following formula: 2 months' annual global remuneration (gross annual remuneration for the last year plus the average of the amounts paid as a monetary incentive component over the last two years) multiplied by the number of years of seniority. This amount is in any case contained within the maximum amount defined by the Shareholders' Meeting (EUR 1.5 million).

With reference to professionals with particularly significant characteristics, such that the termination of the relationship may give rise to risks, the Bank reserves the right to define, on a case-by-case basis, in view of or in connection with the termination of the employment relationship, non-competition agreements ("NCA") providing for the payment of a consideration commensurate with the duration and extent of the obligation arising from the agreement itself after the termination of employment and/or termination of office. According to current legislation, only the portion of the NCA exceeding the last year of fixed remuneration:

- is counted in the variable/fixed ratio for the last year of employment or tenure, taking into account the maximum limit of 1:1;
- is linked to individual performance and the bank's risk-adjusted performance, capital and liquidity levels;
- any remuneration disbursed is subject to the same malus and claw-back rules provided for variable remuneration; in particular, the Bank shall take action to repay the amounts disbursed in the event of ascertainment, within 5 years from the payment of the immediate or deferred component, of conduct by employees, directors or associates benefiting from the same during the period of employment, in violation of internal or external rules or regulations, resulting in a loss considered "significant" for the Bank, in violation of the conditions and limits for the assumption of risk activities with respect to those who can influence the management of the Bank and persons connected to it (pursuant to art. 53 paragraphs 4 et seq. of the TUB), violation of remuneration and incentive obligations and fraudulent and grossly negligent conduct, with reference to Executives with Strategic Responsibilities, in the case of data relating to gates or vesting conditions that later proved to be manifestly incorrect.

This is without prejudice to the provisions of Circular 285 paragraph 2.2.3 "Derogations" point 1 regarding redundancy incentives.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration

The Bank's incentive system is structured in such a way that the determination of variable remuneration takes into account current and future risks through various mechanisms, all defined in compliance with the risk profile defined by the Risk Appetite Framework.

First of all, variable remuneration for both the "key personnel" and the remaining personnel is only paid if the conditions for access to the system are met ("gate" targets).

To this end, the risk indicators taken into account are the main indicators relating to capitalisation and liquidity, which, fully consistent with the Bank's Risk Appetite Framework, must be at a level at least equal to the tolerance threshold defined for each of them.

More specifically, the CET1 and Total Capital Ratio, as regards capitalisation, and the Liquidity Coverage Ratio (LCR) and the internal Structural Liquidity Ratio, as regards liquidity, are considered.

Furthermore, on the date on which the gateway conditions are assessed, if the Risk Management Department identifies a failure (a "breach") to meet the Risk Tolerance threshold (the ceiling for leveraged transactions) for at least one of the following RAF indicators:

- interest rate area: Economic Value;
- Market area: Notional value of the total bond portfolio;
- Operational risk area: total operational losses / Business Indicator proxy, net operational losses from material events / Business Indicator proxy;
- Credit Risk area: Utilisation by AIRB rating class in the upper tier / AIRB performing loan portfolio;
- Leverage Transactions (EUR million);
- Asset Quality area: NPL coverage, net impaired loans/net loans, performing–impaired loan flow/gross performing loans (t-1);
- Non-financial: reputational risk, money laundering and terrorist financing risk, cyber risk.

The Board of Directors has the power to make decisions regarding the reduction of the bonus pool – for the purposes of risk adjustment – up to a maximum of 20%.

In addition to this, as regards the calculation of the bonuses of the Most Relevant Personnel of the Parent Company, excluding the control functions, the system adopted by the Bank provides for a "top-down" approach to the definition of the overall Bonus Pool, closely correlated to the level of Rorac with respect to the budget, as a further reinforcement of the alignment between the overall variable remuneration system and income results that take into account the risks assumed, in addition to capital strength and liquidity.

In fact, the incentive system is only activated if a Rorac level of at least 80% of the budgeted Rorac target is achieved and, if this condition is met, the bonus pool for the key personnel is determined according to the Rorac achieved according to a predetermined correlation.

d) The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.

The remuneration policy defined by the Group for the key personnel provided for a ratio of 1:1 between the fixed and variable components of remuneration for the key personnel not belonging to control functions, while for staff belonging to control functions the limit was set at a ratio of 1/3.

For the "remaining personnel" the remuneration policy sets a limit of the monetary incentive component payable of 40% of the fixed remuneration. The entire variable remuneration must, however, be within the maximum limit of 1:1.

e) Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration. Disclosures shall include: - an overview of main performance criteria and metrics for institution, business lines and individuals; - an overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance - information on the criteria used to determine the balance between the different types of instruments awarded including shares, equivalent ownership interest, options and other instruments; - information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining "weak" performance metrics.

The remuneration system is closely linked to performance. In particular:

- it is activated first and foremost upon the achievement by the Group of certain consolidated targets ("gate" targets of liquidity, equity and profitability);
- for the "key personnel", excluding control functions, provides for a bonus pool that may vary (both upwards and downwards) depending on the achievement of targets in terms of the ratio of Adjusted

Net Result to Absorbed Capital (RORAC), thus closely linking the Group's risk-adjusted results and the bonus paid; the system only activates at a level of RORAC equal to at least 80% of budgeted RORAC;

- for the remaining personnel, provides for the identification of a bonus pool calculated as a percentage of pre-tax profit (with a view to self-financing);
- provides for an objectives sheet that balances value creation and risk management objectives and objectives related to plan actions and sustainable value creation for the various stakeholders, with a minimum individual performance threshold to qualify for the bonus of 80%;
- for the key personnel, the system provides for a deferral of 40% of the accrued bonus over 4 years (rising to 60% over 5 years in the case of particularly high variable remuneration for senior management roles); the related payment is subject to equity, liquidity and profitability conditions and linked to share price performance. The balance of variable remuneration between the portion paid in cash and the portion paid in financial instruments is ensured by the correlation provided for by the system between the amounts paid in phantom shares and the performance of the ordinary share, by virtue of an indexing mechanism.

f) Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance. Disclosures shall include: - an overview of the institution's policy on deferral, payout in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff; - information of the institution' criteria for ex post adjustments (*malus* during deferral and clawback after vesting, if permitted by national law); - where applicable, shareholding requirements that may be imposed on key personnel.

Once the amount of the bonus has been defined, within the limits and according to the defined targets, and taking into account the total bonus pool accrued, it is paid, in accordance with the provisions of the relevant regulations, according to the following scheme.

T Year in which the bonus accrued		t + 1 (upfront)	t + 2	t + 3	t + 4	t + 5	Tot.
Allocation	Cash	30%			10%	10%	50%
	Phantom Shares subject to maintenance	30%	10%	10%			50%

Payout	Cash	30%			10%	10%	50%
	Phantom Shares actually available		30%	10%	10%		50%

Malus conditions for deferred quotas	Subject to gate verification FY t+1: -Capital -Liquidity -Consolidated adjusted profit from continuing operations before tax	Subject to gate verification FY t+2: -Capital -Liquidity -Consolidated adjusted profit from continuing operations before tax	Subject to gate verification FY t+3: -Capital -Liquidity -Consolidated adjusted profit from continuing operations before tax	Subject to gate verification FY t+4: -Capital -Liquidity -Consolidated adjusted profit from continuing operations before tax

In the case of particularly high variable remuneration (for the three-year period 2025-2027 equal to EUR 436,000), the following scheme applies for "senior management" roles:

T Year in which the bonus accrued		t + 1 (upfront)	t + 2	t + 3	t + 4	t + 5	T + 6	Tot.
Allocation	Cash	20%			5%	5%	15%	45%
	Phantom Shares subject to maintenance	20%	15%	10%	10%			55%

Payout	Cash	20%			5%	5%	15%	45%
	Phantom Shares actually available		20%	15%	10%	10%		55%

Malus conditions for deferred quotas	Subject to gate verification FY t+1: -Capital -Liquidity -Consolidated adjusted profit from continuing operations before tax	Subject to gate verification FY t+2: -Capital -Liquidity -Consolidated adjusted profit from continuing operations before tax	Subject to gate verification FY t+3: -Capital -Liquidity -Consolidated adjusted profit from continuing operations before tax	Subject to gate verification FY t+4: -Capital -Liquidity -Consolidated adjusted profit from continuing operations before tax	Subject to gate verification FY t+5: -Capital -Liquidity -Consolidated adjusted profit from continuing operations before tax

The deferred shares, both cash and in financial instruments (Phantom Shares38), are paid provided that the liquidity and capital gates have been opened and that there has been a positive result with reference to the financial statements of the year preceding the year of verification.

Both schemes also provide:

- that the Phantom Shares component is subject to a Retention Period of 1 year commencing, for the upfront portion, from the date of allotment and, for the deferred portion, from the end of the deferral period during which the Phantom Shares are not allocated.
- malus and clawback clauses (described below).

Finally, the incentive system is subject, as for the variable components of the remaining key personnel, to malus and clawback clauses.

In addition to the malus clauses reported in the payout tables, the bonus - also pursuant to the long-term incentive system - may be reduced, up to zero (*malus*), in the event of disciplinary action or evidence of non-compliance for excessive risk-taking activities, non-compliance with legal or statutory provisions or with the code of ethics, other standards of conduct or violation of internal and/or external regulations resulting in a significant loss (as defined by the Board of Directors) for the Bank or its customers, including the prohibition to use personal hedging or remuneration insurance strategies or other aspects that may alter or affect risk alignment.

The relevant decisions are taken:

- by the Board of Directors, after consulting the Remuneration Committee, with regard to the Chief Executive Officer/General Manager, the heads of the Corporate Control Functions, the Financial Reporting Manager and the Head of the Resources Department;
- by the Chief Executive Officer/General Manager, with the support of the Head of the Resources Department, for the remaining Risk Takers and all other personnel.

The Bank proceeds through clawback actions, in whole or in part, for variable remuneration already paid and the discontinuation of deferred components in the event of evidence within five years of the variable remuneration accrual or payment of the same, of personnel conduct that caused or contributed to:

- violation of codes of ethics or other standards of conduct, and/or internal or external regulations resulting in a significant loss for the Bank or its customers;
- violations of the obligations imposed pursuant to Article 26 or, when the person is an interested party, Article 53(4) et seq. of the Consolidated Banking Act or of remuneration and incentive obligations;
- violations of the rules of the Consolidated Law on Finance concerning remuneration and incentive obligations;
- fraudulent or grossly negligent conduct to the detriment of the Bank;
- as well as conduct resulting in disciplinary measures (ranging from suspension from service to dismissal for just cause or justified subjective reason);
- limited to the Chief Executive Officer/General Manager and to Executives with Strategic Responsibilities, in the event that, following the restatement of the Financial Statements, the satisfaction of the conditions underlying the incentive component (access conditions and/or objectives) is not confirmed.

These provisions are independent of any indemnity or disciplinary profiles and are also activated taking into account the relevant contribution and tax profiles.

Acts and conduct, whether by commission or omission, for which a disciplinary measure of at least suspension from employment for at least one day has been applied, or acts and conduct, whether by commission or omission, of a similar degree of seriousness, even if, for any reason, no disciplinary measure has been applied or no precautionary disciplinary measure is envisaged, are subject to malus and clawback.

In the event of ongoing disciplinary proceedings or potentially unlawful conduct still under investigation, pending the final outcome of the investigation or the conclusion of the disciplinary proceedings, the Bank reserves the right to suspend the payment and/or the vesting period of variable remuneration and/or deferred

[38] Means a unit representing the value of a Share that will be converted into a cash Award according to the price of the Share on a given date, on the terms and conditions set out in this Plan.

amounts, pending verification of whether the conditions for the application of clawback clauses or malus criteria are met.

Nothing set out herein shall be construed as precluding, excluding or in any way limiting the Bank's rights and claims in respect of compensation, indemnification or liability.

Good and bad leavership cases are also provided for, in order to regulate cases of termination of employment and/or office before the end of the performance period and during the subsequent deferral and/or retention period. In particular, without prejudice to any more detailed rules that may be set out in the ad hoc provisions, and without prejudice in any case to a different decision by the Board of Directors:

(i) In the event of early termination of the employment relationship or early departure from office before the end of the performance measurement period, due to:

- termination of the employment relationship by mutual consent,
- termination of employment due to reaching pension eligibility or access to the extraordinary benefits of the sector Solidarity Fund, or,
- in the event of death or sudden incapacity for work (good leaver),

the beneficiaries shall retain all rights under the Plan on a pro rata temporis basis or, if the termination occurs after the performance measurement period, with respect to the deferred and/or retained portions;

(ii) In all cases of termination of employment or office other than those indicated above (bad leaver), the beneficiaries shall forfeit all rights in relation to the Plan, including any deferred and/or retained shares not yet paid, and they shall not be entitled to receive any remuneration or compensation on any grounds whatsoever from the Company.

The same clauses are set out – with the necessary adjustments – for the 2024–2026 long-term incentive scheme (2024–2026 LTI).

g) The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR. Disclosures shall include: - information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non cash-instruments, options and other instruments.

The variable remuneration components are balanced between a part (50%) paid in cash and a part (50%) paid in phantom shares.

The number of Phantom Shares accrued and thus allocated is determined on the basis of the ratio between:

- the portion of the Award to be paid in Phantom Shares
- the average Share price established in the four weeks preceding the date of the Shareholders' Meeting approving the Group's consolidated results for the year 2025.

The cash countervalue of the Phantom Shares at the end of the Retention Period is defined as the simple arithmetic average of the official prices of the Bank's Shares recorded in the four weeks preceding the date of the Shareholders' Meeting approving the Group's results for the year preceding the payment.

Phantom Shares do not accrue dividends.

With regard to the definition of individual objectives, in order to link the bonuses accrued also to the performance and objectives achieved at the level of the company function and individually, each staff member concerned receives an annual target sheet including individual qualitative-quantitative objectives.

The objectives sheets are structured into quantitative (value creation and risk management) and qualitative (strategic plan guidelines and initiative implementation) strategic performance areas, in order to balance qualitative and quantitative elements and ensure a medium- to long-term perspective.

h) Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management.

See tables below.

i) Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR. - For the purposes of this point, institutions benefiting from such a waiver shall indicate whether it is based on Article 94(3)(a) and/or (b) of the CRD. They shall also indicate to which of the remuneration principles they apply the waiver(s), the number of staff members benefiting from the waiver(s) and their total remuneration, broken down into fixed and variable remuneration.

The remuneration policy defined by the Group for 2025 has made provision for a single materiality threshold of EUR 50,000, in correspondence with which variable remuneration is paid in cash, up-front, without deferral.

The exemption in question is based on Article 94(3)(b).

The members of the key personnel to whom the rule was applied amounted to 11 for fixed and variable remuneration as shown below:

Derogation for application of materiality threshold	
Number of Key Personnel for which the derogation applied	11
Fixed remuneration	EUR 1,462,939
Variable remuneration	EUR 334,840

Note: Table drawn up in euro units

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Quantitative Information[39]

Template EU REM1: Remuneration awarded for the financial year

			a	b	c	d
			MB - strategic supervisory function	MB - management function	Other senior management	Other key personnel
1	Fixed remuneration	Number of key personnel	17	5	8	11
2		**Total fixed remuneration**	1,535,778	1,411,328	1,673,792	1,720,349
3		Of which in cash	1,535,778	1,354,934	1,575,111	1,632,010
4		(Not applicable in the EU)				
EU-4a		Of which shares or equivalent ownership interest				
5		Of which share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which other instruments				
6		(Not applicable in the EU)				
7		Of which other forms		56,394	98,681	88,339
8		(Not applicable in the EU)				
9	Variable remuneration	Number of key personnel		2	7	11
10		**Total variable remuneration**		491,405	473,989	469,371
11		Of which in cash		245,701	256,358	382,739
12		Of which deferred		98,282	87,054	34,652
EU-13a		Of which shares or equivalent ownership interest				
EU-14a		Of which deferred				
EU-13b		Of which share-linked instruments or equivalent non-cash instruments		245,704	217,631	86,632
EU-14b		Of which deferred		98,282	87,054	34,652
EU-14x		Of which other instruments				
EU-14y		Of which deferred				
15		Of which other forms				
16		Of which deferred				
17	**Total remuneration (2+10)**		**1,535,778**	**1,902,733**	**2,147,781**	**2,189,720**

[39] The tables in this section are drawn up in euro units.

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Template EU REM2: Special payments to staff whose professional activities have a material impact on institutions' risk profile (key personnel)

		a	b	c	d
		MB - strategic supervisory function	MB - management function	Other senior management	Other key personnel
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of Key Personnel				
2	Guaranteed variable remuneration awards - Total amount				
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of Key Personnel			1	
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount			23,501	
	Severance payments awarded during the year				
6	Severance payments awarded during the financial year - Number of Key Personnel				
7	Severance payments awarded during the year - Total amount				
8	Of which paid during the financial year				
9	Of which deferred				
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				
11	Of which highest payment that has been awarded to a single person				

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Template EU REM3: Deferred remuneration

		a	b	c	d	e	f	EU-g	EU-h
	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	**MB - strategic supervisory function**								
2	Cash-based								
3	Shares or equivalent ownership interests								
4	Share-linked instruments or equivalent non-cash instruments								
5	Other instruments								
6	Other forms								
7	**MB - management function**	**736.261**	**49.753**	**686.509**	**-**	**-**	**65.998**	**115.750**	**-**
8	Cash-based	343.467		343.467					
9	Shares or equivalent ownership interests								
10	Share-linked instruments or equivalent non-cash instrument	392.794	49.753	343.042			65.998	115.750	
11	Other instruments								
12	Other forms								
13	**Other senior management**	**292.328**	**25.264**	**267.064**	**-**	**-**	**33.514**	**58.778**	**-**
14	Cash-based	146.164		146.164					
15	Shares or equivalent ownership interests								
16	Share-linked instruments or equivalent non-cash	146.164	25.264	120.900			33.514	58.778	
17	Other instruments								
18	Other forms								
19	**Other key personnel**	**203.496**	**13.608**	**189.888**	**-**	**-**	**18.055**	**31.663**	**-**
20	Cash-based	101.748		101.748					
21	Shares or equivalent ownership interests								
22	Share-linked instruments or equivalent non-cash	101.748	13.608	88.140			18.055	31.663	
23	Other instruments								
24	Other forms								
25	**Total amount**	**1.232.085**	**88.625**	**1.143.461**	**-**	**-**	**117.567**	**206.191**	**-**

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Template EU REM4: Remuneration of 1 million EUR or more per year

		a
	EUR	Key Personnel that are high earners as set out in Article 450(i) CRR.
1	From 1 000 000 to below 1 500 000	1
2	From 1 500 000 to below 2 000 000	-
3	From 2 000 000 to below 2 500 000	-
4	From 2 500 000 to below 3 000 000	-
5	From 3 000 000 to below 3 500 000	-
6	From 3 500 000 to below 4 000 000	-
7	From 4 000 000 to below 4 500 000	-
8	From 4 500 000 to below 5 000 000	-
9	From 5 000 000 to below 6 000 000	-
10	From 6 000 000 to below 7 000 000	-
11	From 7 000 000 to below 8 000 000	-

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Template EU REM5: Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (key personnel)

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
		MB - strategic supervisory function	MB - management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of Key Personnel	**17**	**5**	**22**	**-**	**9**	**1**	**4**	**5**	**-**	**41**
2	Of which: members of the MB	17	5	22	-	-	-	-	-	-	**22**
3	Of which: other senior management	-	-	-	-	3	1	4	-	-	**8**
4	Of which: other Key Personnel	-	-	-	-	6	-	-	5	-	**11**
5	Total remuneration of Key Personnel	**1,535,778**	**1,902,733**	**3,438,511**	**-**	**1,950,129**	**347,560**	**1,147,306**	**892,505**	**-**	**4,337,500**
6	Of which: variable remuneration		491,405	491,405	-	461,024	100,048	249,387	132,901	-	**943,360**
7	Of which: fixed remuneration	1,535,778	1,411,328	2,947,106	-	1,489,105	247,512	897,919	759,604	-	**3,394,140**

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17. Disclosure on encumbered and unencumbered assets[40]

Template EU AE1 - Encumbered and unencumbered assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	**Assets of the reporting institution - 31/12/2025**	**4,868,696**	**849,788**	**-**	-	**13,872,048**	**3,118,847**	-	-
030	Equity instruments	-	-	-	-	214,497	5,747	214,497	5,747
040	Debt securities	1,018,546	849,788	995,954	821,678	3,308,903	2,479,373	3,298,557	2,426,191
050	of which covered bonds	-	-	-	-	14,202	-	14,374	-
060	of which securitisations	79,998	-	80,525	-	25,862	-	25,277	-
070	of which issued by general governments	849,788	849,788	821,678	821,678	2,527,324	2,453,201	2,509,351	2,435,808
080	of which issued by financial corporations	156,059	-	160,874	-	732,764	-	738,686	-
090	of which issued by non-financial corporations	9,868	-	9,601	-	58,365	26,176	57,088	25,420
120	Other assets	3,850,150	-	-	-	10,348,648	752,687	-	-
	Assets of the reporting institution - 31/12/2024	**5,522,521**	**1,030,863**	**-**	**-**	**12,666,311**	**2,979,322**	**-**	**-**

[40] See Art. 18 of Implementing Regulation (EU) 2021/637

Template EU AE2: Collateral received and own debt securities issued

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
				Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
130	**Collateral received by the disclosing institution**	**-**	**-**	**245,086**	**-**
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	-	-
160	Debt securities	-	-	245,086	-
170	*of which covered bonds*	-	-	-	-
180	*of which securitisations*	-	-	-	-
190	*of which issued by general governments*	-	-	232,770	-
200	*of which issued by financial corporations*	-	-	-	-
210	*of which issued by non-financial corporations*	-	-	-	-
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	**Own debt securities issued other than own covered bonds or securitisations**	-	-	3,666	-
241	**Own covered bonds and securitisation issued and not yet pledged**			**-**	**-**
250	**TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED AS AT 31/12/2025**	**4,868,696**	**849,788**		
	TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED AS AT 31/12/2024	**5,522,521**	**1,030,863**		

Template EU AE3: Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	**Carrying amount of selected financial liabilities as at 31/12/2025**	**3,878,857**	**4,768,703**
	Carrying amount of selected financial liabilities as at 31/12/2024	**4,297,977**	**5,400,219**

Table EU AE4: Accompanying narrative information

The Group may pledge a portion of its assets as collateral for the following purposes:

- secured financing transactions;
- access to central bank instruments;
- guarantee contracts;
- collateral provided in clearing systems.

The types of encumbered assets consist of debt securities and receivables on the balance sheet. Debt securities, mainly Italian government bonds, are used as collateral to raise funds in the short and medium term.

The receivables, which represent approximately 79.1% of the pledged assets, are pledged as collateral for the following operations:

- covered bond issues on the market;
- access to other forms of financing from institutional clients.

18. Glossary

ABS (Asset Backed Securities)	Debt securities, generally issued by a Special Purpose Vehicle (SPV), which are backed by portfolios of assets of various types (mortgages, consumer loans, receivables from credit card transactions, etc.) and which are intended solely for the satisfaction of the rights embedded in the financial instruments themselves. Repayment of principal and payment of interest are conditional on the performance of the securitised assets and any additional collateral supporting the transaction. ABS securities are divided into different tranches (senior, mezzanine, junior) according to their priority in the repayment of principal and interest.
AIRB (Advanced Internal Rating Based)	Method involving the estimation by the financial intermediary of all major risk parameters (in particular PD, LGD, EAD, defined below) used in the risk-weight formulae for the calculation of the regulatory minimum requirement for credit risk.
ALM (Asset & Liability Management)	Integrated asset-liability management process (cash and unsecured exposures, including derivative positions) designed to ensure the management of financial risk exposure consistent with risk objectives and limits, as well as the optimisation of the intermediary's risk-return profile.
AQR (Asset Quality Review)	Review of asset quality. It is a general control promoted by the European Central Bank, whose objective is to verify the soundness of the major European banking institutions, increase the transparency of the balance sheets of significant banks, stimulate the necessary corrective action on balance sheets and restore investor confidence by following harmonised European criteria and methodologies.
AT1 (Additional Tier 1)	Additional Tier 1 Capital is a lower quality component of regulatory capital than Common Equity Tier 1 Capital and contributes with the latter to the calculation of Tier *1* Capital and the corresponding ratio. It is represented in particular by the "new" hybrid securities (and related issue premiums), which are characterised by a more pronounced loss-absorbing capacity - as much in a going concern situation as a liquidation situation - compared to traditional innovative instruments.
BIA (Basic Indicator Approach)	Method for determining the capital requirement for operational risk, based on a single regulatory ratio (15%) applied to net banking income supplemented by other operating income and adjusted for certain components (realised gains and losses on the sale of securities not included in the trading book, income from extraordinary or irregular items and income from insurance).
Business Continuity	Operational continuity. An approach that, starting from the identification of critical business processes, defines for each of them organisational safeguards and business continuity measures commensurate with their risk levels. The concrete measures to be taken, aimed at reducing the damage resulting from accidents or catastrophes that directly or indirectly affect an intermediary to a level deemed acceptable, take into account the standards and best practices defined at international level and/or defined within the framework of professional bodies.
Cash Flow Hedge	Hedging of exposure to the risk of cash flow variability, with the objective of stabilising the cash flows of the hedged instrument with the flows of the hedging instrument. The items that can be hedged are future cash flows from different types of transactions, such as variable-rate financial receivables and variable-rate loans.
CET1 (Common Equity Tier 1)	Common Equity Tier 1 capital, composed of paid-in capital, capital instruments that meet the requirements of the regulations (Articles 28 and 29 of the CRR), related share premium accounts and revenue reserves, net of treasury shares in portfolio, goodwill, other intangible assets and the excess of total value adjustments over expected losses.
CFRP (Contingency Funding Recovery Plan)	A plan that allows the identification of intervention strategies in the event of liquidity tension, determining the external or internal nature of tension situations and defining the specific competences and responsibilities of corporate functions in emergency situations. It is approved by the Parent Company's Board of Directors, reviewed periodically and applied to the legal entities within the scope of liquidity risk monitoring.
Organisational Change Management	Initiatives to evolve the organisational structure, tools and business processes to ensure compliance with prudential supervisory requirements for banks wishing to adopt the advanced A-IRB internal models.
Collateral	Asset pledged as collateral in a financing transaction.
Counterbalancing Capacity	Amount of unencumbered, high quality liquid assets that can be readily converted into cash to meet liquidity needs.
Coverage Ratio	Proportion of the fund associated with the individual balance sheet asset in relation to the nominal value of the claim.
CRD IV (Capital Requirements Directives)	Directive 2014/36/EU of the European Parliament and of the Council of 26 June 2013 on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC.
CRR (Capital Requirements Regulation)	Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012.
CUSIP (Committee on Uniform Securities Identification Procedures)	Nine-character alphanumeric code identifying the type of security and its issuer.

Data Quality (DQ) / DQ process	Quality of data used in business processes, defined in terms of accuracy (absence of systematic bias induced by input data or collection and integration processes), completeness (use of all relevant information) and relevance (usefulness for defined purposes). The data quality process is realised through the use of procedures for collecting, storing and processing data, which must guarantee compliance with high quality standards. The functions involved in the collection of data and production of information are identified, with their respective roles and responsibilities. The planned controls and measures for dealing with missing or unsatisfactory data are defined.
DBPOA (Database of Corporate Operational Losses)	Operational Losses database prepared and updated at company level, where information on detected operational risk events is recorded.
Derecognition	Derecognition of a previously recognised financial asset from the balance sheet (IAS 39).
DIPO (Italian Database of Operational Losses)	Operational Loss database prepared and updated at the consortium level on the basis of periodic reporting of operational loss events by Italian banks participating in the system.
Drive-by - Appraisals	Appraisals aimed at assessing the fairness of the commercial value of real estate. These involve an external inspection of the property and are defined on the basis of data provided by the developer from documents such as preliminary deeds of sale and/or previous purchase deeds and/or original survey.
Duration (Financial Duration)	Financial duration of a bond, expressed in years and defined as the weighted average - for the relevant amounts - of the maturities of the interest and principal payments associated with it. It is an indicator of the interest rate risk to which the security is subject: higher values correspond to a greater exposure of the security to changes in market rates. The indicator decreases as the maturity of the instrument approaches, while it increases if the frequency of coupon payments is reduced. The duration of a portfolio is equal to the weighted average of the durations of the individual securities comprising it.
Duration Gap	Methodology for measuring interest rate risk, based on the calculation of the duration of assets and liabilities, used to quantify the sensitivity of the economic (market) value of assets and liabilities to changes in market interest rates.
EAD (Exposure at Default)	Expected credit exposure at the time of default associated with a generic position, calculated as the sum of the balance sheet draw-down and any available margin weighted by a Credit Conversion Factor (CCF). The latter is obtained from the ratio of the undrawn portion of the credit line that is estimated to be utilised in the event of default to the currently undrawn portion. This factor therefore represents the probability that the unused component is "drawn". This parameter is used to estimate expected loss and RWA in the AIRB approach.
ECAI (External Credit Assessment Institutions)	An entity recognised by the Supervisory Authority that performs credit assessments and issues ratings that can be used by financial intermediaries to calculate the regulatory minimum requirement for credit risk using the standardised methodology.
ECL (Expected Credit Loss)	The amount of loss the bank estimates it will incur on an average financial asset. Expected loss is calculated as required by IFRS9 based on the definition of the staging criteria, i.e. by calculating the 12-month Expected Loss for positions classified within stage 1 and the Expected Loss Lifetime for financial assets classified within stage 2 and stage 3. For stage 1 exposures, the ECL is equal to the product of the one-year class PD (or pool), LGD and EAD risk parameters, while for stage 2 exposures, the PD, LGD and EAD parameters are calculated over the expected life of a financial instrument.
Forborne exposures	Credit exposures for which changes in contractual terms or full or partial refinancing are granted because of the borrower's financial difficulties, which could result in a loss to the lender. In order for the presumption of forbearance to be triggered, positions must have been past due for more than one month at least once in the three months preceding the contractual change, lowering the alarm threshold from the 90 days stipulated in the definition of default.
FVTPL (Fair Value Through Profit or Loss)	Financial instrument (financial asset or liability) measured at fair value with changes recognised in the income statement. The cases envisaged by IFRS9 "Financial Instruments" for the FVTPL accounting classification are: i) held for trading purposes, ii) designated at fair value through profit or loss upon initial recognition, and iii) mandatory measurement at fair value for instruments with cash flow characteristics that are inconsistent with other accounting classifications in the standard.
Going Concern	Context of normal course of business.
G-SII (Global Systemically Important Institutions)	Globally systemic entities.
IAS/IFRS	International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB), a body in which the accounting professions of the major countries as well as the European Union, IOSCO (*International Organisation of Securities Commissions*) and the Basel Committee participate as observers. This body, which took over the legacy of the *International Accounting Standards Committee* (IASC), aims to promote the harmonisation of rules for the preparation of company financial statements. With the transformation of the IASC into the IASB, the decision was taken, among other things, to name the new accounting standards "*International Financial Reporting Standards*" (IFRS).
ICAAP (Internal Capital Adequacy Assessment Process)	"Pillar II" of the Basel prudential supervisory regulations that require banks to have processes and tools in place to determine the level of internal capital adequate to address material risks, including risks other than those addressed by the overall capital requirement ("Pillar I"), as part of a current and prospective

	exposure assessment that takes into account strategies and changes in the reference environment, including under stress conditions.
ICT (Information Communication Technology, Area)	Organisational unit of the Parent Company Banco Desio, classified as an Area responsible for, *inter alia*: (i) managing the arrangements associated with the planning and control of the portfolio of IT projects related to the evolution of architecture and technological innovation, (ii) overseeing the technological infrastructure by implementing the development and innovation of resources related to the operation of IT and telecommunications systems in support of business processes, (iii) ensuring the implementation of the appropriate mechanisms for liaison with the business lines, particularly with regard to the identification and planning of IT initiatives.
Impairment - Financial Assets IFRS9	Financial assets that are not measured at fair value through profit or loss in accordance with IFRS9 "Financial Instruments" are subject to an impairment process, i.e. the determination of the recoverable amount based on a calculation model based on expected losses, determined on the basis of past events, current conditions and reasonable and "supportable" future forecasts (current model based on incurred but unrecorded losses). For the purposes of determining impairment, IFRS9 introduced the segmentation of the loan portfolio into three stages with increasing levels of credit risk (based on the evolution over time) stage 1 for exposures with performance in line with expectations; stage 2 for exposures with performance below expectations or that have experienced a significant increase in credit risk with respect to the time at which they originated (i.e., were purchased); stage 3 for non-performing exposures (exposures with payment irregularities that have become long-lasting, falling into the category of Non-Performing Exposures or NPLs). Forward-looking components, i.e. expected changes in the macroeconomic scenario, are included in the impairment calculation model. The principle provides for an expected loss calculation horizon of one year (stage 1) or lifetime (stages 2 and 3).
Impairment - Assets outside the scope of IFRS9	An impairment situation is identified when the balance sheet value of an asset is higher than its estimated recoverable amount, i.e. the amount that can be obtained by selling or using that asset. For this purpose, an impairment test is periodically conducted, which consists of estimating the recoverable amount (i.e. the higher of its fair value less costs to sell and its value in use) of an asset or group of assets. Intangible assets with an indefinite useful life, goodwill acquired in a business combination and, in general, any asset if there is an indication that it may be impaired must be tested for impairment annually.
Unlikely to pay	Credit exposures, other than non-performing loans, for which the bank considers it unlikely that, without recourse to actions such as the enforcement of collateral, the borrower will meet its credit obligations in full (in principal and/or interest).
ISIN (International Securities Identification Number)	International Securities Identification Code.
ITS EBA (International Technical Standards)	Document published by the EBA containing implementation standards on supervisory reporting with regard to forbearance measures and non-performing exposures.
Key-Risk Indicators	Risk indicators useful for monitoring and risk assessment.
LCR (Liquidity Coverage Requirement)	Regulatory liquidity indicator. It measures the short-term (30-day) liquidity position and is calculated as the ratio of the stock of *High Quality Liquidity Assets* (HQLA) (e.g. government securities) to the net cash flow (cash out- cash in) over the 30-day period, using stress assumptions.
Leverage Ratio	Indicator given by the ratio of Tier 1 to Total Assets, introduced by the Basel regulations with the aim of limiting the increase in leverage in the banking sector, by complementing risk-based requirements with a different metric based on balance sheet aggregates.
LGD (Loss Given Default)	Default loss rate determined as the ratio of the loss incurred on an exposure due to the default of a counterparty to the amount outstanding at the time of default.
LLP (Loan Loss Provision)	Impairment of a loan due to the deterioration of the counterparty's creditworthiness, resulting in an impairment loss recognised as an expense in the income statement and as an increase in the allowance for loan losses. Performing loans are assessed collectively by dividing them into homogeneous risk classes; the relative "collective" impairment is determined by multiplying the three risk parameters PD, LGD and EAD. Non-performing loans, on the other hand, are subject to an analytical assessment, which takes into consideration the presumed possibility of recovery, the expected timing of collection, and outstanding guarantees. The impairment provision associated with the individual position is determined as the difference between the nominal value of the loan and the estimated discounted future recovery flows. In the event that, with the passage of time, the prospects of recovery are revised upwards, or simply brought forward in time, the associated provision for impairment is passed through the income statement as revenue, and is called a write-back.
Loss Data Collection	Structured process for collecting operational losses manifested within the Bank.
LTV (Loan to Value)	Ratio of the amount of the credit to the value of the collateral.
Maturity Gap	Methodology used to assess the exposure of the intermediary's profitability to changes in market interest rates, applied to assets and liabilities sensitive to changes in interest rates and based on the measurement and analysis of the relative deltas or mismatches by maturity.
Rating model	Procedure for classifying each counterparty into risk classes with homogeneous and increasing probabilities of default.
NPLs (Non-Performing Loans)	Receivables for which there is objective evidence of impairment, measured by the difference between the carrying amount and the present value of estimated future cash flows, discounted at the effective

	interest rate. This category includes loans classified as past due (past due/defaulted), unlikely to pay and non-performing loans.
NSFR	liquidity indicator that measures the availability of stable funding; banks are required to maintain a stable or maturing amount of funding beyond 12 months to finance their activities over the long term.
UCITS	Undertakings for Collective Investment in Savings.
Security Financing Transactions (SFT)	Repurchase and reverse repurchase agreements on securities or commodities, securities or commodities lending or borrowing transactions and margin lending.
ORM (Operational Risk Management)	Operational Risk Management Model governing the roles and responsibilities of the functions involved in risk management. It also lays down specific monitoring limits per loss event and on the total amount of gross operational losses reported per year.
O-SII (Other Systemically Important Institutions)	Systemically important entities other than those operating globally (G-SII).
OTC (Over the Counter)	Unregulated securities market where securities are placed, traded or redeemed. The operation of this market, the securities and operators admitted are not subject to the specific regulation and authorisation of the Regulatory Authorities for Regulated Markets and are not registered in the appropriate register. Bargaining arrangements are not standardised and "atypical" contracts are possible. In Italy, OTC markets take the form of Systems of Organised Trading (SSO).
Outsourcer	A supplier of goods or services from outside the Group. Outsourcing contracts provide for appropriate minimum service levels and the right of access to the outsourcer's systems by the supervisory authority.
Rating Override (Manual Rating Intervention)	Possible manual correction of the automatic judgement obtained from a statistical rating model, based on an expert evaluation.
Past Due (Expired or Overdue Exposures)	In accordance with the new definition of default applicable as of 1 January 2021, this group includes all exposures to borrowers (other than those reported as non-performing or unlikely to pay) that, at the reporting date, have claims that are past due or overdue by more than 90 days, with an absolute materiality threshold of EUR 100 for retail exposures and EUR 500 for non-retail exposures and a relative materiality threshold of 1%. Individual exposures past due and/or in arrears must be at Group level.
PD (Probability of Default)	Probability of a counterparty going into default within a one-year time horizon.
PPU (Permanent Partial Use)	Exposures for which the permanent partial use of the standardised approach is envisaged.
Probation Period	Period of time, lasting two years, after which the position with a performing administrative status and previously classified as a forbearance (exposure subject to a concession) may exit the forbearance status.
Product Approval	The Banco Desio Group's operational and decision-making process for defining and approving new products/services and entering new markets, which identifies the operational phases, roles and responsibilities of the corporate bodies and functions involved in various ways.
RAF (Risk Appetite Framework)	A framework that establishes - consistently with the maximum risk that can be taken, the business model and the strategic plan - the risk appetite, tolerance thresholds, risk limits, risk governance policies and the reference processes needed to define and implement them.
Risk Appetite (risk target or risk appetite)	Level of risk (overall and by type) that the bank intends to assume in pursuit of its strategic objectives.
Risk Capacity (Maximum Risk Assumption)	Maximum level of risk that a bank is technically able to take on without breaching regulatory requirements or other constraints imposed by shareholders or the supervisory authority.
Risk Limits	Structuring of risk objectives into defined operational limits, in line with the principle of proportionality, by type of risk, business units and/or lines, product lines and customer types.
Risk Profile (Actual Risk)	Risk actually measured at a given point in time.
Risk Self Assessment	Structured process for assessing potential operational risks aimed at having an overview of risk events in terms of potential and worst-case impact.
Risk Tolerance (Tolerance Threshold)	Maximum deviation from risk appetite allowed. The tolerance threshold is set so as to ensure that the bank has sufficient margins in all cases to operate, even under *stress* conditions, within the maximum risk that can be assumed.
Risk Triggers	Internal or external risk indicators used to detect anomalies and aimed at classifying performing exposures into positions under control, subject to specific monitoring activities.
RWA (Risk Weighted Assets)	Risk-weighted assets. These are on-balance-sheet and off-balance-sheet assets (derivatives and guarantees) that are classified and weighted according to fixed ratios reflecting the different riskiness of the counterparty and the transaction (including in relation to the presence of guarantees), in accordance with prudential supervisory regulations.
Sensitivity Analysis	A method of analysis that quantifies the effects induced on the value of cash flows related to funding or lending operations by changes in input parameters (risk factors).
SMOD (Model Development)	Unit within the outsourcer dedicated to the statistical and quantitative development of internal pool models.
SPV (Special Purpose Vehicle)	A corporate vehicle set up to pursue specific objectives, mainly to isolate financial risks. The assets consist of a portfolio, the proceeds of which are used to service the bonds issued (liabilities). Typically, vehicles are used to manage asset securitisation transactions.

SREP (Supervisory Review Evaluation Process)	Prudential review and assessment process put in place by the Supervisory Authority consisting of three main elements: a Risk Assessment System (RAS), which assesses the risk levels and control activities of credit institutions, a comprehensive review of the ICAAP and ILAAP processes, and a methodology for quantifying capital and liquidity in light of the results of the risk assessment.
T.U.F.	Legislative Decree No. 58/1998 (TUF) of 24 February 1998, Consolidated Law on Financial Intermediation, pursuant to Articles 8 and 21 of Law No. 52 of 6 February 1996.
T1 (Tier 1)	*Tier 1 capital*, represented by the sum of CET1 and AT1.
T2 (Tier 2)	*Tier 2 capital*. A capital measure that primarily includes eligible subordinated liabilities and any excess of value adjustments over expected losses for risk-weighted exposures (for banks authorised to use the AIRB approach).
TC (Total Capital)	Total Own Funds. Overall measure of Group equity given by the sum of the following components: *Common Equity Tier 1 (CET1)*, *Additional Tier 1 (AT1)* and *Tier 2 (T2)*.
TUB (Consolidated Law on Banking and Credit)	Consolidated Law on Banking and Credit (TUB), enacted by Legislative Decree No 385 of 1 September 1993 and in force since 1 January 1994.
Unlikely to Pay	Exposures for which it is considered unlikely that, without recourse to actions such as the enforcement of collateral, the obligor will meet its credit obligations in full.
VAR (Value At Risk)	A risk measure expressing the maximum potential loss that can characterise a portfolio of financial instruments, estimated using the Monte Carlo simulation technique where, given the appropriate assumptions and correlations, by calculating a series of possible revaluations, the value of the portfolio is estimated and, given the vector of expected portfolio returns, the desired percentile of the distribution is determined. The model uses a 95% confidence interval with a time period of 1 day.
What-if - Analysis	Technique used to determine how the projection of *performance* is affected by variations in the assumptions on which these projections are based, judging the likelihood and consequences of the studies performed before they happen. Through the analysis of historical data, it is possible to build predictive systems capable of estimating future results, thus enabling the formulation of certain forecast scenarios with the aim of assessing the behaviour of a real system.

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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 "Pillar 3 of Basel III as at 31 December 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 supplemented[41]

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 "Pillar 3 of Basel III - Disclosures to the public as at 31 December 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, 12 March 2026

[41] 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.