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AMCO - ASSET MANAGEMENT COMPANY

Registered Office: Via San Giovanni sul Muro, 9 - 20121 Milan - Headquarters in Naples: Vico dei Corrieri, 27 - 80132 Naples -
Headquarters in Rome: Via Barberini, 50 - 00187 Rome - Headquarters in Vicenza: Viale Europa, 23 - 36100 Vicenza -
Enrolled in the Register of Financial Intermediaries as per Art. 106, Leg. Decree no. 385/93, section 6, ABI Code no. 12933 Authorized
capital €655,153,674.00 fully paid-in R.E.A. MI - 2504281 C.C.I.A.A. Milano Monza Brianza Lodi C.F. and VAT no. 05828330638

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Corporate
offices and
independent
auditors



1

BOARD OF DIRECTORS¹

| | |
|-------------------------|-------------------------------|
| Chairman | Giuseppe Maresca ² |
| Chief Executive Officer | Andrea Munari |
| Director | Antonella Centra ³ |
| Director | Ezio Simonelli ⁴ |
| Director | Silvia Tossini ⁵ |
| Director | Anna Paola Negri-Clementi |
| Director | Cristina Collura |
| Director | Lucia Foti Belligambi |
| Director | Marco Tutino |

MANAGEMENT CONTROL COMMITTEE⁶

| | |
|----------|-----------------------|
| Chairman | Cristina Collura |
| Member | Lucia Foti Belligambi |
| Member | Marco Tutino |

INDEPENDENT AUDITORS

Deloitte & Touche S.p.A.

MANAGER IN CHARGE OF PREPARING THE COMPANY'S FINANCIAL REPORTS

| | |
|-------------------|-----------------|
| Manager in Charge | Luca Lampugnani |
|-------------------|-----------------|

PARTIES APPOINTED TO CARRY OUT FINANCIAL CONTROL BY THE COURT OF AUDITORS (ITALIAN LAW 259/58)

| | |
|----------------------|--------------------------|
| Principal Appointee | Giuseppe Maria Mezzapesa |
| Substitute Appointee | Vincenzo Liprino |

SUPERVISORY BODY pursuant to Italian Legislative Decree No. 231/2001⁷

| | |
|----------|------------------|
| Chairman | Arturo Betunio |
| Member | Olga Cuccurullo |
| Member | Lorenzo Lampiano |

at the date of approval of the financial statements

¹ Section 3 - "Subsequent events after the reporting date" provides evidence of the changes that have occurred to governance following the resolutions passed by the Shareholders' Meeting (in extraordinary and ordinary session) on December 30, 2024.

² Chairman of the Remuneration and Appointments Committee and member of the Risk and Related Parties Committee (Associated Parties) established by resolution of October 26, 2023 by the Board of Directors.

³ Member of the Remuneration and Appointments Committee.

⁴ Chairman of the Risk and Related Parties Committee (Associated Parties) and member of the Remuneration and Appointments Committee.

⁵ Member of the Risk and Related Parties Committee (Associated Parties)

⁶ Section 3 - "Subsequent events after the reporting date" provides evidence of the changes that have occurred to governance following the resolutions passed by the Shareholders' Meeting (in extraordinary and ordinary session) on December 30, 2024.

⁷ Supervisory Board under extension due to its natural expiration with the approval of the financial statements as of December 31, 2023.



Introduction

2.



AMCO - Asset Management Company S.p.A. (hereinafter also referred to as the "Company" or "AMCO" or "AMCO S.p.A.") is a Financial Intermediary under Article 106 of the Consolidated Banking Law (Testo Unico Bancario - TUB), specialised in the management and recovery of impaired loans.

Controlled by the Ministry of Economy and Finance (MEF), AMCO is a full-service credit management company acting both as a buyer (*debt purchaser*) and as a third-party debt management servicer (*servicer*).

In 1997, AMCO - as an SGA (Asset Management Company)-began to manage difficult to recover receivables and assets acquired by the Banco di Napoli Group in the context of its restructuring; in 2016, it was included in the Single Register of Financial Intermediaries.

In 2018 its scope of activities was expanded due to the acquisition - through the "Veneto Group" and "Vicenza Group" Segregated Estates - of the portfolios of the former Veneto banks⁸ and in 2019 it changed its name to AMCO - Asset Management Company.

In 2020, it participated *in the de-risking* of Banca Monte dei Paschi di Siena (BMPS) by acquiring a compendium of non-performing loans and other assets through a partial demerger of BMPS.

From 2018 to the present day, AMCO has supported both *distressed* banks and significant *de-risking* processes of Italian banks, managing approximately EUR 43 billion in loans from the aforementioned former Veneto and BMPS banks, as well as from Carige, Bari, BPER and Unipol to mention the most relevant cases. In 2019, AMCO also launched Cuvée, the first multi-originator UTP fund in the real estate sector (of which it is servicer).

AMCO operates through a proactive management approach, favouring enhancement strategies in collaboration with customers, also with the disbursement of new loans, creating new opportunities for creditable debtors, both private individuals and businesses.

On the basis of the Articles of Association applicable as of the date of approval of this annual financial report, the corporate purpose of AMCO is as follows:

1. The Company's corporate purpose involves the purchase and management for selling purposes, according to economic criteria, of loans and rights and obligations originating from banks enrolled in the register set forth in Art. 13 of Italian Legislative Decree No. 385 dated 1 September 1993 (hereinafter TUB), by companies belonging to banking groups enrolled in the register set forth in Art. 64 of the TUB and by financial intermediaries enrolled in the register set forth in Art. 106 of the TUB, even if not part of a banking group. The Company may also purchase on the market equity investments and other financial assets, including securitisation securities with underlying loans originated from banks, companies belonging to banking groups and financial intermediaries even if not part of a banking group as well as closed-end investment fund units, reserved for professional investors, set up for the subscription of shares issued by banks or for the subscription and/or purchase of securities issued by companies set up to finance the acquisition of loans originating from banks, companies belonging to banking groups and financial intermediaries even if not part of a banking group, or for direct purchase of such loans. The Company - also through the segregated estates constituted pursuant to Art. 5 of Italian Decree Law No. 99 of 25 June 2017, converted with amendments into Italian Law No. 121 of 31 July 2017, and the revisions of ministerial decrees adopted pursuant to this regulation - will be able to (i) issue loans, in the various forms indicated in Art. 2 of Italian Ministerial Decree No. 53 of 2 April 2015, directly or indirectly, to debtors transferred to the same pursuant to this paragraph or managed by the same pursuant to the subsequent paragraph 2, as well to collective investment schemes or vehicles established to acquire or manage, directly or indirectly, loans and rights and obligations originated by banks, financial intermediaries even if not part of a banking group and

⁸ Veneto Banca S.p.A. in administrative compulsory liquidation and Banca Popolare di Vicenza S.p.A. in administrative compulsory liquidation.

by companies part of banking groups, as long as these loans pursue, also through the interposition of the management platform, the objective of maximising the value of underlying loans (and of any other loans, assets and legal obligations accessory or linked to them); and (ii) exercise the activity of financial leases, as well as operating and hire leases, becoming the assignee of assets and obligations deriving from resolved or ongoing lease agreements, stipulated between third parties, and of the underlying assets, and concluding new lease contracts in order to reallocate the leased assets acquired.

2. The Company also deals with the management of third party judicial and extrajudicial recovery of loans and rights and obligations originating from banks, companies belonging to banking groups and financial intermediaries even if not part of a banking group. In this context, the Company, where it operates on behalf of securitisation companies established pursuant to Italian Law No. 130 of 30 April 1999, will be able to carry out the role of subject mandated to the collection of transferred loans, payments and the verification of the compliance of transactions with the law and the information prospectus, pursuant to Art. 2, paragraphs 6 and 6-bis, of Italian Law No. 130 of 30 April 1999.

3. The activities referred to in paragraphs 1 and 2 of this Article will focus on impaired loans and, ancillary to these, loans that at the time of investment or when they are subsequently taken over are classified as performing. These activities will be carried out in Italy and, in compliance with current legislation and the regulatory rules possibly applicable, abroad.

4. The Company may also invest in synthetic securitisation transactions involving loans originating from banks enrolled in the register pursuant to Art. 13 of Italian Legislative Decree No. 385 of 1 September 1993 (hereinafter TUB), by companies belonging to banking groups enrolled in the register pursuant to Art. 64 of the TUB and by financial intermediaries enrolled in the register pursuant to Art. 106 of the TUB, even if they do not belong to a banking group, or from branches or foreign branches of these entities, provided that the loans involved in the transaction are qualified as "stage 2" according to the current accounting regulations or in any case with a rating assigned by an external credit agency assessment (ECAI) not exceeding a credit rating associated with the creditworthiness class "BB" according to the current supervisory regulations, or equivalent rating assigned by the holder of the credit according to its internal assessment procedures of the credit risk.

5. In order to achieve the corporate purpose, the Company may carry out operations for the management, in any form, divestment and sale of loans and receivables, equity investments and other financial assets; as well as, in furtherance of the company purpose, any other commercial, financial, securities and real estate transactions, in compliance with current regulations. Pursuant to Art. 18, paragraph 3 of Italian Legislative Decree No. 58 of 24 February 1998, the Company can exercise with respect to transferred debtors, in connection with the activities described in paragraph 1 of this article, trading services and activities on its own behalf and order execution services on behalf of clients, in each case limited to derivatives financial instruments.

6. The Company can also issue bonds in compliance with current legislative and statutory provisions. It is for the Board of Directors to decide on the issue of financial instruments other than shares or non-convertible into such. The adoption of a programme to issue financial instruments other than shares or non-convertible into such and aimed at regulated markets, or a single issue of such instruments not realised on the basis of a program authorised by the Shareholders' Meeting, may only be implemented in case of identified financial needs of the Company and with the prior authorisation of the Shareholders' Meeting pursuant to Art. 2364, paragraph 1, No. 5 of the Italian Civil Code.

7. The Company, in its capacity as Parent Company of the AMCO Financial Group, pursuant to Art. 109, paragraph 1 of the TUB, issues, in the exercise of management and coordination, instructions to the members of the Group for the execution of the provisions dictated by the Banca d'Italia".



Corporate structure

3.



In accordance with Article 12 of Italian Law No. 259 of March 21, 1958, as a company almost entirely owned by the Ministry of Economy and Finance, AMCO is subject to financial management control by the Court of Auditors.

As of December 31, 2024, AMCO owns:

- the entire equity investment in the vehicles Tatoonie SPV S.r.l. and Tatoonie LeaseCo S.r.l., acquired on December 19, 2022;
- the entire equity investment in Le Manifatture S.r.l., an operating company, acquired on May 5, 2023 that manages the shopping center complex acquired as part of the Tatoonie securitization transaction.

The corporate structure of AMCO and its subsidiaries as of December 31, 2024 is shown below:

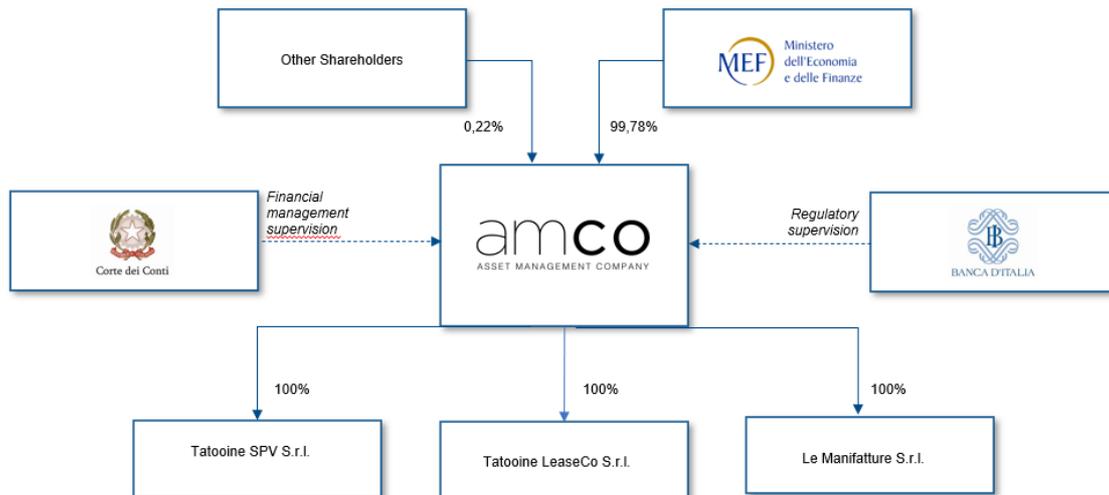


Figure 1 - Company Structure as of December 31, 2024⁹

The fully paid share capital is divided into 600,000,000 ordinary shares with no nominal value, held entirely by the Italian Ministry of Economy and Finance, and 55,153,674 B shares with no nominal value and no voting rights, held by the Italian Ministry of Economy and Finance, by other shareholders and including 18,466 treasury shares in portfolio.

⁹ The percentage held by 'other shareholders' of 0.22% includes both B shares held by other shareholders and treasury shares.



Organisational structure

4.



AMCO's organisational structure as of December 31, 2024 is shown below:

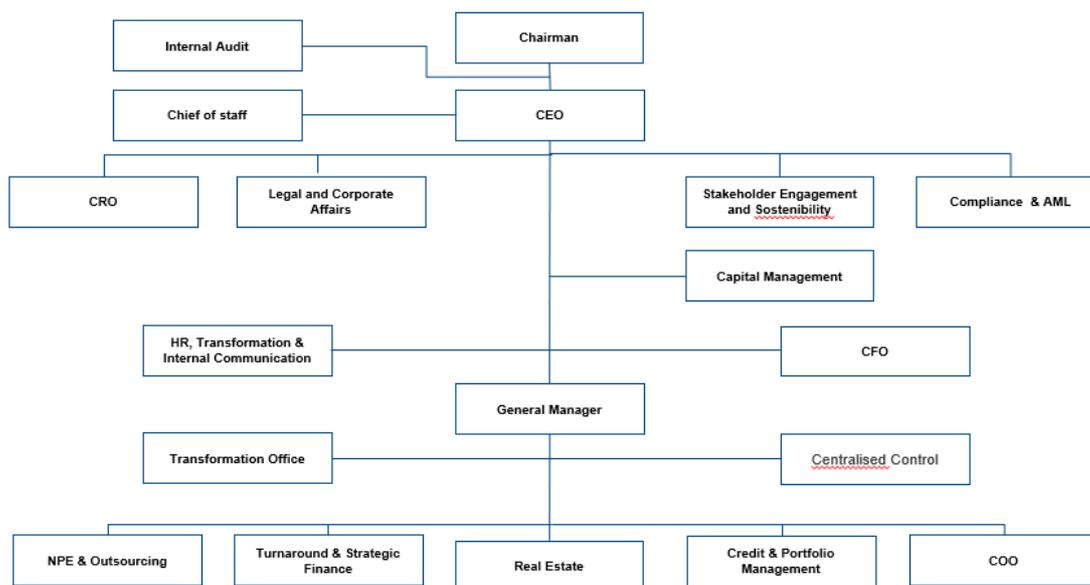


Figure 2 - Organisational structure as of December 31, 2024

As of December 31, 2024, the following activities were outsourced:

- IT system for administrative and accounting management;
- *Servicing* of credit portfolios;
- document management.

In order to prevent the commission of offences from which might derive the administrative liability of entities pursuant to Italian Legislative Decree No. 231/2001, the Company has adopted an Organizational, Management and Control Model, last updated with the resolution of the Board of Directors on October 26, 2022. In compliance with the above-mentioned regulation, the Company has also appointed a Supervisory Board in a collegial composition, whose members have proven experience in financial issues.

The Company, by board resolution on October 19, 2016, also established the figure of "Manager in charge of preparing the Company's Financial Reports," as required by statute and consistent with the change in its shareholding structure (i.e., control by the Italian Ministry of Economy and Finance).

Staff composition

As of December 31, 2024, the number of the Company employees was a total of 444 units, up compared to the correspondent number as of December 31, 2023 (417 units).

As of the same date, there are no coordinated and continuous collaboration contracts in place.

The following table provides the breakdown of the Company's headcount at the end of 2024 by gender, age and working years, job classification and contract type.

| | Senior managers | Middle managers | White-collar workers | Coordinated and continued collaborators (Co.co.co) | Total |
|--------------------------------------|-----------------|-----------------|----------------------|--|------------|
| Men (no.) | 18 | 189 | 51 | - | 258 |
| Women (no.) | 8 | 125 | 53 | - | 186 |
| Total | 26 | 314 | 104 | - | 444 |
| Average age | 52 | 45 | 37 | - | 44 |
| Length of service (average in years) | 4 | 7 | 5 | - | 6 |
| Permanent contract | 26 | 314 | 97 | - | 437 |
| Fixed-term contract | - | - | 7 | - | 7 |

Table 1 - Break-down of personnel as of December 31, 2024

Litigation

There were no litigations outstanding with employees as of December 31, 2024.

Turnover

As for staff *turnover*, recruitment continued during 2024 based on organizational needs mainly related to the implementation of the 2024-2028 Business Plan aimed at strengthening the organizational and operational structure of the Company.

| Permanent contract | 31.12.2023 | Recruitment | Transformation from fixed-term to permanent contract | Resignations, retirements and terminations | Category transitions* | 31.12.2024 |
|----------------------|------------|-------------|--|--|-----------------------|------------|
| Senior managers | 23 | 4 | - | (3) | 2 | 26 |
| Middle managers | 292 | 27 | - | (9) | 6 (2) | 314 |
| White-collar workers | 99 | 8 | 3 | (7) | (6) | 97 |
| Total | 414 | 39 | 3 | (19) | - | 437 |

* 6 promotions from White-collar worker (Professional Area) to Middle manager and 2 promotions from Middle manager to Senior Manager

| Fixed-term contract | 31.12.2023 | Recruitment | Transformation from fixed-term to permanent contract | Resignations, retirements and terminations | Category transitions | 31.12.2024 |
|----------------------|------------|-------------|--|--|----------------------|------------|
| Senior managers | 1 | - | - | (1) | - | - |
| Middle managers | - | - | - | - | - | - |
| White-collar workers | 2 | 10 | (3) | (2) | - | 7 |
| Total | 3 | 10 | (3) | (3) | - | 7 |

Table 2 - Staff *turnover* during 2024

Training

During 2024, the Company, in continuity with previous years, continued to provide training activities both in e-learning mode, to guarantee all staff access to content in a flexible and agile manner, both through training sessions conducted in the classroom and through ad hoc sessions through the *Microsoft Teams* platform. Course content covered diversified topics depending on the target corporate population and training objective.

With reference to compulsory training, the topics mainly covered current legislation, institutional directives and industry-specific regulations:

- Anti-money laundering;
- Italian Legislative Decree 231/2001;
- Anticorruption;

- GDPR - European Personal Data Regulation;
- Conflicts of interest;
- Health and Safety;
- Sustainability Made in AMCO.
- Dedicated ad hoc training campaigns were also launched as part of mandatory training: specifically, a course on *Cyber Security* for the entire corporate population and a course on fraud prevention in the company, dedicated to *Business Departments*.
- During the year, training sessions were organized for employees to develop technical skills (such as, updates on industry regulations, language training, etc.) and soft skills (such as *people management, public speaking, time management, conflict management, etc.*).
- The total training hours carried out in 2024 were 15,540, broken down as follows:

| Training hours | Senior managers | Middle managers | White-collar workers | Total |
|----------------------|-----------------|-----------------|----------------------|---------------|
| Permanent employees | 915 | 11,338 | 3,171 | 15,424 |
| Fixed-term employees | - | - | 116 | 116 |
| Total | 915 | 11,338 | 3,287 | 15,540 |

Table 3 - Staff training as at 31 December 2024

Health and safety

Sick leave, accident and maternity leave days in the year 2024 amounted to 2,303 days for all staff in the year 2024.

| Sick leave, accident and maternity leave days | Sick leave | Accident | Maternity leave | Total |
|---|--------------|-----------|-----------------|--------------|
| Permanent contract | 1,561 | 88 | 603 | 2,252 |
| Fixed-term contract | 42 | - | - | 42 |
| Part-time contract | 9 | - | - | 9 |
| Total | 1,612 | 88 | 603 | 2,303 |

Table 4 - Health and safety as of December 31, 2024

Geographic location

As of December 31, 2024, the Company's registered office was located in Vico dei Corrieri No. 27 in Naples, while the General Management was in Via San Giovanni sul Muro No. 9 in Milan. The Company also operates from headquarters at Viale Europa No. 23 in Vicenza, Italy, and headquarters at Via Barberini No. 50 in Rome, Italy.

Staff initiatives

With regard to employees, as envisaged in the trade union agreement of December 21, 2022 for the three-year period 2023-2025, the continuation of agile working (*smart working*) was confirmed for a maximum of 10 days per month on a voluntary basis. An additional 5 days per month were also provided for parents with children under 14 years of age, for vulnerable workers and for workers with a disability greater than 46%.

In the context of the *well-being* project, the *welfare* portfolio was raised to EUR 4 thousand with an additional supplement of EUR 1 thousand for those who become parents during the year.

During 2024, the Company also launched *engagement* initiatives aimed at employees, particularly to facilitate integration between different corporate structures and facilitate their cooperation, accompany *change management*, and help develop an inclusive culture that raises awareness of *Diversity, Equity & Inclusion* issues among the corporate population.



Report on Operations

5.



MACROECONOMIC SCENARIO

GLOBAL CONTEXT

In 2024, the global economy faced a number of complex and interconnected challenges; although growth only moderated, inflation was more persistent than expected, prompting some central banks to maintain high interest rates, affecting consumption and investment. The war in Ukraine continued to destabilize energy and commodity markets while global supply chains adjusted to new geopolitical balances and challenges arising from the transition to a more sustainable economy. Technological innovation, particularly artificial intelligence and digitization, has had an increasing impact on global industries, stimulating efficiency but also raising concerns about labor inequality and automation.

The outlook for the world economy in 2025 remains positive overall, however unevenly across economic areas. High uncertainty remains, generated by persistent geopolitical tensions (Ukraine, Israel) and expectations about the direction that will be taken by U.S. trade policy. As a result of the U.S. presidential election, an impact on global economic policy is being observed, with the introduction of targeted protectionist measures, particularly against China and other countries that have a significant trade surplus with the U.S. such as some European countries, Germany first and foremost. At the same time, the new U.S. administration could promote an expansionary fiscal policy, characterized by tax cuts and deregulation, aimed at stimulating economic growth; however, these measures could have mixed effects: on the one hand, they could strengthen domestic demand, but on the other hand, they could generate trade tensions and increased volatility in financial markets. It remains to be assessed how the combination of the above measures will impact inflation dynamics and the resulting reflection on the FED's monetary policies about the speed to continue the expansionary measures initiated with the first rate cut in June 2024.

In the eurozone, however, the recovery is proving slower than expected, influenced by several critical factors. The German industrial crisis, weak domestic demand and the proximity of the conflict in Ukraine are detrimental to the eurozone's economic recovery. In addition, political instability in the main European countries (Germany and France) is making the situation more complex, limiting the scope for coordinated interventions at the EU level.

In this context, the European Central Bank (ECB) will continue its monetary easing process.

At the end of 2024, the ECB announced its fourth consecutive 25 basis point cut bringing deposit rates to 3%, with 2025 beginning with an additional 25 basis point cut in interest rates. Market consensus estimates that the deposit rate could fall as low as 2%, with the possibility of further reductions if the recovery lags longer than expected and inflation converges toward the 2% target.

On the fiscal side, 2025 will mark the implementation of the new rules of the Stability and Growth Pact, requiring coordinated adjustment of public financial statements in several European countries. France, Italy and Belgium are already under excessive deficit procedure, while Spain will also have to implement measures to reduce public debt. Fiscal policy will allow significantly reduced room for expansionary maneuver in 2025, with differential effects across countries: while in Italy and Spain spending linked to National Recovery and Resilience Plan (PNRR) funds could at least partially offset fiscal tightening, in countries such as France and Belgium fiscal consolidation could have a more pronounced impact on growth.

In summary, the scenario for 2025 is characterized by a mix of contrasting elements: while the ECB's monetary policy will be geared toward fostering recovery, fiscal constraints and policy uncertainty are likely to limit growth. The Eurozone will continue to navigate an environment of economic weakness, with a slow and fragile recovery, while the effects of U.S. trade policies could add further elements of instability in the months ahead.

ITALY CONTEXT

In the fourth quarter of 2024, Italy's Gross Domestic Product recorded a zero change compared to the previous quarter, however, marking a 0.7% year-on-year growth. According to the Parliamentary Budgetary Office, the main driver of this expansion was foreign demand, while domestic demand made a negative contribution, penalizing the overall performance of the economy¹⁰. Growth is expected to be around 0.8% annually for the two-year period 2025 - 2026.

As for inflation, a crucial indicator for guiding monetary policy decisions, it is expected to increase slightly in 2025, standing at +1.5%, up from 1.3% in 2024. However, core inflation, which excludes energy goods and fresh food, is also expected to remain stable during 2025, signaling a more subdued and predictable price dynamic¹¹ and in line with the 2% target.

The labor market also showed signs of improvement. The employment rate rose to 62.3% at the end of 2024, up from 61.9% in December 2023, showing steady growth in employment. However, despite the increase in the number of employed people, a possible slight decline is expected in the coming months, due to the increased use of the Layoff Benefits Fund (Cassa Integrazione), a sign of a labor market that, while remaining resilient, may encounter some difficulties. At the same time, the unemployment rate fell to 6.2% at the end of 2024, an improvement from 7.2% a year earlier, while the inactivity rate remained stable at 33.5%, indicating substantial stability in labor market participation¹².

The Italian government bond market continues to be influenced by various macroeconomic and financial factors, with a particular focus on the yield difference (spread) between Italian 10-year BTPs and German Bunds, which remains a key indicator of the perceived risk on Italian sovereign debt. In December 2024, the spread between the yield on 10-year Italian and German government bonds was 103 basis points, down from the previous month (114 basis points) to levels not seen since 2021. This decline reflects an improvement in investors' perceptions of risk, boosted by an environment of greater financial and political stability.

CREDIT SECTOR

Within the credit sector, there is evidence of a decrease in lending volumes mainly following the slowdown in economic growth, which has adversely affected the demand for loans.

In December 2024, bank deposits in Italy showed a positive trend, increasing by 2.4% year-on-year to about EUR 2.1 billion, also marking an increase in deposits from resident customers (+1.7%). The greatest growth occurred in medium- and long-term deposits through bonds, which grew by 6.8% to EUR 264 billion.

¹⁰ Parliamentary Budget Office: Note on the economy, February 2025.

¹¹ ISTAT: Consumer prices, February 2025.

¹² Istat: Employment and unemployment, December 2024.

In Italy bank lending showed a decrease, down 1.6% year-on-year, so loans to households and non-financial businesses also declined by 1%.

NON-PERFORMING EXPOSURES

In light of current economic conditions, after nearly a decade of gradual reduction, the decline in *Non-Performing Exposures (NPEs)* on Italian banks' financial statements came to a halt in the first half of 2024, marking a significant change for the sector. Net non-performing loans, given by the total of bad loans, unlikely to pay, and past due and/or in arrears exposures calculated net of banks' write-downs and provisions in November stood at 31.1 billion (up from the 2023 figure of EUR 30.5 billion), representing about 1.5% of total loans¹³.

The first half of 2024 saw an increase in the default rate to 1.14%, up from 0.88% in 2023. At the European level, the same period saw significant growth in non-performing loans in Germany and France, where NPE stocks increased by 23% and 5%, respectively. In Germany, this growth was almost entirely due to the commercial real estate sector, while in France it was SMEs that experienced the greatest difficulties.

NPE SERVICING MARKET

Despite the global difficulties, the Italian credit system has shown some resilience. The Italian non-performing loans market recorded a reduction in both the number of transactions and the *Gross Book Value (GBV)* of loans traded. Total transactions for the year are expected to be below EUR 11 billion, returning to pre-2017 levels. At the same time, the secondary market is becoming more significant, coming to account for 30% of total transactions. In general, Italian banks are continuing to implement risk transfer strategies without retaining loans on their balance sheets. This approach is in line with the objectives of the European Central Bank (ECB), which aims to simplify securitization procedures to speed up risk transfer and free up Share capital for new financing.

At the same time, an increasing number of investors are working with banks as early as the loan disbursement stage, aiming to strategically position themselves for the future management of new NPEs. *Servicers* are playing an increasingly strategic role in the management of non-performing loans, making credit management and recovery more efficient. In fact, more than 70% of NPEs in Italy are managed by specialized *servicers*, who work with banks and investors to maximize recovery¹⁴.

¹³ ABI: Monthly Outlook, January 2025.

¹⁴ PwC: The Italian NPE market, December 2024.

OPERATING PERFORMANCE

Introduction

The year 2024 was a favorable one for AMCO in terms of income and financial *performance*.

During the year, work sites under the 2024-2028 "We Produce Value" Plan were launched, focused on generating value through greater operational efficiency, along with the development of new projects aimed at supporting households and businesses or where AMCO is called upon to play a systemic role.

During the year, the Company's new organizational structure was completed, which makes *governance* more solid, strengthens *business* oversight, and accompanies AMCO's evolution. Specifically, the business model was modified and strengthened with the organizational evolution involving two Departments, with greater delegation to managerial roles. This reorganization aims to optimize recoveries with industrialized management of positions according to their size.

The process of streamlining *business* structures involved both the internal reorganization of the functions assigned to *in-house* recovery and the reorganization of *special servicers* on which there has been a rationalization process. Since January 1, 2025, in fact, the *outsourced* management of the portfolio - which previously involved 15 *special servicers* - was entrusted to 8 *servicers*, identified according to strict selection criteria. The new arrangement ensures constant monitoring of the activities carried out by the *servicers*, with the aim of ensuring greater management efficiency and adherence to ESG requirements, which are central to AMCO's strategy.

At the end of 2024, the Company also identified a portfolio of *re-performing* loans subject to sale for a countervalue of more than EUR 400 million (GBV), consisting of retail mortgages partly also belonging to the portfolio of Veneto Group and Vicenza Group Segregated Estates. A competitive process involving several market players was initiated and finally a *binding* offer was received in December 2024 with *closing* of the transaction in February 2025. Following the receipt of this offer, the portfolio to be sold was valued at the value of the offer received and reclassified under "Non-current assets and groups of assets held for disposal."

Finally, major activities have been initiated in the area of *operations*, both with the start of the replacement of the *core banking system*, which will be completed in the first half of 2025, and with projects aimed at the overall improvement data quality.

Collections, the Company's main *performance* indicator, amounted to EUR 1.49 billion¹⁵, down by 11% from 2023, and with a *collection rate* at 4.4% (compared to 4.6% in 2023). The year-on-year decrease was due to *the decalage* of assets and occurred mainly on large positions and was due to lower collections on large *single names* compared to 2023. More in line with 2023, although still declining, was the performance on smaller sized loans in the *in-house* managed portfolio. Positive performance, both in absolute terms and in terms of *collection* rate, of the *outsourced* managed portion.

Assets under management at the end of 2024 amounted to EUR 32.2 billion, down by EUR 2.5 billion compared to EUR 34.7 billion in 2023.

¹⁵ Management data, including collections on *servicing* portfolios.

Income Statement

The 2024 financial year ended with a net profit of Euro 29 million, which compares with a loss of Euro 391 million in 2023.

Capital strength confirmed, with a *Total Capital Ratio* of 38.0%, well above regulatory requirements.

A comment is provided below on AMCO's economic *performance* according to the reclassified income statement, whose reconciliation with the financial statements is illustrated in the Annex in Section 12 of this document.

| Euro/thousand - % | 31.12.2024 | 31.12.2023 | Absolute delta | Delta % |
|--|------------------|------------------|-----------------|-------------|
| <i>Servicing</i> commissions | 46,946 | 41,363 | 5,583 | 13% |
| Interest and commissions from customers | 253,834 | 306,550 | (52,716) | -17% |
| Other income/charges from activities with customers | 85,233 | 77,396 | 7,837 | 10% |
| Total Revenues | 386,013 | 425,310 | (39,297) | -9% |
| Staff costs | (53,275) | (49,571) | (3,704) | 7% |
| Net operating costs | (122,334) | (110,353) | (11,981) | 11% |
| <i>of which gross costs</i> | (126,451) | (120,162) | (6,289) | 5% |
| <i>of which recoveries</i> | 4,116 | 9,810 | (5,694) | -58% |
| Total Costs and Expenses | (175,609) | (159,924) | (15,685) | 10% |
| EBITDA | 210,404 | 265,386 | (54,982) | -21% |
| Value adjustments/reversals on ordinary operations | (87,533) | (488,301) | 400,768 | -82% |
| Value adjustments/reversals on property, plant and equipment and intangible assets | (4,306) | (6,641) | 2,335 | -35% |
| Provisions | (1,505) | (8,505) | 7,000 | -82% |
| Other operating income/expenses | (66) | (1,158) | 1,092 | -94% |
| Financial activities result | 4,764 | (31,422) | 36,185 | n.s |
| EBIT | 121,757 | (270,641) | 392,398 | ns |
| Interest and commissions from financial activities | (69,830) | (89,799) | 19,969 | -22% |
| Result before tax | 51,927 | (360,440) | 412,367 | ns |
| Current taxes for the year | (22,908) | (30,631) | 7,723 | -25% |
| Net result | 29,019 | (391,071) | 420,090 | ns |

Table 5 - Reclassified Income Statement as of December 31, 2024 and December 31, 2023

Revenues amounted to EUR 386 million, down by EUR 39.3 million (-9%) compared to 2023, mainly due to lower interest income caused by the decrease in average assets under management, a direct consequence of the absence of new acquisitions or mandates during the year.

In particular, **servicing commissions** amounted to EUR 46.9 million, up 13% compared to the previous year. The growth is linked to the Ex-Venete portfolios and, in particular, to the balancing mechanism between commissions received and overhead costs, as well as to the increased costs recovery incurred by AMCO.

Interest and commissions from activities with customers decreased by 17% compared to 2023.

| Euro/thousand - % | 31.12.2024 | 31.12.2023 | Delta ass. | Delta % |
|---------------------------------|----------------|----------------|-----------------|-------------|
| Total POCI portfolios | 154,661 | 193,173 | (38,512) | -20% |
| Total Portfolios amortised cost | 99,173 | 113,377 | (14,204) | -13% |
| Total | 253,834 | 306,550 | (52,716) | -17% |

This decrease is due to the physiological decalage of loans to customers, in the absence of purchases of new portfolios.

Other income/expenses from ordinary operations amounted to EUR 85.2 million, an increase of EUR 7.8 million (+10%) due to higher collections realised through recovery activities. The increase was also influenced by the significant recovery *performance* on positions with a high level of coverage.

AMCO's process of strengthening its workforce continued in 2024 (+27 *headcount*): **staff costs** consequently increased by 7% to EUR 53.3 million.

Net operating costs, amounted to EUR 122.3 million, up by EUR 11.9 million (+11%) compared to 2023, mainly due to the increase in expenses related to recovery activities and the increase in IT costs.

| Euro/thousand - % | 31.12.2024 | 31.12.2023 | Absolute delta | Delta % |
|---|----------------|----------------|----------------|------------|
| Legal and other collection costs | 45,057 | 43,966 | 1,091 | 2% |
| <i>Outsourcing</i> fees | 22,876 | 19,930 | 2,946 | 15% |
| Costs for repossessed property | 1,466 | 597 | 869 | 145% |
| Insurance policies Credit | 1,201 | 1,690 | (490) | -29% |
| Expenses for collection activities | 70,599 | 66,183 | 4,417 | 7% |
| IT | 24,738 | 18,851 | 5,887 | 31% |
| Business information | 4,895 | 4,164 | 731 | 18% |
| BPO and Document Archive | 3,664 | 5,294 | (1,630) | -31% |
| Professional costs | 10,545 | 9,019 | 1,526 | 17% |
| Logistics | 4,392 | 2,894 | 1,498 | 52% |
| DTA fee | 2,258 | 2,677 | (419) | -16% |
| Other expenses | 1,244 | 1,272 | (28) | -2% |
| Overhead costs | 51,736 | 44,170 | 7,566 | 17% |
| Total | 122,335 | 110,353 | 11,982 | 11% |

Expenses for collection activities were mainly affected by the growth in *outsourcing* fees (+15% compared to 2023).

Overhead costs increased by 17% compared to FY 2023 mainly due to the increase in IT costs, in particular due to increased project activities related to the Strategic Plan initiatives and the replacement of the *core banking system*, as well as specialised consultancy, related to the Company's technological and operational transformation projects and the data quality improvement.

As a result of the revenue and cost dynamics described above, **EBITDA** amounted to EUR 210.4 million, down by 21% from the previous year.

The balance of **value adjustments/reversals on ordinary operations** was negative and amounted to EUR 87.5 million. This value is mainly related to the credit component valued using statistical curves: with regard to the POCI portfolios, during 2024 - in accordance with AMCO's accounting policies - more than EUR 55 million of cash flows from ordinary collection reversals were reinvested to which were added those arising from the revaluation of the *re-perform* portfolio subject to disposal following the receipt of *binding offer*. The flat-rate valuation component of the portfolios at amortised cost also generated significant adjustments (around EUR 30 million) due to the passage of one year of *vintage* and the intervention in the average *duration of recoveries*. Finally, the annual revision of the analytically valued positions led to about EUR 28 million in adjustments and affected about 65% of the portfolio in terms of gross loan value.

Taking into account also the collection recoveries generated (about EUR 85 million), the company's total cost of risk for the year amounted to EUR 2 million.

Financial activities result was positive in the amount of EUR 4.8 million, mainly due to income from the cancellation of *Italian Recovery Fund* ('IRF') units in the amount of EUR 5.2 million, recorded at the same time as the capital redemptions (given by the difference between the redemption at NAV and the book value at *fair value* of the units).

Net interest from financing activities was negative for EUR 69.8 million, an improvement of 23% due to the reduction in the debt stock resulting from the repayment of the bond maturing in February 2024 for the amount of EUR 250 million.

Taxes include the negative impact of the adjusting part of the deferred tax assets deemed not recoverable on the basis of expected prospective profitability.

Balance Sheet

The Balance Sheet was reclassified on the basis of the nature of the assets and liabilities held by the Company, classifying the various items into homogeneous categories.

| Euro/thousand - % | 31.12.2024 | 31.12.2023 | Absolute delta | Delta % |
|---|------------------|------------------|------------------|------------|
| Loans and receivables with banks | 336,712 | 155,918 | 180,794 | 116% |
| Loans and receivables with customers | 3,508,636 | 4,246,538 | (737,902) | -17% |
| Financial assets | 1,222,573 | 927,521 | 295,052 | 32% |
| Equity investments | 423 | 423 | - | 0% |
| Property, plant and equipment and intangible assets | 30,180 | 29,295 | 885 | 3% |
| Tax assets | 108,197 | 154,120 | (45,923) | -30% |
| Other assets | 179,589 | 41,560 | 138,029 | 332% |
| Total assets | 5,386,309 | 5,555,375 | (169,066) | -3% |

| Euro/thousand - % | 31.12.2024 | 31.12.2023 | Absolute delta | Delta % |
|---|------------------|------------------|------------------|------------|
| Payables to third parties | 3,165,776 | 3,412,200 | (246,424) | -7% |
| Tax liabilities | - | - | - | n.s. |
| Provisions for specific purposes | 26,732 | 25,254 | 1,478 | 6% |
| Other liabilities | 134,123 | 103,016 | 31,107 | 30% |
| Share capital | 655,081 | 655,081 | - | 0% |
| Share premium | 604,552 | 604,552 | - | 0% |
| Reserves | 789,278 | 1,180,349 | (391,071) | -33% |
| Valuation reserves | (18,253) | (34,006) | 15,753 | -46% |
| Result for the year | 29,019 | (391,071) | 420,090 | -107% |
| Total liabilities and Shareholders' equity | 5,386,309 | 5,555,375 | (169,066) | -3% |

Table 6 - Reclassified Balance Sheet liabilities and Shareholders' Equity as of December 31, 2024 and December 31, 2023

Loans and receivables with customers amounted to EUR 3.5 billion and consisted almost entirely of non-performing loans acquired as part of the debt purchasing transactions that took place between 2019 and 2023.

| Euro/thousand - % | 31.12.2024 | 31.12.2023 | Absolute delta | Delta % |
|---|------------------|------------------|------------------|-------------|
| Total POCI portfolios | 2,014,589 | 2,397,710 | (383,121) | -16% |
| Total portfolios at Amortised Cost | 1,494,047 | 1,848,829 | (354,782) | -19% |
| Total Loans and receivables with customers | 3,508,636 | 4,246,538 | (737,902) | -17% |

POCI portfolios declined by 16%, while portfolios at amortised cost declined by 19%. This trend is essentially the result of the recovery activity on the proprietary portfolios during 2024, which generated collections of over EUR 900 million and therefore represents the main *driver* of the evolution of loans to customers, together with the impact of the updates of the recovery expectations of the analytically assessed positions carried out during the year.

Financial assets amounted to EUR 1,223 million, up 32% compared to December 2023, mainly due to the increase in investments in Italian government bonds, which were functional in managing the liquidity surplus in anticipation of the repayment of the EUR 600 million bond maturing in January 2025.

| Euro/thousand - % | 31.12.2024 | 31.12.2023 | Absolute delta | Delta % |
|-------------------------------|------------------|----------------|----------------|------------|
| Financial assets FVTPL | 6 | 6 | - | 0% |
| Italian government bonds | 832,208 | 487,693 | 344,515 | 71% |
| UCITS units | 372,189 | 420,293 | (48,104) | -11% |
| - of which IRF | 275,497 | 317,598 | (42,101) | -5% |
| - of which Back2Bonis | 76,717 | 78,713 | (1,996) | -4% |
| - of which Other UCITS | 19,975 | 23,982 | (4,007) | -6% |
| Shares and equity instruments | 18,169 | 20,324 | (2,155) | -11% |
| Total financial assets | 1,222,573 | 928,316 | 294,257 | 32% |

The value of UCITS units decreased by 11% and is mainly composed of:

- *Italian Recovery Fund* in the amount of EUR 275.5 million, down from December 2023 due to principal repayments in the amount of EUR 41.5 million and the write-down of the investment in the amount of EUR 0.6 million determined in accordance with the company's fair value policy;
- *Back2Bonis* for EUR 76.7 million, down from December 2023 due to the write-down of the investment in the amount of EUR 2.0 million determined in accordance with the company's fair value policy;
- *Other UCITS* in the amount of EUR 20.0 million, mainly consisting of the units of Sansedoni Fund (EUR 11.4 million) and Efesto Fund (EUR 7.0 million).

Property, plant and equipment and intangible assets amounted to EUR 30.2 million, up 3% mainly due to the rights of use of the new offices in Rome and Naples.

Equity investments and other assets were essentially stable compared to the end of 2023.

Tax assets amounted to EUR 108.2 million, a decrease of 30% due to both the utilisation of nominal positions in 2024 and the revision of the recoverability of recognised DTAs.

Other asset item includes EUR 140 million of loans held for sale relating to a portfolio of *re-performing* loans subject to disposal for a countervalue of over EUR 400 million (GBV), consisting of *retail* mortgages partly belonging to Veneto Banca Group Segregated Estate and Banca Popolare di Vicenza Group Segregated Estate. A *binding* offer was received in December 2024 with closing of the transaction in February 2025, and following receipt of this offer, the portfolio to be sold was valued, in accordance with IFRS 5, at the value of the offer received and reclassified in this balance sheet item.

Payable to third parties amounted to EUR 3,166 million, down by 7% from December 2023 due to the repayment of a bond maturing in February 2024 in the amount of EUR 250 million.

The Company's **net financial position** improved by EUR 828 million due to cash generated from operations, even considering the bond repayment.

Shareholders' equity amounted to EUR 2,060 million, up by EUR 45 million compared to December 2023 due to the positive result achieved in 2024 and the reduction in valuation reserves.

Key capital strength indicators December 31, 2024

| Euro/thousand - % | 31.12.2024 | 31.12.2023 | Delta % / bps |
|----------------------|--------------|--------------|---------------|
| Regulatory capital | 2,035,749 | 1,978,597 | 3% |
| Weighted risk assets | 5,361,201 | 6,014,226 | -11% |
| CET 1 | 38.0% | 32.9% | 5.1 |
| Total Capital Ratio | 38.0% | 32.9% | 5.1 |

AMCO also confirmed its capital strength in 2024, with a *Total Capital Ratio* of 38.0%, up from 2023 and well above regulatory requirements.

AMCO's debt structure

AMCO's debt structure has undergone changes compared to December 2023 figure, due to the repayment of the EUR 250 million bond that matured on 13 February 2024.

Therefore, as of December 31, 2024, the break-down of AMCO's *senior unsecured* debt is as follows:

| ISIN | Description | Nominal | Coupons | Maturity |
|--------------|-----------------------|-------------|---------|------------|
| XS2063246198 | AMCOSP 1 3/8 01/27/25 | 600,000,000 | 1.38 | 01/27/2025 |
| XS2206379567 | AMCOSP 2 1/4 07/17/27 | 750,000,000 | 2.25 | 07/17/2027 |
| XS2332980932 | AMCOSP 0 3/4 04/20/28 | 750,000,000 | 0.75 | 04/20/2028 |
| XS2502220929 | AMCOSP 4 3/8 03/27/26 | 500,000,000 | 4.38 | 03/27/2026 |
| XS2583211201 | AMCOSP 4 5/8 02/06/27 | 500,000,000 | 4.63 | 02/06/2027 |

Performance of managed assets

AMCO confirms its position as one of the leading *players* in the Italian market in the management of *Non Performing Exposures* (NPE). In terms of *Gross Book Value*, assets under management as of December 31, 2024 can be broken down as follows:

1 - Debt purchasing

- EUR 10.3 billion related to portfolios acquired in block transactions pursuant to Article 58 of the Consolidated Banking Act (compared to EUR 11.2 billion as of December 31, 2023)
- EUR 0.9 billion related to the portfolio originated by the former Banco di Napoli (compared to EUR 0.9 billion as of December 31, 2023)
- EUR 5.4 billion deriving from the MPS portfolio forming part of the demerger compendium transferred to AMCO at the end of 2020 (compared to EUR 6.1 billion as of December 31, 2023)

2 - Servicing

- EUR 11.7 billion relating to the Segregated Estates of Veneto Group and Vicenza Group (compared to EUR 12.6 billion as of December 31, 2023)
- EUR 1.8 billion pertaining to the Financed Capitals of Veneto Banca in LCA and Banca Popolare di Vicenza in LCA (stable compared to December 31, 2023)
- EUR 2.0 billion related to the *Back2Bonis* portfolio (stable compared to December 31, 2023)

Business outlook

In 2025, it is expected to continue the Strategic Plan initiatives launched in 2024 focused on generating value through internal efficiency and developing new projects aimed at supporting households and businesses or where AMCO is called upon to play a systemic role. The Company will also pursue its portfolio management strategy, acting on specific clusters with homogeneous characteristics, identifying the best valuation strategy from time to time.

Sustainability Strategy and Target 2024

With the presentation of the 2024-2028 Strategic Plan, AMCO confirmed the GSSE Sustainability Strategy, confirming the targets already defined until 2025 and outlining new areas and actions to be implemented from 2026 to 2028.

The company therefore continued to integrate ESG targets into its 360-degree processes, involving all departments also with engagement and training initiatives.

G: Sustainable Governance - In 2024, the company confirmed annual targets of 100% employee training in Anti-Corruption, Privacy and AML. Anti-Corruption and AML training of AMCO's Board of Directors, Privacy and AML training of special servicers and evaluation of relevant suppliers through ESG criteria also contribute to the Sustainable Governance target. AMCO has defined a second cycle of LTI (*Long-Term-Incentive Plan 2024-2026*), 10% of which is based on ESG targets. The targets also include maintaining the ISO 37001:2016 anti-corruption certification.

S: Credit sustainability - Managing credit in a sustainable way means for AMCO to take a proactive approach to collection activities. In 2024 the company confirmed targets that provide that at least 25% of NPL collections, 85% of UTP collections and 50% of collections from SMEs and individuals should come from collaborative management. In 2024, AMCO worked to introduce appropriate ESG criteria in the risk assessment of the loan portfolio, mapped the energy class of *repossessed* properties (target 75%), monitored the physical and transition risk of the portfolio on a quarterly basis and committed to contribute to corporate financial education by promoting two initiatives per year. In 2024, the customer journey was also mapped in order to define lines of improvement in the customer-debtor interaction.

S: Human capital development - In order to make the most of its people, AMCO has set itself two objectives: to develop the well-being, skills and satisfaction of employees; and to protect diversity and inclusion. The company has promoted ESG *engagement* and training initiatives for all employees, while also protecting employee satisfaction by accommodating part-time requests. On the DE&I front, awareness-raising activities were carried out; with regard to the *gender pay gap*, following a detailed analysis, a target was set to keep the average *gap* for the non-executive population - calculated by homogeneous levels/clusters - within 5% and, where possible, reduce it further. In addition, during the year, 10% of the female population was promoted through role *upgrades* and/or *job rotation* and/or level changes.

E: Environmental protection - AMCO aims to reduce GHG emissions from operations by 55% by 2025, compared to emissions in 2021. The company confirmed the targets of 100% of the company fleet being environmentally friendly, the purchase of electricity from renewable sources guaranteed by certificates of origin and the purchase of only FSC sustainable paper. A *Mobility Manager* was appointed for the Milan office during the year.

With reference to the *disclosure* required by the CSRD (*Corporate Sustainability Reporting Directive*) regulations, it is specified that the Company falls within the so-called "*second wave*" scope of application and is therefore, on the basis of current legislation, required to prepare the Sustainability

Report starting from December 31, 2025. However, in light of the latest guidelines that have emerged at EU level and the drafts of the Omnibus Regulations I and II published by the European Commission on February 26, 2025, it is reasonable to expect a postponement *for the first time adoption* to the Financial Statements closing on December 31, 2027. The Company will actively monitor regulatory developments in order to comply with all requirements applicable from time to time.

Impact on AMCO of the military conflict between Russia and Ukraine

With respect to Russia's invasion of Ukraine, there is no direct impact for the Company, as it has no direct or indirect exposure to those countries. However, it is undeniable that the events described above represent elements of uncertainty. The global economy, as highlighted in the macroeconomic scenario, continues to feel the effects of the increase in the cost of services and raw materials following the conflict in Ukraine.

The aforementioned macroeconomic situation by its very nature requires a constant assessment of the balance sheet items that are most exposed to the general economic trend; in particular, reference is made to Loans and receivables with customers and financial companies, the *fair value* of financial assets attributable to *non-performing* loans and deferred Tax assets. Amco, as already noted, while not detecting any direct impact, is continuing to monitor developments in the macroeconomic situation generated by the conflict.

RATING

On March 22, 2024, **Fitch Ratings** confirmed AMCO's *commercial, residential and asset-backed special servicer* ratings at 'CSS2', 'RSS2', 'ABSS2', with an *evolving outlook*.

On May 21, 2024, the agency **S&P Global** confirmed AMCO's long-term rating at 'BBB' with a stable *outlook* and its short-term *rating* at 'A-2'.

On October 30, 2024 **Fitch Ratings** confirmed the long-term *Issuer Default Rating* at 'BBB', improving *the outlook* from Stable to Positive. The short-term rating is confirmed at 'F2'. The rating, which is aligned with that of the Italian Republic (BBB/Positive), confirms AMCO's central role in the management of NPEs in Italy and highlights its solid capital endowment.

Fitch Ratings' *special servicer* rating assesses AMCO's operating activities and is based on an analysis conducted by the agency on data as of September 2023.

The 'evolving' outlook reflects **Fitch's** intention to review the rating at a later stage of implementation of the 2024-2028 Strategic Plan published on March 12, 2024.

RELATED-PARTIES TRANSACTIONS

AMCO holds the equity investments in the vehicles Tatoonine SPV S.r.l. and Tatoonine LeaseCo S.r.l. and in the company Le Manifatture S.r.l.. These companies qualify as 'related parties'; the companies Tatoonine SPV S.r.l. and Tatoonine LeaseCo S.r.l. are also included in the accounting consolidation.

Other financial transactions with investee companies of the Ministry of Economy and Finance, carried out at market conditions, refer to current account relationships held with Monte Paschi di Siena S.p.A. and Poste Italiane.

GOING CONCERN

In addition to the indications already provided above, given the absence of any equity, financial or managerial ratios that could compromise the Company's operational capacity, there are no elements that would call into doubt on its ability to operate as a going concern basis over a horizon of at least 12 months.

These financial statements have been prepared on a going-concern basis.

RISKS AND UNCERTAINTIES

Considering the mission and operations, as well as the market context in which AMCO operates, the risks to be assessed in the self-assessment processes (ICAAP) have been identified and are detailed in Section 3 - Information on risks and related hedging policies of the Notes to the financial statements to which reference is made.

The main uncertainties, given the company's *business*, are essentially related to the current trend of interest rates, which could have repercussions on the general economy performance and therefore on the ability of debtors to repay their exposures.

A possible worsening of macroeconomic forecasts could imply a revision of the estimates of expected cash flows, or of other parameters, that are not foreseeable at the moment, and adjustments in the carrying amounts of assets or in the need to allocate specific provisions for future risks and charges. In addition, the *fair value* of property securing loans and financial instruments not listed in an active market incorporates a high degree of uncertainty about how that *fair value* might evolve in the future and the possibility of selling the assets at the estimated prices.

CORPORATE GOVERNANCE REPORT

Introduction

This section of the Report on Operations is prepared in accordance with the provisions of Article 123-bis of Italian Legislative Decree No. 58 of February 24, 1998 (hereinafter also only the "TUF"), which the Company is required to comply with. However, as AMCO did not issue shares listed for trading in regulated markets or in multilateral trading systems, this disclosure is limited to the provisions of Article 123-bis, paragraph 2, letter b), of the TUF due to the effect of the exemption pursuant to Article 123-bis, paragraph 5.

It should be noted that the Board of Directors' meeting of September 19, 2024 and the Extraordinary Shareholders' Meeting of December 30, 2024 approved amendments to the Bylaws in order to adopt the one-tier system of governance, which will entail, as early as 2025, the exercise of the control function by an Audit Committee, formed within the Board of Directors (enlarged to 9 members), instead of the Board of Statutory Auditors.

Main characteristics of the internal control and risk management system in force in relation to the financial reporting process

The "main characteristics of the internal control and risk management systems in force in relation to the financial reporting process", pursuant to Article 123-bis, paragraph 2, letter b), of the TUF, are illustrated below.

Supervision over the reliability of corporate accounting documents and the financial reporting process is carried out by the Manager in charge of preparing the Company's Financial Reports (hereinafter, also only the "Manager in Charge"), in compliance with the provisions of Article 154-bis of the TUF.

The oversight of accounting and financial reporting exercised by the Manager in Charge is based on the examination of:

- the completeness and consistency of the information provided to the market, through a structured information flows system regarding events relevant to accounting and financial reporting, in particular with reference to the main risks and uncertainties to which they are exposed;
- the suitability and effective application of procedures, i.e. organizational and IT applications processes, used for the preparation of corporate accounting documents and any other relevant financial communication pursuant to Article 154-bis of the TUF.

For the purposes of the required obligations, the Manager in Charge defined a methodological *framework* that describes the criteria adopted and the related roles and responsibilities in the context of the definition, implementation, monitoring and updating over time of the Internal Control and Risk Management System related to the financial reporting process and the assessment of its adequacy and effectiveness with the aim of ensuring the reliability, accuracy, trustworthiness and timeliness of the financial reporting itself.

The adopted control model consists of the following activities:

- (a) Identification of primary and secondary risks of financial reporting;
- (b) Risk assessment of financial reporting;
- (c) Identification of the controls with regard to the identified risks;
- (d) assessment of the controls with regard the identified risks.

(a) Identification of the primary and secondary risks on financial reporting

The identification of the scope of significant processes in terms of the potential impact on financial reporting was carried out on the basis of the classification of the processes currently adopted by AMCO, considering both quantitative and qualitative parameters. More specifically:

- quantitative parameters, through which activities and controls on the most relevant items in AMCO's Individual and Consolidated Financial Statements are focused (e.g., the value of the financial statements items);
- qualitative parameters, defined on the basis of knowledge of the company's situation and of the specific risk factors inherent in administrative and accounting processes (e.g. centrality of the process with respect to the corporate business).

(b) Risk assessment of financial reporting

The administrative and accounting risk *assessment* allows to identify the risks associated with accounting information and is carried out under the supervision of the Manager in Charge. As part of this process, the objectives that the system intends to achieve have been identified in order to ensure a truthful and correct representation of the same (pursuing the content of financial statement "assertions" in terms of completeness, accuracy, existence/occurrence, valuation and presentation of operational transactions). The risk assessment is focused on the areas of the financial statements where potential impacts on financial reporting have been identified.

(c) Identification of the controls with regard to the risks identified

The identification of the controls necessary to mitigate the risks identified in the previous stage is carried out by considering the control objectives associated with financial reporting. The envisaged controls aim to mitigate the primary financial reporting risk, i.e. the risk that accounting/financial information contained in communications disclosed to the public is untrue, incorrect and/or incomplete due to the inadequacy of administrative processes or IT applications that contribute to its preparation. On the basis of the adopted *framework*, the activities for the assessment of the Internal Control and Risk Management System related to financial reporting are performed on an ongoing basis in order to ensure adequate accounting reporting in the context of the preparation of annual separate and consolidated financial statements and condensed half-yearly financial statements.

(d) Assessment of the controls with regard to the risks identified

The identified controls are assessed in relation to their efficacy and effectiveness through specific verification activities carried out by the Manager in Charge, particularly in terms of:

- Effectiveness of the control: the design of the control and its ability to theoretically mitigate the risks it relates to are assessed;
- Effectiveness of the control, i.e. assessment of the execution of the control itself and its repetitiveness.

The Manager in Charge prepares an annual report on the adequacy and effective application of administrative and accounting procedures during the year the accounting documents refer to, as well as the reliability of data and compliance with the reference accounting standards. This Report summarises the results of the controls assessments in relation to the risks previously identified on the basis of the results of audit activities carried out and any issues identified. The assessment of controls may involve the definition of corrective actions or improvement plans ("*remediation plan*"), on which the Manager in Charge carries out a six-monthly *follow-up* activity.

The Manager in Charge also holds periodic meetings for discussion and exchange with the other corporate control functions and ensures periodic information to the Board of Statutory Auditors (from 2025 to the Management Control Committee) and the Board of Directors, including a summary of the activities carried out and the main findings identified.

Roles and functions involved

In order to obtain adequate assurance on information that may have an impact on AMCO's economic and financial position and to ensure its circularity, the Manager in Charge coordinates with the Company's corporate functions and its bodies and *governance* organisms such as the Board of Directors, the Board of Statutory Auditors (from 2025 the Management Control Committee), the *Internal Audit* Department and the other corporate control functions.

To this end, the Corporate control functions and the Manager in Charge regularly provide updates on the annual audit activities carried out and on the results of the controls carried out, sharing in particular any critical issues identified on specific operational areas.

Critical issues arising from audits conducted by external entities (Independent Auditors, Supervisory Authorities) are also collected and assessed, in term of financial reporting risk.

Manager in charge of preparing the Company's Financial Reports

In accordance with the provisions of Article 154-bis of the TUF, AMCO provided for the appointment of the Manager in charge of preparing the Company's financial reports. Pursuant to Article 13 of AMCO's Articles of Association, the Board of Directors appoints the Manager in Charge, after mandatory consultation with the Management Control Committee, for a period of no less than the duration of office of the Board itself and no more than six years, establishing his powers, means and remunerations.

The Manager in Charge must meet the honorability requirements prescribed for Directors and must be chosen according to professionalism and competence criteria from managers with an overall experience of at least three years in the administration field with companies or consultancy / professional firms.

On November 30, 2022, the Board of Directors, subject to the favorable opinion of the Board of Statutory Auditors in office at the time, has appointed the Head of the Administration Function, Mr. Luca Lampugnani, who meets the requirements mentioned above, as Manager in Charge, in compliance with the provisions of Article 154-bis of the TUF and the requirements set out in Article 13 of the Articles of Association.

In accordance with current corporate regulations, the Manager in Charge carries out the tasks assigned to him by the law, the regulations and the Articles of Association, ensuring maximum professional diligence and making reference to the general principles commonly accepted as *best practice* with regard to the internal control. In particular, the Manager in Charge:

- ensures the preparation, also providing support with respect to Company's policies on the management of internal regulations, of appropriate administrative and accounting procedures for the preparation of the annual financial statements and the consolidated financial statements, if required, in addition to any other financial communications;
- jointly with the Chief Executive Officer, attests in a specific report, annexed to the separate financial statements and, if prepared, to the consolidated financial statements and to the half-year financial report:

- the adequacy and effective application of administrative and accounting procedures during the period to which the documents refer;
- that the documents are prepared in accordance with applicable international accounting standards recognised in the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002, where applicable;
- the correspondence of the acts and communications of the Company required by law or disclosed to the market, containing information and data on the economic, equity or financial situation, to the documentary results, books and accounting records pursuant to Article 154-bis TUF, paragraph 2;
- the suitability of the same to provide a truthful and correct representation of the financial, economic and assets situation of the Company and of the set of companies included in the consolidation;
- that the Report on Operations annexed to the separate and the consolidated financial statements, where prepared, includes a reliable analysis of the operating performance and results of operations, as well as the situation of the Company and of the set of companies included in the consolidation, together with a description of the main risks and uncertainties to which it is exposed;
- for the half-year financial report, that the interim management report contains a reliable analysis of the information referred to in paragraph 4 of Article 154b.

The oversight of accounting and financial reporting is based on the examination of:

- the adequacy of the procedures used for the preparation of corporate accounting documents and any other relevant financial communication of a financial nature relevant under Article 154-bis. The assessments focus on the work phases that, as part of the business processes, involve the recording, processing, evaluation and representation of data and information, as well as on the rules for the supervision of IT architectures and applications, especially with reference to the management of elaborative processes and development interventions on summary systems instrumental to *financial reporting*;
- the completeness and consistency of the information provided to the market, through the maintenance of a relations and information flows system with the Company's corporate functions regarding events relevant to accounting and financial reporting, especially with reference to the main risks and uncertainties to which it is exposed.

The Board of Directors ensures that the Manager in Charge has adequate means and powers to perform the tasks assigned to him and the effective respect of the administrative and accounting procedures.

The following powers are conferred to the Manager in Charge:

- adequate financial independence (budget) determined by the Board of Directors on an annual basis;
- the option to organise an appropriate structure, also through the formulation of reasoned requests for recruitment, training and upgrading of service personnel, within its area of activity;
- possibility of using, for control purposes, information systems.

Finally, as described earlier, participation in internal flows relevant to accounting is ensured by coordination with the Company's corporate functions, administrative and control bodies (Board of Directors and Management Control Committee), the Supervisory Board and other second level (*Compliance, Risk Management*) and third level (*Internal Audit*) control functions.

Board Committees

By means of resolution of October 26, 2023, the Board of Directors established two boards endo-committees, respectively called "Remuneration and Appointments Committee" and "Risk and Related Parties Committee (Associated Parties)", each composed of three non-executive directors, the majority of them independent.

The Remuneration and Appointments Committee

The Remuneration and Appointments Committee is responsible for assisting the Board of Directors, carrying out preliminary, propositional and advisory functions in relation to:

- (i) remuneration, incentives and performance objectives for AMCO's executive directors and employees, in order to allow the best assessment of the matters subject to the approval of the Board of Directors, ensuring clarity, reliability and independent and informed decision-making, free from possible conflicts of interest and consistent with the Code of Ethics, values and long-term strategy of the Company;
- (ii) composition and appointment of the Board of Directors, in order to ensure the presence of suitable individuals to effectively perform the role assigned to them.

The Risks and Related Parties Committee

The Risks and Related Parties Committee (Associated Parties) has the task of assisting the Board of Directors by carrying out preliminary, propositional and advisory functions, in relation to the risk governance and management and the internal control system to ensure its adequacy with respect to the characteristics of the Company in relation to the evolution of the organization and operations, as well as the reference regulatory context.

The Risks and Related Parties Committee also oversees issues relating to transactions with related parties (associated parties) in accordance with the applicable laws and regulations as well as the internal regulations in force from time to time.

Lastly, the Risks and Related Parties Committee has the task of examining in advance proposals for credit resolutions that fall within the competence of the Board of Directors, carrying out adequate preliminary activities - also through the involvement of the proposing Business Departments and the Head of the Risk Opinion Function as well as any other Corporate Structures within its competence - and expressing its opinion on them.

The Independent Auditors

Pursuant to Articles 13 and 17 of Italian Legislative Decree No. 39 of January 27, 2010, upon the reasoned proposal of the Board of Statutory Auditors in office at the time, on February 12, 2019, the AMCO's Shareholders' Meeting in ordinary convocation, resolved to assign the mandate for the regulatory audit for the financial statements for the 2019-2027 years to the Company Deloitte & Touche S.p.A., with effect from the date of approval of the 2018 Financial Statements.

OTHER INFORMATION

Pursuant to the provisions of Paragraph 125 of Italian Law 124/2017 of August 4, 2017, it should be noted that AMCO, during the year 2024, did not receive subsidies, contributions, paid positions, and/or in any case economic advantages of any type from public administrations.

Pursuant to the provisions of Article 2428 of the Italian Civil Code, the following information is also reported:

- AMCO did not carry out any research and development activities during the year;
- AMCO holds 18,466 treasury shares within the limits set forth by the Italian Civil Code and does not hold shares or holdings in parent companies, neither directly nor through trust companies or third parties, nor it has purchased or sold treasury shares or shareholdings in parent companies, neither directly nor through trust companies or third parties.



Profit
allocation
proposal



PROPOSAL TO ALLOCATE THE PROFIT FOR THE YEAR

Dear Shareholders,

We submit for your approval the financial statements for the year ended December 31, 2024, including the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of changes in Shareholders' equity, the Statement of Cash Flow and Notes to the financial statements and accompanied by this Report on operations.

We invite you to approve the financial statements, proposing to allocate the profit for the year of Euro 29,019,057 to the Profit Reserve.

**on behalf of the Board of Directors
the Chief Executive Officer
Andrea Munari**



Financial statement schedules

7

■



BALANCE SHEET ASSETS

Amounts expressed in Euro

| Asset items | 31.12.2024 | 31.12.2023 |
|---|----------------------|----------------------|
| 10. Cash and cash equivalents | 236,004,942 | 112,731,095 |
| 20. Financial assets measured at fair value through profit or loss | 808,846,867 | 903,221,457 |
| (a) financial assets held for trading | 6,422 | 6,372 |
| (b) financial assets measured at <i>fair value</i> | | |
| (c) other financial assets mandatorily measured at fair value | 808,840,445 | 903,215,085 |
| 30. Financial assets measured at <i>fair value</i> through other comprehensive income | 832,701,736 | 488,186,507 |
| 40. Financial assets measured at amortised cost | 3,190,367,092 | 3,825,837,913 |
| (a) loans and receivables with banks | 100,699,322 | 42,392,226 |
| (b) loans and receivables with financial companies | 81,029,857 | 79,501,651 |
| (c) loans and receivables with customers | 3,008,637,914 | 3,703,944,037 |
| 50. Hedging derivatives | | |
| 60. Change in value of financial assets subject to a generic hedge (+/-) | | |
| 70. Equity investments | 422,681 | 422,681 |
| 80. Property, plant and equipment | 30,021,559 | 28,475,238 |
| 90. Intangible assets | 158,685 | 819,927 |
| of which | | |
| - goodwill | | |
| 100. Tax assets | 108,196,944 | 154,120,247 |
| (a) current | 22,677,068 | 9,136,441 |
| (b) deferred | 85,519,876 | 144,983,806 |
| 110. Non-current assets and groups of assets held for disposal | 140,223,752 | |
| 120. Other assets | 39,365,112 | 41,560,387 |
| Total assets | 5,386,309,370 | 5,555,375,452 |

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
*Manager in charge of preparing the Company's
 Financial Reports*

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

Amounts expressed in Euro

| Liabilities and Shareholders' equity items | | 31.12.2024 | 31.12.2023 |
|--|---|----------------------|----------------------|
| 10. | Financial liabilities measured at amortised cost | 3,165,776,369 | 3,412,199,835 |
| | (a) payables | 24,871,493 | 22,581,039 |
| | (b) debt securities issued | 3,140,904,876 | 3,389,618,796 |
| 20. | Financial liabilities held for trading | 10,998 | 20,088 |
| 30. | Financial liabilities measured at <i>fair value</i> | - | - |
| 40. | Hedging derivatives | - | - |
| 50. | Change in value of financial liabilities subject to a generic hedge (+/-) | - | - |
| 60. | Tax liabilities | - | - |
| | (a) current | - | - |
| | (b) deferred | - | - |
| 70. | Liabilities associated to assets held for disposal | 5,705,792 | - |
| 80. | Other liabilities | 128,406,039 | 102,995,558 |
| 90. | Staff severance indemnity | 463,636 | 471,960 |
| 100. | Provisions for risks and charges | 26,268,085 | 24,782,211 |
| | (a) commitments and guarantees issued | - | - |
| | (b) pensions and similar obligations | 200,837 | 168,620 |
| | c) other provisions for risks and charges | 26,067,248 | 24,613,591 |
| 110. | Share capital | 655,153,674 | 655,153,674 |
| 120. | Treasury shares (-) | (72,294) | (72,294) |
| 130. | Equity instruments | - | - |
| 140. | Share premiums | 604,552,228 | 604,552,228 |
| 150. | Reserves | 789,278,348 | 1,180,348,931 |
| 160. | Valuation reserves | (18,252,562) | (34,006,157) |
| 170. | Profit (Loss) for the year | 29,019,057 | (391,070,583) |
| | Total liabilities and Shareholders' equity | 5,386,309,370 | 5,555,375,451 |

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
*Manager in charge of preparing the Company's
 Financial Reports*

INCOME STATEMENT

Amounts expressed in Euro

| Items | 31.12.2024 | 31.12.2023 |
|--|----------------------|----------------------|
| 10. Interest and similar income | 264,914,394 | 314,346,584 |
| of which interest income calculated with the effective interest method | 264,914,394 | 314,346,584 |
| 20. Interest and similar expenses | (84,006,871) | (99,822,758) |
| 30. Interest margin | 180,907,523 | 214,523,826 |
| 40. Fee and commission income | 40,424,802 | 43,185,858 |
| 50. Fee and commission expense | (89,989) | (93,672) |
| 60. Net fees and commissions | 40,334,813 | 43,092,186 |
| 70. Dividends and similar revenues | 536,651 | 2,542,089 |
| 80. Trading activity net result | 812,329 | (364,900) |
| 90. Hedging activity net result | - | - |
| 100. Profit/loss on sale/repurchase of: | 9,962,513 | 26,695,678 |
| a) financial assets measured at amortised cost | 9,960,316 | 29,501,496 |
| b) financial assets measured at fair value through other comprehensive income | 2,183 | (2,933,826) |
| c) financial liabilities | 14 | 128,008 |
| 110. Net result of other financial assets and liabilities measured at fair value through profit or loss | 7,789,373 | (6,836,299) |
| (a) Financial assets and liabilities measured at fair value | - | - |
| (b) other financial assets mandatorily measured at fair value | 7,789,373 | (6,836,299) |
| 120. Brokerage margin | 240,343,202 | 279,652,580 |
| 130. Net value adjustments/reversals for credit risk of: | (17,195,707) | (466,359,320) |
| a) financial assets measured at amortised cost | (16,806,864) | (466,716,967) |
| b) financial assets measured at fair value through other comprehensive income | (388,843) | 357,647 |
| 140. Profits/losses from contractual amendments without cancellation | - | - |
| 150. Net result of financial management | 223,147,495 | (186,706,740) |
| 160. Administrative expenses: | (179,725,713) | (162,477,631) |
| a) staff costs | (53,274,944) | (49,571,258) |
| b) other administrative expenses | (126,450,769) | (112,906,373) |
| 170. Net provisions for risks and charges | (1,504,901) | (8,505,049) |
| (a) commitments and guarantees issued | - | - |
| b) other net provisions | (1,504,901) | (8,505,049) |
| 180. Net value adjustments/reversals on property, plant and equipment | (2,459,245) | (2,231,817) |
| 190. Net value adjustments/reversals on intangible assets | (929,337) | (3,408,497) |
| 200. Other operating income/expenses | 13,398,767 | 2,890,636 |
| 210. Operating costs | (171,220,429) | (173,732,358) |
| 220. Profits (Losses) on equity investments | - | - |
| 230. Net result of the measurement at <i>fair value</i> of property, plant and equipment and intangible assets | - | - |
| 240. Vale adjustments on goodwill | - | - |
| 250. Profits (Losses) on disposal of investments | - | - |
| 260. Profit (Loss) of current operating activities before taxes | 51,927,066 | (360,439,098) |
| 270. Income taxes for the year on current operating activities | (22,908,009) | (30,631,485) |
| 280. Profit (Loss) of current operating activities after taxes | 29,019,057 | (391,070,583) |
| 290. Profit (Loss) from discontinued operations after taxes | - | - |
| 300. Profit (Loss) for the year | 29,019,057 | (391,070,583) |

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
*Manager in charge of preparing the Company's
Financial Reports*

STATEMENT OF COMPREHENSIVE INCOME

Amounts expressed in Euro

| Items | 31.12.2024 | 31.12.2023 |
|--|-------------------|----------------------|
| 10. Profit (Loss) for the year | 29,019,057 | (391,070,583) |
| Other income components net of taxes without reversal to the income statement | | |
| 20. Equity securities measured at fair value through other comprehensive income | - | - |
| 30. Financial liabilities measured at fair value through profit or loss (change in own creditworthiness) | - | - |
| 40. Hedging of equity securities measured at fair value through other comprehensive income | - | - |
| 50. Property, plant and equipment | - | - |
| 60. Intangible assets | - | - |
| 70. Defined-benefit plans | 23,639 | (13,160) |
| 80. Non-current assets and groups of assets held for disposal | - | - |
| 90. Share of valuation reserves of equity investments valued with the equity method | - | - |
| Other income components net of taxes with reversal to the income statement | | |
| 100. Hedging of foreign investments | - | - |
| 110. Currency exchange differences | - | - |
| 120. Hedging of financial flows | - | - |
| 130. Hedging instruments (non-designated elements) | - | - |
| 140. Financial assets (other than equity securities) measured at fair value through other comprehensive income | 15,729,956 | 31,841,972 |
| 150. Non-current assets and groups of assets held for disposal | - | - |
| 160. Share of valuation reserves of equity investments valued with the equity method | - | - |
| 170. Total other income components net of taxes | 15,753,595 | 31,828,812 |
| 180. Other comprehensive income (Item 10+170) | 44,772,652 | (359,241,771) |

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
*Manager in charge of preparing the Company's
 Financial Reports*

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY - 2024 FINANCIAL YEAR

Amounts expressed in Euro

| | Balance as of 31.12.2023 | Amendment of opening balances | Allocation of previous year | | | Changes in the financial year | | | | Shareholders' equity as of 31.12.2024 | | |
|-----------------------------|--------------------------|-------------------------------|-----------------------------|---------------|-----------------------------------|-------------------------------|---------------------|-----------------------------|-------------------------------------|---------------------------------------|-------------------------------|----------------------|
| | | | Balance as of 1.1.2024 | Reserves | Dividends and other distributions | Changes in reserves | Issue of new shares | Purchase of treasury shares | Extraordinary dividend distribution | | Changes in equity instruments | Other changes |
| Share capital | 655,153,674 | - | 655,153,674 | - | - | - | - | - | - | - | - | 655,153,674 |
| Share premiums | 604,552,228 | - | 604,552,228 | - | - | - | - | - | - | - | - | 604,552,228 |
| Reserves: | | | | | | | | | | | | |
| (a) from profits | 923,871,064 | - | 923,871,064 | (129,667,958) | - | - | - | - | - | - | - | 794,203,106 |
| (b) others | 256,477,867 | - | 256,477,867 | (261,402,625) | - | - | - | - | - | - | - | (4,924,758) |
| Valuation reserves | (34,006,158) | - | (34,006,158) | - | - | - | - | - | - | - | - | 15,753,594 |
| Equity instruments | - | - | - | - | - | - | - | - | - | - | - | - |
| Treasury shares | (72,294) | - | (72,294) | - | - | - | - | - | - | - | - | (72,294) |
| Profit (Loss) for the year | (391,070,583) | - | (391,070,583) | 391,070,583 | - | - | - | - | - | - | - | 29,019,057 |
| Shareholders' equity | 2,014,905,798 | - | 2,014,905,798 | - | - | - | - | - | - | - | - | 44,772,651 |
| | | | | | | | | | | | | 2,059,678,449 |

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
Manager in charge of preparing the Company's
Financial Reports

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY - 2023 FINANCIAL YEAR

Amounts expressed in Euro

| | Balance as of 31.12.2022 | Amendment of opening balances | Balance as of 1.1.2023 | Allocation of previous year profit (loss) | | | Changes in the financial year | | | | | Shareholders' equity as of 31.12.2023 |
|-----------------------------|--------------------------|-------------------------------|------------------------|---|-----------------------------------|---------------------|-------------------------------|-----------------------------|-------------------------------------|-------------------------------|---------------|---------------------------------------|
| | | | | Reserves | Dividends and other distributions | Changes in reserves | Issue of new shares | Purchase of treasury shares | Extraordinary dividend distribution | Changes in equity instruments | Other changes | |
| Share capital | 655,153,674 | - | 655,153,674 | - | - | - | - | - | - | - | - | 655,153,674 |
| Share premiums | 604,552,228 | - | 604,552,228 | - | - | - | - | - | - | - | - | 604,552,228 |
| Reserves: | | | | | | | | | | | | |
| (a) from profits | 885,497,256 | - | 885,497,256 | 38,373,808 | - | - | - | - | - | - | - | 923,871,064 |
| (b) others | 256,477,867 | - | 256,477,867 | - | - | - | - | - | - | - | - | 256,477,867 |
| Valuation reserves | (65,834,970) | - | (65,834,970) | - | - | - | - | - | - | - | - | (65,834,970) |
| Equity instruments | - | - | - | - | - | - | - | - | - | - | - | - |
| Treasury shares | (72,294) | - | (72,294) | - | - | - | - | - | - | - | - | (72,294) |
| Profit (Loss) for the year | 38,373,808 | - | 38,373,808 | (38,373,808) | - | - | - | - | - | - | (391,070,563) | (391,070,563) |
| Shareholders' equity | 2,374,147,569 | - | 2,374,147,569 | - | - | - | - | - | - | - | - | 2,014,905,798 |

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
Manager in charge of preparing the Company's
Financial Reports

Statement of cash flows - Direct method

Amounts expressed in Euro

| A. OPERATING ACTIVITIES | Amount | |
|---|----------------------|----------------------|
| | 31.12.2024 | 31.12.2023 |
| 1. Management | 12,826,258 | 55,361,223 |
| - interest income received (+) | 220,373,380 | 256,164,434 |
| - interest expenses paid (-) | (84,006,871) | (99,822,758) |
| - dividends and similar revenues (+) | 536,651 | 2,542,089 |
| - Net fees and commissions (+/-) | 40,334,813 | 43,092,186 |
| - staff costs (-) | (53,274,944) | (49,571,258) |
| - other costs (-) | (125,568,317) | (107,664,469) |
| - other revenues (+) | 14,431,546 | 10,620,999 |
| - duties and taxes (-) | - | - |
| - charges/revenues relating to discontinued operations net of taxes (+/-) | - | - |
| 2. Cash flow generated/absorbed by financial assets | 331,955,358 | 729,372,341 |
| - financial assets held for trading | (50) | - |
| - financial assets measured at <i>fair value</i> | - | - |
| - other assets mandatorily measured at <i>fair value</i> | 102,378,684 | 77,537,134 |
| - financial assets measured at <i>fair value</i> through other comprehensive income | (329,171,934) | 228,092,547 |
| - financial assets measured at amortised cost | 673,762,945 | 418,069,015 |
| - other assets | (115,014,287) | 5,673,645 |
| 3. Cash flow generated/absorbed by financial liabilities | (216,201,329) | (705,589,229) |
| - financial liabilities measured at amortised cost | (246,423,452) | (721,302,882) |
| - financial liabilities held for trading | (9,090) | (51,137) |
| - financial liabilities measured at fair value | - | - |
| - other liabilities | 30,231,213 | 15,764,790 |
| Net cash flow generated/absorbed by operating activities | 128,580,287 | 79,144,335 |
| B. INVESTMENT ACTIVITIES | | |
| 1. Cash flow generated by | - | 9,826 |
| - sales of equity investments | - | 9,826 |
| - collected dividends on equity investments | - | - |
| - sales of property, plant and equipment | - | - |
| - sales of intangible assets | - | - |
| - sales of company business units | - | - |
| 2. Cash flow absorbed by | (5,306,440) | (5,069,516) |
| - purchases of equity investments | - | (10,778) |
| - purchases of property, plant and equipment | (4,005,566) | (3,315,593) |
| - purchases of intangible assets | (1,300,874) | (1,743,145) |
| - purchases of subsidiaries and business units | - | - |
| Net cash generated/absorbed by investment activities | (5,306,440) | (5,059,690) |
| C. FUNDING ACTIVITIES | | |
| - issues/purchases of treasury shares | - | - |
| - issues/purchases of equity instruments | - | - |
| - dividend distribution and other | - | - |
| - sale/purchase of third party controlling interests | - | - |
| Net cash flow generated/absorbed by funding activities | - | - |
| Net cash flow generated/absorbed in the year | 123,273,847 | 74,084,645 |

KEY: (+) generated; (-) absorbed

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
Manager in charge of preparing the Company's
Financial Reports

RECONCILIATION

Amounts expressed in Euro

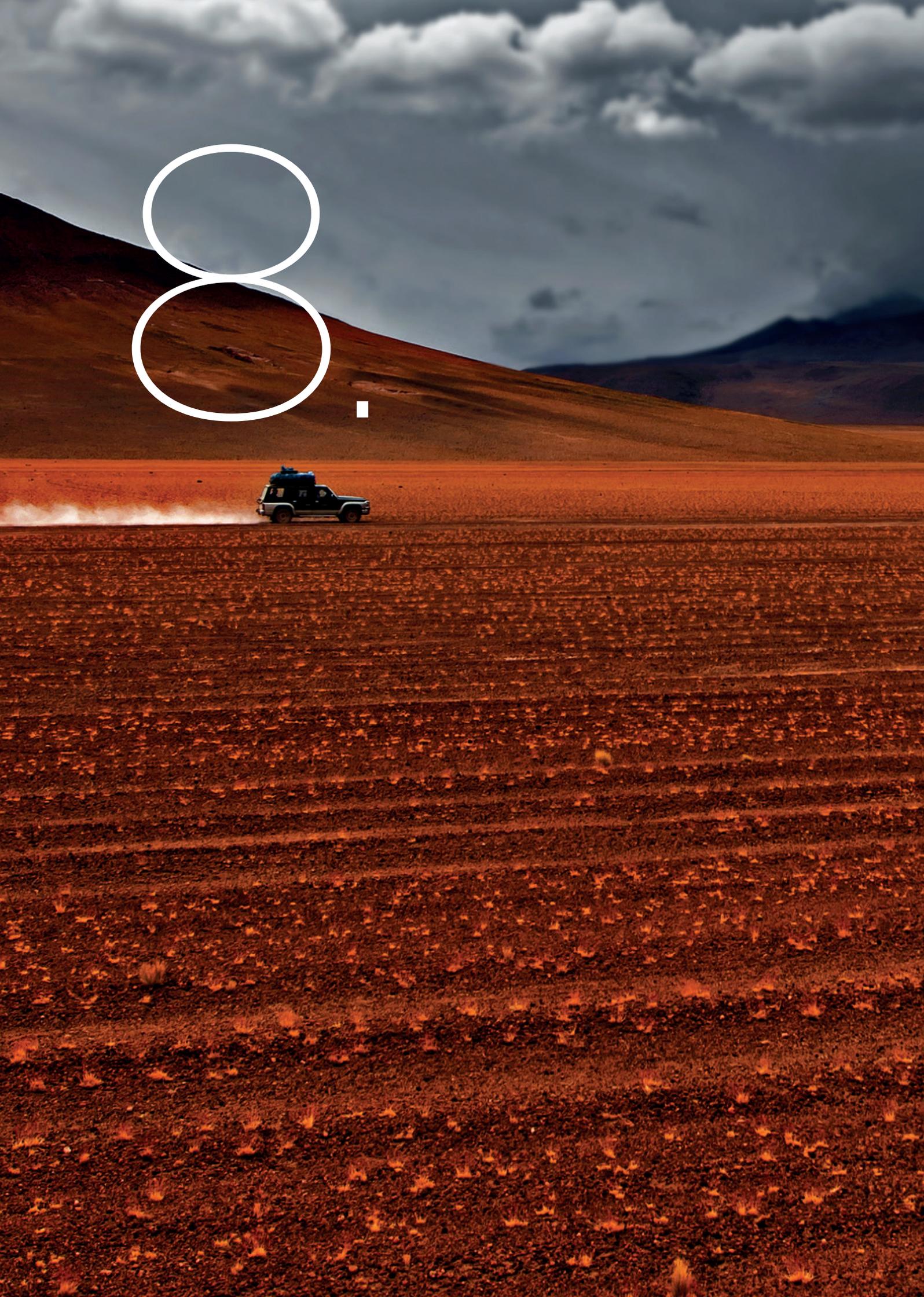
| Reconciliation | 31.12.2024 | 31.12.2023 |
|---|--------------------|--------------------|
| Cash and cash equivalents at the beginning of the year | 112,731,096 | 38,646,451 |
| Total net cash flow generated/absorbed in the year | 123,273,847 | 74,084,645 |
| Cash and cash equivalents - foreign exchange effect | - | - |
| Cash and cash equivalents at the end of the year | 236,004,943 | 112,731,096 |

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
*Manager in charge of preparing the Company's
 Financial Reports*



Notes to
the financial
statements



PART A - ACCOUNTING POLICIES

A.1 - GENERAL PART

Section 1 - Statement of compliance with international accounting standards

These financial statements as of December 31, 2024 are prepared in accordance with the International Accounting Standards (IAS) and *International Financial Reporting Standards* (IFRS) issued by the *International Accounting Standards Board* (IASB), as well as the related interpretations of the *International Financial Reporting Interpretations Committee* (IFRIC), as endorsed by the European Commission as of December 31, 2024 in accordance with the requirements of Regulations (EU) No. 1606/2002.

For the preparation of this report, reference was also made to the Bank of Italy's provisions on "Financial Statements of IFRS Intermediaries other than Banking Intermediaries", issued with measure of November 17, 2022.

In preparing the financial statements, the IAS/IFRS standards endorsed and in force as of December 31, 2024 were applied (including the SIC and IFRIC interpretative documents), without any exceptions to their application.

1.1 - International accounting standards, amendments and IFRS interpretations applied from January 1, 2024

The *accounting standards, amendments and IFRS Interpretations* applicable from January 1, 2024 are reported below:

- On January 23, 2020, the IASB published the **"Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current,"** and on October 31, 2022 published an amendment called **"Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants."** These amendments have the objective to clarify how to classify payables and other short-term or long-term liabilities. In addition, the amendments also improve the disclosures that an entity must provide when its right to defer the settlement of a liability for at least 12 months is subject to compliance with certain parameters (i.e. covenants). The adoption of this standard and its amendment did not have any effects on the AMCO's financial statements.
- On September 22, 2022, the IASB published an amendment called **"Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback"**. The document requires the seller-lessee to assess the liability for the lease resulting from a *sale & leaseback* transaction so as not to recognize an income or a loss that relates to the retained right of use. The adoption of this standard and its amendment did not have any effects on the AMCO's financial statements.
- On May 25, 2023, the IASB published an amendment called **"Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements"**. This document requires an entity to provide additional disclosures about *reverse factoring* agreements that allow users of the financial statements to assess how financial agreements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of such agreements on the entity's exposure to liquidity risk. The adoption of this standard and its amendment did not have any effect on the AMCO's financial statements.

The adoption of these amendments did not have any substantial effect on the financial statements of the AMCO Group as there were no such cases.

1.2 - Accounting standards, amendments and IFRS and IFRIC interpretations approved by the European Union, not yet mandatorily applicable and not adopted in advance by AMCO as of December 31, 2024

As of the reporting date of this document, the relevant bodies of the European Union have completed the endorsement process necessary for the adoption of the amendments and standards described below, but these non-mandatory standards have not been adopted in advance by the Company as of December 31, 2024:

- On August 15, 2023, the IASB published an amendment called "**Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability**". This document requires an entity to apply a methodology consistently in order to verify whether one currency can be converted into another and, when this is not possible, how to determine the exchange rate to be used and the disclosures to be provided in the Notes to the financial statements. The amendment will apply from January 1, 2025, but earlier application is permitted. Directors do not expect a significant effect in the Company's financial statements from the adoption of this amendment.

1.3 - Accounting standards, amendments and IFRS interpretations not yet adopted by the European Union

As of the date of this financial statements, the competent bodies of the European Union have not yet completed the approval process necessary for the adoption of the amendments and standards described below.

- On May 30, 2024, the IASB published "**Amendments to the Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7**". This document clarifies some problematic issues that emerged from the *post-implementation* review of IFRS 9, including the accounting treatment of financial assets whose returns vary upon achievement of ESG objectives (i.e. *green bonds*). Specifically, the amendments aim to:
 - clarify the classification of financial assets with variable returns and linked to environmental, social and corporate governance (ESG) objectives and the criteria to be used for the SPPI test *assessment*;
 - determine that the settlement date for liabilities using electronic payment systems is when the liability is settled. However, an entity is permitted to adopt an accounting policy to allow a financial liability to be derecognised before delivering cash on the settlement date under certain specific conditions.

With these changes, the IASB has also introduced additional disclosure requirements in particular with respect to investments in Equity instruments designated as FVOCI.

The amendments will apply from the financial statements of years beginning on or after January 1, 2026. The directors do not expect a significant effect on the Company's financial statements from the adoption of this amendment.

- On April 9, 2024, the IASB published a new standard **IFRS 18 Presentation and Disclosure in Financial Statements** that will replace IAS 1 *Presentation of Financial Statements*. The objective of the new standard is to improve the presentation of the financial statements

schedule, with particular reference to the income statement schedule. Specifically, the new standard requires:

- classify revenues and expenses into three new categories (operating section, investment section and financial section), in addition to the tax and discontinued operations categories already in the Income Statement;
- present two new sub-totals, operating income and earnings before interest and taxes (i.e. EBIT).

The new principle also:

- requires more information on the performance indicators defined by management;
- introduces new criteria for information aggregation and disaggregation; and,
- introduces a number of changes to the Statement of Cash Flows schedule, including a requirement to use operating income as the starting point for the presentation of the Statement of Cash Flows prepared under the indirect method and the elimination of certain classification options for some items that currently exist (such as interest paid, interest received, dividends paid and dividends received).

The new standard will come into effect on January 1, 2027, but earlier application is allowed. The directors are currently evaluating the possible effects of the introduction of this new standard on the Company's financial statements.

- On May 9, 2024, the IASB published a new standard **IFRS 19 Subsidiaries without Public Accountability: Disclosures**. The new standard introduces some simplifications with reference to the disclosures required by IFRS Accounting Standards in the financial statements of a subsidiary that meets the following requirements:
 - has not issued equity instruments or debt instruments listed on a regulated market and is not in the process of issuing them;
 - its parent company prepares consolidated financial statements in accordance with IFRS.

The new standard will come into effect on January 1, 2027, but earlier application is permitted. The directors do not expect a significant effect on the Company's financial statements.

- On January 30, 2014, the IASB published IFRS 14 - Regulatory Deferral Accounts, which allows only first-time adopters of IFRS to continue to recognize amounts related to rate-regulated activities ("Rate Regulation Activities") under the previous adopted accounting standards. As the Company is not a first-time adopter, this standard is not applicable.

Section 2 - Basis of preparation

The accounting policies adopted for the preparation of these financial statements, with reference to the stages of classification, recognition, measurement and derecognition of financial assets and financial liabilities have remained unchanged from those adopted for the preparation of the 2023 Financial Statements.

With reference to the going-concern principle, taking into account also the evolution characterizing the regulatory and operational context in which the Company is set, there is reasonable certainty that AMCO will operate in the future with a management model aimed at achieving efficient and effective recovery of impaired loans and other assets. As things stand, there are no elements in the financial and equity structure of the Company that may give rise to any uncertainties in this sense.

These financial statements are consistent with the Company's accounting records.

In accordance with Article 5 of Italian Legislative Decree No. 38/2005, these financial statements are prepared using the euro as the reporting currency. The amounts in the financial statements schedules are expressed in euro while the amounts in the notes to the financial statements are expressed in thousands of Euro. Any failure to reconcile the figures shown depends solely on rounding.

The statement of cash flows for the reference period and for the previous one was prepared following the direct method.

Section 3 - Subsequent events after the reporting date

With specific reference to the provisions of IAS 10, it should be noted that subsequent to December 31, 2024, the reference date of the annual financial statements, and to its approval date by the Board of Directors, no events have occurred such as to require an adjustment of the values included therein.

Among the subsequent events that did not lead to an adjustment of the values of the annual financial situation, it should be noted that with the approval of the 2023 financial statements, the term of office of the Board of Statutory Auditors, appointed by the Shareholders' Meeting with a resolution of April 28, 2021, expired naturally, and in relation to the renewal of the control body, during 2024 AMCO began a process aimed at redefining a reorganization of *governance* with the aim of identifying the model in practice most suitable to ensure the efficiency of management and the effectiveness of controls.

As a result of the examination, the so-called one-tier system of administration and control (pursuant to Article 2409 *sexiesdecies et seq.* of the Italian Civil Code) was identified as the model that best met the aforementioned objectives, also taking into account AMCO's ownership structure, size and operational characteristics. On December 30, 2024, AMCO's Shareholders' Meeting was held, which, in extraordinary session, proceeded to amend the Articles of Association to adopt the so-called one-tier system and consequently, in ordinary session, proceeded to appoint the supervisory body represented by the Management Control Committee - replacing the Board of Statutory Auditors - composed of three Directors in compliance with the provisions of Article 6, second paragraph, of the new Articles of Association. The Shareholders' Meeting also appointed an additional member of the Board of Directors, in addition to the members of the aforementioned Committee, with the aim of fostering the integration of additional skills and professionalism into the management body so as to continue on the path of strengthening AMCO's governance.

The Assembly, by resolution dated December 30, 2024, then appointed:

- Attorney Anna Paola Negri - Clementi, Director;
- Dr. Cristina Collura, Director and Chairman of the Management Control Committee;
- Dr. Lucia Foti Belligambi, Director and member of the Management Control Committee;
- Prof. Marco Tutino, Director and member of the Management Control Committee.

The new appointments are effective as of January 20, 2025 - this effective date being subject to the condition precedent of the registration with the competent Registry of Companies of the new text of the Articles of Association bearing the above-mentioned change in the governance model - and will last until the approval of the financial statements for the year ending December 31, 2025.

The following subsequent events that did not result in an adjustment of values to the annual financial statement should also be noted:

- on January 27, 2025, the "AMCO25" bond issued on October 7, 2019 for a nominal amount of EUR 600 million was repaid in full;
- on February 24, 2025, AMCO signed an agreement with funds managed by AB CarVal, a well-established global alternative investment manager, to sell a re-performing loans portfolio with a size of over EUR 400 million (GBV) including loans belonging to the ex-Veneto Banca and ex-Banca Popolare di Vicenza portfolios. The portfolio consists of retail mortgages. The transaction is the result of a competitive process involving several market players.
- On February 24, 2025, AMCO signed a binding agreement with *permanent capital* platform Eulero Capital and the Oreglia family to purchase 80% of the Exacta Group, which is active in managing unpaid taxes of local public administrations. The remaining 20% will be held by the founders and management, ensuring management continuity and *know-how* to the company. The acquisition is in line with the third pillar of AMCO's 2024-2028 Strategic Plan "We Produce Value," which envisages new initiatives to manage impaired loans for the public interest, thus strengthening AMCO's systemic role in the sector. The transaction, once finalized, will allow AMCO to acquire an operating platform with high level of technological know-how, which is complementary to its business, without overlaps and consistent with the current operating model. In this way, AMCO will contribute to optimize the collection of unpaid local taxes, making it more efficient.

Section 4 - Other aspects

4.1 - Use of estimates and assumptions in the preparation of the financial statements

The preparation of the financial statements requires the recourse of estimates and assumptions that may determine significant effects on the amounts reported in the Balance Sheet and in the Income Statement, as well as on the disclosures provided in the financial statements. The use of such estimates involves the use of available information and the adoption of subjective assessments, also based on past experience, in order to formulate reasonable assumptions for the recognition of operational transactions. By their nature, estimates and assumptions used may vary from year to year and, therefore, it cannot be excluded that in future years the current values recognised could vary due to changes in the subjective assessments used. The main cases where subjective estimates and assessments are used include:

- the determination of *fair value* of financial instruments to be used for the purposes of the information provided in the financial statements;
- the use of valuation models for the recognition of *fair value* of financial instruments not listed in active markets;
- the definition of recovery plans for both the "POCI and non-POCI" receivables and receivables measured at amortised cost, as a result of which impairment losses/recoveries of the same are defined;
- the quantification of personnel provisions and provisions for risks and charges;
- the estimates and assumptions on the recoverability of deferred tax assets.

The description of the accounting policies applied on the main financial statement aggregates provides additional information on the subjective assumptions and assessments used in the preparation of the financial statements. Lastly, it should be noted that the parameters and the information used for the verification of the values referred to in the previous paragraphs are, therefore, influenced by the particularly uncertain macroeconomic and market scenario, which could undertake rapid changes that cannot be predicted at this point, with consequent effects on the financial statements values.

4.2 - Other

On April 11, 2018, AMCO, pursuant to the provisions of Article 5 of Italian Decree Law No. 99 of June 25, 2017 (hereinafter also the "Decree Law"), converted into Italian Law No. 121 on July 31, 2017, and in compliance with the provisions of Italian Ministerial Decree No. 221 of February 22, 2018 (hereinafter "MD 221/2018"), AMCO signed with Banca Popolare di Vicenza S.p.A. in compulsory liquidation and with Veneto Banca S.p.A. in administrative compulsory liquidation, agreements (hereinafter also the "Transfer Contracts") to acquire the portfolios of non-performing loans of the two banks, through and on behalf of, respectively, the "Vicenza Group Segregated Estate" and the "Veneto Group Segregated Estate" (hereinafter also the "Segregated Estates" or "SE"), both established by means of the afore-mentioned MD 221/2018.

The transfer had as its object the loans classified or classifiable as "bad loans", "unlikely to pay" or "past due" as of the date of the launch of the compulsory administrative liquidations procedures and not transferred to and/or retroceded by Intesa Sanpaolo S.p.A. pursuant to Articles 3 and 4 of the afore-mentioned Decree Law, together with assets, agreements and legal rights and obligations accessory to the same, with the exclusion from this scope of certain assets, liabilities, agreements and rights and obligations identified in the transfer agreements in line with the criteria dictated by MD 221/2018.

In addition, pursuant to Article 5 paragraph 4 the Decree Law indicates that "The separate financial statement are prepared in compliance with international accounting standards". These separate statements, prepared for each Segregated Estate, form an annex to these financial statements, in accordance with the general provisions on Segregated Estates.

The adoption of international accounting standards for the preparation of separate statements for Segregated Estates requires that, in application of IFRS 9, an analysis of the *derecognition of asset* must be carried out by the transferor, assuming that it prepares financial statements in accordance with IAS/IFRS standards (even when this is not the case) in order to verify if the conditions for the recognition of the *assets* by the Segregated Estates transferee apply. The analyses carried out on the two separate Veneto Group and Vicenza Group Segregated Estates have considered the following scenarios:

- estimate of the net future financial flows of loans in the hypothesis of the existent transfer contracts;
- estimate of the net future financial flows of loans in the hypothesis that there has not been a transfer of assets by the LCAs but in the hypothesis of adoption of the same *business model* on the part of the LCAs;
- estimate of the net future financial flows of loans in the hypothesis that there has not been a transfer of assets by the LCAs but in the hypothesis of adoption of a different *business model* and *pricing* of the activities of *master* and *special servicing* with respect to the two previous hypotheses.

From the analysis carried out on the basis of the cash flows expected by the acquired loans it has emerged in all the hypotheses described above, that not only is the cumulative incidence of the commission components considerably below 10% (parameter used for the derecognition), but

also that the variability between the hypothesis of transfer to AMCO Segregated Estates and the hypotheses in which this did not occur (both maintaining the same management business model - nevertheless shared with the LCAs, and in hypothesis of an alternative one) is essentially nil.

On the basis of these assumptions, AMCO has not essentially acquired all the risks and benefits of ownership of the acquired financial assets and, in consequence, the requirements in the provisions of IFRS 9 for the accounting recognition of the financial asset in the financial statements have not been met.

As the holder of the Segregated Estates, although not being a direct beneficiary of the results of assets and liabilities, the Company is required to provide adequate *disclosure* in its financial statements, in accordance with the requirements of accounting standards IFRS 12 "Disclosure of interests in other entities." More specifically, for the purposes of the disclosure to be provided, it has been assessed that:

- AMCO is not required to consolidate the Segregated Estates, nor can these be considered *Joint Ventures* with the Company;
- AMCO does not hold any direct or indirect equity investment in the Segregated Estates, which cannot therefore be considered to be equity investments in non-consolidated structured entities;
- the constitution of two Segregated Estates, in order to pursue the specific statutory safeguards provided by this institution, and the existence of an ongoing *management* contract, which is still in place, between them and AMCO, ensures that the relationship between AMCO and the Segregated Estates falls within the case of *sponsorship* envisaged by IFRS 12. Therefore, the *disclosure* requirements are those defined by IFRS 12.27 and fulfilled in this report, as well as in the Notes to the Financial Statements of AMCO.

A.2 - PART RELATING TO THE MAIN FINANCIAL STATEMENTS ITEMS

The measurement criteria adopted for the preparation of the financial statements in application of current IAS/IFRS accounting standards are illustrated below.

Cash and cash equivalents

Classification criteria

This item includes all liquid assets in legal tender, as well as "on demand" receivables (current accounts and/or demand deposits) from banks.

Recognition and measurement criteria

The book value of "on demand" receivables, recorded at amortised cost which is equal to its nominal value, is adjusted to take into account any write-downs/reversals resulting from the process of assessing the related credit risk.

These write-downs/reversals are recorded in the income statement and conventionally classified under item "130. Net value adjustments/reversals for credit risk of: a) financial assets measured at amortised cost."

Financial assets measured at *fair value* through profit or loss

Classification criteria

This category includes financial assets other than those classified under financial assets measured at *fair value* through other comprehensive income and financial assets measured at amortised cost.

This item, in particular, can include:

- financial assets held for trading;
- financial assets *measured at fair value*, or financial assets so defined at the time of initial recognition and where the prerequisites apply. In this case, an entity can irrevocably designate a financial asset as measured at *fair value* through profit or loss at initial recognition if, and only if, by doing so it eliminates or significantly reduces a value inconsistency;
- financial assets mandatorily measured *at fair value*, which have not exceed the requirements for the measurement at amortised cost.

Recognition criteria

Initial recognition of financial assets takes place on the settlement date for debt securities and for equity securities. At the time of initial recognition, financial assets measured at *fair value* through profit or loss are recognised at *fair value*, without taking into account transaction expenses or revenues directly attributable to the same instrument.

Measurement and recognition criteria of income items

Market prices are used for the determination of the fair value of financial instruments listed on an active market.

In the absence of an active market, estimation methods and commonly adopted assessment methods are used, which take into account all the risk factors related to the financial assets recognised under that item, based on market observable data or internal Company's information.

For equity securities and derivative instruments which have as their object equity securities, not quoted on an active market, the cost criterion is used as an estimate of fair value only on a residual basis and in a limited number of circumstances, or in case of non-applicability of all the valuation methods previously mentioned, or in the presence of a wide range of possible valuations of fair value, in the context of which cost represents the most significant estimate.

For loans granted to securitisation vehicles, the fair value is calculated on the basis of the value of the vehicles' assets, also taking into account any contribution made to the financial statements.

Derecognition criteria

Financial assets are derecognised when the rights to contractual financial cash flows connected to them expire or when the financial asset is disposed of with the essential transfer of all risks and contractual rights connected to the ownership of the same financial assets.

Financial assets measured at *fair value* through other comprehensive income (FVOCI)

Classification criteria

This category includes financial assets that satisfy both of the following conditions:

- financial asset held according to a *business* model whose objective is achieved both through the collection of contractually anticipated financial flows and through their disposal ("*Held to Collect and Sell*" *business model*);
- the contractual terms of the financial asset involve, on pre-set dates, financial flows represented exclusively by payments of principal and interest on the amount of principal to be repaid ("SPPI test" passed).

The item also includes equity instruments not held for trading purposes, for which at the time of initial recognition, the option for the measurement *at fair value* through other comprehensive income was chosen.

In particular, this item includes:

- debt securities attributable to a *Held to Collect and Sell business model* that have passed the SPPI test;
- equity investments, not qualifying as controlling, associated and of joint control, which are not held for trading purposes, for which the option of the measurement *at fair value* through other comprehensive income was chosen.

With the exception of equity securities for which no reclassification is allowed, reclassifications of financial assets to other categories of financial assets is not allowed except in the case where the entity modifies its own *business* model for the management of financial assets.

In such cases, which must be absolutely infrequent, financial assets may be reclassified from the category measured *at fair value* through other comprehensive income to one of the other two categories under IFRS 9 (Financial assets measured at amortised cost or Financial assets measured *at fair value* through profit or loss).

The transfer value is represented by the *fair value* at the time of reclassification and the effects of the reclassification apply from the date of the same.

In case of reclassification from this category to that at amortised cost, the cumulative profit (loss) recognised in the valuation reserve is used to adjust the *fair value* of the financial asset at the date of reclassification.

However, in case of reclassification to the category of *fair value* through profit or loss, the cumulative profit (loss) previously recognised in the valuation reserve is reclassified from Shareholders' equity to the Profit (Loss) for the year.

Recognition criteria

Initial recognition of financial assets takes place on the settlement date on the basis of their *fair value* including transaction charges/revenues directly attributable to the acquisition of the financial instrument.

Charges/revenues that are subject to reimbursement by the debtor counterparty or can be classified as ordinary internal administrative costs are excluded, even though the above-mentioned characteristics.

The initial *fair value* of the financial asset usually is equivalent to the cost incurred for its acquisition.

Measurement and recognition criteria of income items

After the initial recognition, financial assets are measured at *fair value*, with allocation of profit or loss deriving from the variations in *fair value*, with respect to the amortised cost, to a specific shareholders' equity reserve recognized in the statement of comprehensive income until the financial asset is derecognised, or a reduction in value is not observed .

Equity instruments for which the choice has been made for classification in this category are measured at *fair value* and the amounts recognised under the matching entry in shareholders' equity (Statement of Comprehensive Income) must not subsequently be transferred to the Income Statement, not even in case of disposal ("*OCI exemption*"). The only component attributable to equity securities in question to be recognised in the income statement is represented by their relative dividends.

Fair value is determined on the basis of criteria already illustrated for Financial assets measured *at fair value* through profit or loss. For equity securities included in this category and not quoted on an active market, the cost criterion is used as estimate of *fair value* only on a residual basis and in a limited number of circumstances, or in case of non-applicability of all the valuation methods previously mentioned, or in the presence of a wide range of possible valuations of *fair value*, in the context of which cost represents the most significant estimate.

Derecognition criteria

Financial assets are derecognised when the rights to contractual financial cash flows connected to them expire or when the financial asset is disposed of, with the essential transfer of all risks and contractual rights connected to the ownership of the same financial asset.

Financial assets measured at amortised cost

Classification criteria

This item includes non "on-demand" loans with banks, with financial companies and with customers, which is to say all loans that requires fixed or in any case determinable payments and that are not listed on an active market.

Recognition criteria

Initial recognition of the financial assets takes place on the settlement date for debt securities and at the date of issue in case of loans. At the time of initial recognition financial assets are measured at *fair value*, inclusive of transaction expenses or revenues directly attributable to the same instrument.

Specifically, with regards to loans, the date of issue normally coincides with the date of signature of the contract. When this is not the case, at the time of signature of the contract a commitment is entered into to issue funds, which is fulfilled at the date of issue of the loan.

Loans are recognised on the basis of *fair value*, which is equal to the amount disbursed, or subscription price, including charges/revenues directly attributable to the individual loan and determinable from the origin of the transaction, even if liquidated at a later date.

Charges are excluded when, even though they have the above-mentioned characteristics, they are subject to reimbursement by the debtor counterpart of the difference between the amount issued and the amount reimbursable at maturity, typically attributed to charges/revenues deriving directly from a single loan.

On the other hand, with regard to acquired assets that are already classified as impaired at the time of acquisition - "POCI" (*Purchased or Originated Credit Impaired*) - at the time of the initial recognition no provision for the coverage of losses needs to be recognised, on condition that the expected loss is already taken into account in the *fair value* of the financial asset at the time of acquisition and is included in the calculation of the adjusted effective internal rate of the loan.

Measurement and recognition criteria of income items

After the initial recognition, loans to customers are measured at amortised cost, which is equal to the initial recognition value adjustments/reversals and the amortization - calculated using the effective interest rate method - of the difference between the amount issued and the amount repayable on maturity, attributable typically to charges/revenues deriving directly from the single loan. This criterion is not used for exposures with a duration of less than 12 months (given the non-significance of the same in this case).

The effective interest rate is the rate that discounts the flow of estimated future payments for the expected life of the loan such as to obtain exactly the net book value at the time of first recognition, which includes both transaction charges/revenues directly attributable and all fees paid or received by contracting parties. This accounting treatment, using a financial logic, allows the Breakdown of the economic effect of charges/revenues along the expected residual life of the loan.

Valuation criteria are strictly linked to the stage assigned to the loan, where *stage 1 includes performing* loans, *stage 2 includes under-performing* loans, or those loans where there has been a significant increase of the credit risk ("significant impairment") compared to the initial recognition of the instrument, and *stage 3 includes non-performing* loans, or those loans with objective evidence of impairment. Value adjustments that are recognised in the income statement, for *performing* loans classified in *stage 1* are calculated by taking into account the loss expected in one year, while *performing* loans in *stage 2* by taking into account the expected losses attributable to the entire contractually expected residual life of the asset (Lifetime Expected Loss).

Performing financial assets are assessed in function of the parameters of *probability of default* (PD), *loss given default* (LGD) and *exposure at default* (EAD), derived from internal historical data.

For impaired assets, the amount of loss to be recognised in the income statement is defined on the basis of an analytical valuation process or determined by homogeneous categories and then attributed analytically to each position. Impaired assets include financial instruments that have been defined as bad-loans, unlikely-to-pay or expired/past-due by more than 90 days in accordance with the regulations of Bank of Italy rules, consistent with the IAS/IFRS and European supervisory regulations.

The expected cash flows take into account the expected recovery times and the estimated realisable value of any guarantees. With regard to the discount rate of estimated future cash flows in the repayment plans for the non-performing exposures of the former Banco di Napoli, since finding the original effective rate would have been excessively onerous, the interest rate applied at the time on the loans in place with Banco di Napoli is used, since the same expresses a representative average of the charges associated with the non-return on the portfolio of managed loans and receivables.

If the reasons for the impairment loss are removed as a result of an event occurring after the impairment was recognised, reversals are carried out with allocation to the income statement. The reversal cannot in any case exceed the amortised cost that the financial instrument would have had in the absence of previous value adjustments. Reversals of value linked to the passing of time contribute to the generation of interest margin. The amortised cost corresponds to nominal value.

For POCI financial assets, the interest income component in terms of interest income is recognised by calculating an effective "*credit adjusted*" interest rate defined by estimating future cash flows considering all contractual terms and expected credit losses. The "*credit adjusted*" effective interest rate is calculated at the time of the initial recognition and it is the rate that exactly discounts estimated future cash flows, making their sum equivalent to the value of initial recognition of the asset inclusive of transaction costs.

Derecognition criteria

Loans are derecognised when they are considered to be definitively unrecoverable or in the event of a disposal if it has involved the substantial transfer of all risks and benefits associated with the same loans.

Property, plant and equipment

Classification criteria

Property, plant and equipment includes all assets functional to the company's operations that are expected to be used for more than one period.

This item also includes property, plant and equipment governed by IAS 2 - Inventories, i.e. assets deriving from the enforcement of guarantees or from the purchase at auction or unexercised assets linked to resolved leases agreements that the Company intends to sell in the near future.

The same item also includes, separately from the previous categories, properties deriving from the enforcement of guarantees or purchase at auction, held by the Company for investment purposes, governed by IAS 40.

Finally, rights of use acquired through leasing and governed by IFRS 16 are included.

Recognition and measurement criteria

Property, plant and equipment are initially recognised at cost, which includes, in addition to the purchase price, any accessory costs directly attributable to the purchase and putting into operation of the asset.

Subsequently, functional property, plant and equipment are measured at cost less depreciation and any impairment losses, which are recognised in the income statement.

Assets recognised as Inventories are valued after purchase at the lower cost and net realisable value, which is estimated on the basis of the market and the specific characteristics of the asset.

The difference between cost and realisable value is charged to the income statement.

Property held for investment purposes should be valued, subsequent to purchase, using the *fair value* method.

Rights of use relating to lease agreements - recognition criteria and measurement criteria

Pursuant to IFRS 16, rights of use acquired under *leases* are initially recognised as the sum of the present value of future lease payments to be paid over the expected contractual term. Where the contractual term is renewable (e.g. property) the same is estimated for a reasonably certain period of use of the asset. The rate used for discounting is, for each contract and where available, the contractual implicit interest rate. Where this is not available or cannot be determined, a conventional internal rate is used.

Subsequent to initial recognition, the right of use acquired is subject to amortization over the entire expected life of the asset.

Derecognition criteria

Property, plant and equipment are derecognised from the Balance Sheet at the time of disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from its disposal.

The early termination of a *lease* agreement results in a cancellation of the right of use that has not yet been amortised with a corresponding cancellation of the associated liability for the *lease instalments* and a possible recognition of the difference in the income statement.

Other assets and other liabilities

This item includes assets and liabilities not attributable to other asset and liability items in the Balance Sheet.

Non-current assets and groups of assets held for disposal and associated liabilities

Recognition and measurement criteria

The items "Non-current assets and groups of assets held for disposal" under assets and "Liabilities associated with assets held for disposal" under liabilities, include non-current assets or groups of assets/liabilities for which a disposal process has been initiated and their sale is considered highly probable.

These assets/liabilities are measured at the lower of their carrying value and their fair value less costs to sell, except for certain types of assets (e.g. financial assets within the scope of IFRS 9) for which IFRS 5 specifically states that the valuation criteria of the related accounting standard must be applied.

Profits and losses attributable to individual assets or to groups of assets and liabilities held for disposal, which are not discontinued operations, are recognised in the most appropriate line item in the income statement.

Financial liabilities measured at amortised cost

Classification criteria

The item includes payables for bank credit facilities and other payables to the banking system, as well as payables for bonds issued and payables to customers for advances and other. Payables recognised for *leases* as lessee are also included.

Recognition criteria

Financial liabilities are recognised at their *fair value* at the date of the stipulation of the contract and/or issue of the securities, which is normally equal to the amounts obtained, also considering the direct costs of stipulation or issue.

Lease payables are recorded by discounting, at the implicit interest rate, the expected installments over the contractual term or, in the case of property, over a term of at least 12 months.

Measurement criteria

Subsequent to initial recognition, financial liabilities are measured, where not short-term, at amortised cost using the effective interest rate of the transaction, obtained by reference to the effective cost of the transaction and the contractual disbursement flows.

Derecognition criteria

Financial liabilities are derecognised when they are settled, i.e. there are no further obligations for the Company.

Lease liabilities are cancelled if the underlying contract is terminated. Derecognition is made by charging any remaining balance to the corresponding value of the right of use recorded in the Balance Sheet Assets.

Share capital transactions

Purchase of treasury shares

The repurchase of own equity instruments is deducted from capital. No profit or loss is recognised in the income statement on their purchase, sale, issuance or cancellation of them; the consideration paid or received is recognised directly in equity, under the specific item.

Costs of issuing equity instruments and other capital transactions

Costs incurred in the issuance or repurchase of own equity instruments, or within any capital transaction, including registration fees, stamp duties and other charges due to the Regulatory Authority, as well as charges for legal, accounting and other professional advisors are recognised as a deduction from shareholders' equity to the extent that they are costs directly attributable to the transaction, or are charges that would not otherwise have been incurred.

Transaction costs related to a capital transaction are appropriately recognised as a separate item as a decrease in the Company's Shareholders' equity.

Current and deferred taxes

Classification, recognition and measurement criteria

Deferred tax assets relating to deductible temporary differences and future tax benefits obtainable from the carry-forward of tax losses, are recognised only if there is a reasonable probability of their recovery, assessed on the basis of AMCO's capacity to generate sufficient taxable income in future years and taking into account the specific regulations dictated by Italian Decree Law No. 225 of December 29, 2010, as amended.

Deferred tax liabilities, relating to taxable temporary differences, are fully recognised in the balance sheet. Where deferred tax assets and deferred tax liabilities relate to components that have affected the income statement, the balancing entry is represented by income taxes.

Italian Decree Law No. 59 of May 3, 2016, converted into Italian Law No. 119 of June 30, amended the regulations on DTAs in order to avoid the classification as "state aid" of the national regulations that establishes the automatic convertibility of "qualified" DTAs into tax credits, in the presence of statutory and/or tax losses.

The fee, since it is therefore a charge commensurate with elements that evolve over time, is recognised as a cost on the basis of the annual contribution determined and paid from year to year.

Income taxes, calculated in accordance with national tax laws, are recognised as an expense on an accrual basis, consistent with the recognition method of the expenses and revenues that generated them.

Current tax assets and tax liabilities include the net balance of the Company's tax position with respect to the Italian tax authorities. Specifically, these items include, respectively, the current tax liabilities for the year, calculated on the basis of an expectation of the tax due for the year, determined on the basis of current tax regulations and current tax assets represented by advance payments and other tax credits.

Staff severance indemnity

Staff severance indemnity refers to "post-employment benefit" classified as:

- "defined contribution plan" for the portions of staff severance indemnity indemnities accruing from January 1, 2007 (the date of application of the supplementary pension reform pursuant to Italian Legislative Decree No. 252 of December 5, 2005) both in the case of employee choice of supplementary pension plans and in the case of allocation to the Treasury Fund managed by INPS. The amount of the portions accounted under staff costs is determined on the basis of the contributions due without the application of actuarial calculation methods;
- "defined-benefit plan" and is therefore recognised on the basis of its actuarial value determined using the "Projected Unit Credit" method, for the portion of staff severance indemnity accrued up to December 31, 2006. The liability for this plan is determined by an external expert using the "*Projected Unit Credit Method*."

The Iboxx Eurozone Corporates AA index with a *duration* of more than 10 years is taken as the reference for determining the annual discount rate adopted for the computations, as it is considered more representative of market returns, taking into account the average residual duration of the liability.

As required by IAS 19, actuarial gains/losses are recognised immediately and in full in the "Statement of Comprehensive Income" with an impact on shareholders' equity.

Provisions for risks and charges

Classification, recognition and measurement criteria

Provisions for risks and charges consist of liabilities of uncertain amount or maturity and recognised in the financial statements because:

- there is a present obligation (legal or implied) as a result of a past event;
- disbursement of financial resources to settle the obligation is probable;
- a probable future outflow can be estimated reliably.

This item includes provisions for estimated losses on lawsuits, including revocatory actions, as well as other estimated disbursements against legal or implicit obligations outstanding at the end of the reporting period.

Only where the effect of the time deferral in the incurrence of the estimated charge is objectively predictable, determinable, and assumes a material aspect, the Company calculates the amount of the provisions and accruals in an amount equal to the present value of the outlays that are assumed to be necessary to settle the obligations.

If the provisions are discounted, the amount of the provisions recognised in the balance sheet increases in each period to reflect the passage of time. The adjustment of provisions is recognised in the Income Statement. The provision is reversed when the use of resources capable of producing economic benefits to fulfill the obligation becomes unlikely or when the obligation expires.

Revenues and Costs

Revenues are gross flows of economic benefits deriving from the performance of the company's ordinary activities and are recognised at the time the control of goods or services is transferred to the client, at an amount representing the amount of consideration to which the entity considers having the right.

The transaction price represents the amount of consideration to which the entity considers having the right to in exchange of the transfer to the customer of the promised goods and services. It can include fixed amounts, variable amounts, or both. Revenues configured from variable consideration are recognised in the Income Statement if they can be reliably estimated and only if it is highly probable that this consideration will not be, in subsequent periods, totally or for a significant portion derecognised from the Income Statement.

Costs are recognised in the Income Statement in compliance with the accrual principle; costs related to obtaining the contract and fulfilling obligations with customers are recognised in the Income Statement in the periods in which the related revenues are recognised.

A.3 - INFORMATION ON TRANSFERS BETWEEN PORTFOLIOS OF FINANCIAL ASSETS

During the year no transfers between different assets portfolios held took place.

A.4 - FAIR VALUE DISCLOSURE

International accounting standard IFRS 13 and the rules defined by the Bank of Italy for the preparation of the financial statements of IFRS Intermediaries other than Banking Intermediaries require that assets and liabilities, based on the determination of their *fair value*, be related to a specific hierarchy based on the nature of the inputs used in the determination of their *fair value* (so-called "levels of *fair value*").

The three levels provided are:

Level 1

Includes instruments for the measurement of which prices from active markets are available (*effective market quotes*). In this case, *fair value* corresponds to the price at which the financial instrument would be traded at the reporting date (without any change) on the main active market, or, in the absence of a main market, on the market considered most advantageous to which the entity has immediate access.

Level 2

Includes instruments for the measurement of which are used inputs - other than quoted market prices that determine inclusion in Level 1- that are directly observable (*observable data*) or indirectly *observable*.

The measurement of such an instrument is based on prices or credit spreads derived from official quotations in active markets of instruments that are substantially similar in terms of risk factors (*comparable approach*), using an appropriate method of calculation (*pricing model*). The methods used in the comparable approach make it possible to reproduce the prices of instruments quoted in active markets without including discretionary parameters such as to have a decisive influence on the final valuation price.

If a *fair value* measurement uses observable data that requires a material adjustment based on non-observable *inputs*, that measurement is included in Level 3.

Level 3

Includes the instruments that are measured by using non-observable market data. The relative *fair value* is the result of measurements involving estimates and assumptions made by the valuer (*mark to model*). The measurement is carried out using *pricing models* that are based on specific assumptions regarding:

- the development of expected *cash-flows*, possibly related to future events to which probabilities derived from historical experience or based on assumptions of behaviour can be attributed;
- the level of certain *input* parameters not quoted in active markets, for the estimation of which, however, information acquired from prices and *spreads* observed in the market is preferred. If this information is not available, historical data of the specific underlying risk factor or specialised research on the subject (e.g. *reports from rating agencies* or primary market players) is used.

Qualitative disclosures

A.4.1 - Fair value levels 2 and 3: valuation techniques and inputs used

In the absence of an active market, the following methods and significant assumptions are adopted to determine the *fair value* of financial instruments:

- for financial items (assets and liabilities) with a residual maturity of 18 months or less, *fair value* is reasonably assumed to be approximated by their carrying amount;
- for UCITS, *fair value* is calculated on the basis of internal models according to the criteria provided by the *policies in force*, adjusting the *Net Asset Value* (NAV) provided by the *Fund Administrator*. This is in compliance with the provisions of Document No. 8 of the Coordination Table on the application of IAS/IFRS (of April 2020), in which the Bank of Italy, Consob and IVASS reiterated the need to evaluate possible adjustments to the NAV for the determination of the *fair value* of UCITS units, where the valuation criteria of the underlying assets are not aligned with the criteria provided by IFRS standards for the determination of the *fair value* of the same, or where there are significant illiquidity factors, concerning the underlying assets or the units of the funds themselves. The guidance provided by the document have been specifically addressed to positions in units of UCITS that invest in *Non Performing Exposures* (NPEs), but must be considered applicable to all units of UCITS characterized by similar issues in the valuation of the underlying assets and of the units themselves;
- for other financial assets (*equity* or semi-equity securities, securitization *notes*, bonds, derivatives, etc.), commonly adopted estimation methods are used, which take into account all risk factors related to the instruments themselves;
- for impaired assets recognized at amortised cost, both POCI and non-POCI, the disclosure fair value is calculated using an internal model that uses an internally determined discount rate (considering both endogenous and exogenous parameters, such as the *enterprise risk premium*) consistent with a *Discounted Cash Flow* valuation. The *fair value* thus determined reflects the credit quality of non-performing assets.

A.4.2 - Measurement processes and sensitivity

It should be noted that since the measurement results, where they do not refer to quotations in active markets, can be significantly affected by assumptions mainly used for cash flows timing, the discount rates adopted and the methods used to estimate credit risks, the estimated *fair values* could differ from those realised in an immediate sale of the financial instruments. Moreover, the parameters used and the models adopted can differ between different financial institutions, generating even significantly different results when assumptions change.

A.4.3 - Fair value hierarchy

With regard to financial assets measured at *fair value* on a recurring basis, level transfers are recognised along the following lines.

For equity instruments, the transfer level occurs:

- when observable market *inputs* became available during the period (e.g. prices defined in the context of comparable transactions on the same instrument between independent and responsible counterparties). In this case, there will be a reclassification from Level 3 to Level 2;

- when the directly or indirectly observable inputs used as a basis for evaluation have ceased to exist, or when they are no longer updated (e.g. non-recent comparable transactions or no longer applicable multiples). In this case, valuation criteria using non-observable *inputs* are used;
- when a security is no longer listed on an active market, even temporarily, there will be a reclassification from Level 1 to Level 2 or Level 3 as appropriate.

Quantitative disclosure

A.4.5 - Fair value hierarchy

A.4.5.1 - Assets and liabilities measured at fair value on a recurring basis: break-down by levels of fair value

| Financial assets/liabilities measured at fair value | 31.12.2024 | | | 31.12.2023 | | |
|---|----------------|-----------|----------------|----------------|-----------|----------------|
| | L1 | L2 | L3 | L1 | L2 | L3 |
| 1. Financial assets measured at fair value through profit or loss | 999 | 6 | 807,841 | 1,720 | 6 | 901,495 |
| (a) financial assets held for trading | - | 6 | - | - | 6 | - |
| (b) financial assets measured at fair value | - | - | - | - | - | - |
| (c) other financial assets mandatorily measured at fair value | 999 | - | 807,841 | 1,720 | - | 901,495 |
| 2. Financial assets measured at fair value through other comprehensive income | 832,208 | - | 493 | 487,693 | - | 493 |
| 3. Hedging derivatives | - | - | - | - | - | - |
| 4. Property, plant and equipment | - | - | - | - | - | - |
| 5. Intangible assets | - | - | - | - | - | - |
| Total | 833,207 | 6 | 808,334 | 489,413 | 6 | 901,988 |
| 1. Financial liabilities held for trading | - | 11 | - | - | 20 | - |
| 2. Financial liabilities measured at fair value | - | - | - | - | - | - |
| 3. Hedging derivatives | - | - | - | - | - | - |
| Total | - | 11 | - | - | 20 | - |

Key

L1 = Level 1

L2 = Level 2

L3 = Level 3

Assets and liabilities measured *at fair value* on a recurring basis consist mainly of:

- financial assets held for trading at Level 2, amounting to EUR 6.4 thousand, relating to interest rate derivative contracts entered into between Banca MPS and customers and sold as part of the demerger transaction since they are directly linked to the transferred NPEs;
- other financial assets mandatorily measured at Level 1 *fair value*, for EUR 1 million, include the equity investment held in Trevi Finanziaria Industriale S.p.A;
- financial assets mandatorily measured at Level 3 *fair value*, for a total of EUR 807.8 million, which mainly include *Performing* and *Non-Performing Exposures* that do not meet IFRS 9 criteria to be classified at amortised cost (as they did not pass the SPPI test) for EUR 375.6 million, including the loan granted to the vehicle Tatoonine SPV S.r.l, the investment in the *Italian Recovery Fund* in the amount of EUR 275.5 million, the investment in the *Back2bonis* Fund for the amount of EUR 76.7 million, the *participative financial instruments* of Astaldi S.p.A. for the amount of EUR 14.6 million, the SGT Sansedoni fund units for the amount of EUR 11.4 million and other financial assets for the amount of EUR 10.6 million;

- financial assets measured at *fair value* through other comprehensive income of Level 1, for a total of EUR 832.2 million, consisting of the temporary investment of liquidity in government bonds;
- financial assets measured at *fair value* through other comprehensive income of Level 3, for a total of EUR 0.5 million, refers entirely to the shares of Arezzo Fiere Congressi, resulting from the demerger from Banca Monte dei Paschi di Siena;
- financial liabilities held for trading at Level 2, amounting to EUR 11 thousand, relating to interest rate derivative contracts entered into between Banca MPS and customers and sold as part of the demerger transaction since they are directly linked to the transferred NPEs.

A.4.5.2 - Annual changes in assets measured at fair value on a recurring basis (Level 3)

| | Financial assets measured at fair value through profit or loss | | | Financial assets valued at fair value through other comprehensive income | Hedging derivatives | Property, plant and equipment | Intangible Assets |
|---------------------------------|--|--|--|--|---------------------|-------------------------------|-------------------|
| | Total | Of which: a) financial assets held for trading | Of which: b) financial assets measured at fair value | | | | |
| 1. Opening balances | 901,495 | - | - | 901,495 | 493 | - | - |
| 2. Increases | 5,614 | - | - | 5,614 | - | - | - |
| 2.1 Purchases | 400 | - | - | 400 | - | - | - |
| 2.2 Profits attributable to | 5,214 | - | - | - | - | - | - |
| 2.2.1 Income statement | 5,214 | - | - | 5,214 | - | - | - |
| - of which: capital gains | - | - | - | - | - | - | - |
| 2.2.2 Shareholders' equity | - | X | X | X | - | - | - |
| 2.3 Transfers from other levels | - | - | - | - | - | - | - |
| 2.4 Other increases | - | - | - | - | - | - | - |
| 3. Decreases | 99,268 | - | - | 99,268 | - | - | - |
| 3.1 Sales | - | - | - | - | - | - | - |
| 3.2 Refunds | 47,801 | - | - | 47,801 | - | - | - |
| 3.3 Losses attributable to: | - | - | - | - | - | - | - |
| 3.3.1 Income Statement | 7,351 | - | - | 7,351 | - | - | - |
| - of which capital losses | 7,351 | - | - | 7,351 | - | - | - |
| 3.3.2 Shareholders' equity | - | X | X | X | - | - | - |
| 3.4 Transfers to other levels | - | - | - | - | - | - | - |
| 3.5 Other decreases | 44,116 | - | - | 44,116 | - | - | - |
| 4. Closing balance | 807,841 | - | - | 807,841 | 493 | - | - |

A.4.5.4 - Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: break-down by fair value levels

| Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis | 31.12.2024 | | | 31.12.2023 | | | | |
|--|------------------|------------------|----------|------------------|------------------|------------------|----------|------------------|
| | CA | L1 | L2 | L3 | CA | L1 | L2 | L3 |
| 1. Financial assets measured at amortised cost | 3,190,367 | - | - | 3,275,165 | 3,825,838 | - | - | 3,827,214 |
| 2. Property, plant and equipment held for investment | - | - | - | - | - | - | - | - |
| 3. Non-current assets and groups of assets held for disposal | 140,224 | - | - | 140,224 | - | - | - | - |
| Total | 3,330,591 | - | - | 3,415,389 | 3,825,838 | - | - | 3,827,214 |
| 1. Financial liabilities measured at amortised cost | 3,165,776 | 3,062,466 | - | - | 3,412,200 | 3,230,088 | - | 22,581 |
| 2. Liabilities associated to assets held for disposal | 5,706 | - | - | 5,706 | - | - | - | - |
| Total | 3,171,482 | 3,062,466 | - | 5,706 | 3,412,200 | 3,230,088 | - | 22,581 |

Key:

CA = Carrying amount

L1 = Level 1

L2 = Level 2

L3 = Level 3

PART B - INFORMATION ON THE BALANCE SHEET ASSETS

Section 1 - Cash and cash equivalents - Item 10

| | 31.12.2024 | 31.12.2023 |
|-------------------------------------|----------------|----------------|
| (a) Cash | - | - |
| b) Unrestricted deposits with banks | 236,005 | 112,731 |
| Total | 236,005 | 112,731 |

The “Unrestricted deposits with banks” item includes all current account exposures, net of adjustments.

Section 2 - Financial assets measured at *fair value* through profit or loss - Item 20

2.1 - Financial assets held for trading: break-down by type

| Items/Values | 31.12.2024 | | | 31.12.2023 | | |
|--------------------------------------|------------|----------|----|------------|----------|----|
| | L1 | L2 | L3 | L1 | L2 | L3 |
| A. On-balance sheet assets | | | | | | |
| 1. Debt securities | - | - | - | - | - | - |
| 1.1 Structured securities | - | - | - | - | - | - |
| 1.2 Other debt securities | - | - | - | - | - | - |
| 2. Equity securities and UCITS units | - | - | - | - | - | - |
| 3. Loans | - | - | - | - | - | - |
| Total A | - | - | - | - | - | - |
| B. Derivative Instruments | | | | | | |
| 1. Financial derivatives | - | 6 | - | - | 6 | - |
| 1.1 for trading | - | 6 | - | - | 6 | - |
| 1.2 related to the fair value option | - | - | - | - | - | - |
| 1.3 others | - | - | - | - | - | - |
| 2. Credit derivatives | - | - | - | - | - | - |
| 2.1 for trading | - | - | - | - | - | - |
| 2.2 related to the fair value option | - | - | - | - | - | - |
| 2.3 others | - | - | - | - | - | - |
| Total B | - | 6 | - | - | 6 | - |
| Total (A+B) | - | 6 | - | - | 6 | - |

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

Financial derivatives held for trading include the balance, including accruals, of derivative instruments in which AMCO took over as part of the demerger with Banca Monte Paschi di Siena.

2.2 - Derivative financial instruments

| Underlying assets/ Derivative types | Total (31.12.2024) | | | | Total (31.12.2023) | | | |
|---|-----------------------------|-----------------------------------|---|----------------------|--|---|----------|----------------------|
| | Over the counter | | | Organised markets | Over the counter | | | Organised markets |
| | Central counterpart s | Without central counterparties | | | Central counterpart s | Without central counterparties | | |
| | | With ompensation agreements | Without compensatio n agreements | | With compensatio n agreements | Without compensatio n agreements | | |
| 1. Debt securities and interest rates | | | | | | | | |
| - Notional value | - | - | 822 | - | - | - | 1,473 | |
| - Fair value | - | - | 6 | - | - | - | 6 | |
| 2. Equity securities and stock indices | | | | | | | | |
| - Notional value | - | - | - | - | - | - | - | |
| - Fair value | - | - | - | - | - | - | - | |
| 3. Currencies and gold | | | | | | | | |
| - Notional value | - | - | - | - | - | - | - | |
| - Fair value | - | - | - | - | - | - | - | |
| 4. Loans | | | | | | | | |
| - Notional value | - | - | - | - | - | - | - | |
| - Fair value | - | - | - | - | - | - | - | |
| 5. Goods | | | | | | | | |
| - Notional value | - | - | - | - | - | - | - | |
| - Fair value | - | - | - | - | - | - | - | |
| 6. Others | | | | | | | | |
| - Notional value | - | - | - | - | - | - | - | |
| - Fair value | - | - | - | - | - | - | - | |
| Total | - | - | 6 | - | - | - | 6 | |

2.3 - Financial assets held for trading: break-down by debtors/issuers

| Items/Values | Total (31.12.2024) | Total (31.12.2023) |
|-----------------------------------|-----------------------|-----------------------|
| A. On-balance sheet assets | | |
| 1. Debt Securities | - | - |
| (a) Public administrations | - | - |
| (b) Banks | - | - |
| c) Other financial companies | - | - |
| of which: insurance companies | - | - |
| d) Non-financial companies | - | - |
| 2. Equity securities | - | - |
| (a) Banks | - | - |
| b) Other financial companies | - | - |
| of which: insurance companies | - | - |
| c) Non-financial companies | - | - |
| d) Other issuers | - | - |
| 3. UCITS units | - | - |
| 4. Loans | - | - |
| (a) Public administrations | - | - |
| (b) Banks | - | - |
| c) Other financial companies | - | - |
| of which: insurance companies | - | - |
| d) Non-financial companies | - | - |
| e) Households | - | - |
| Total (A) | - | - |
| B. Derivative Instruments | | |
| a) Central Counterparties | - | - |
| b) Others | 6 | 6 |
| Total (B) | 6 | 6 |
| Total (A+B) | 6 | 6 |

2.6 - Other financial assets mandatorily measured at fair value: break-down by type

| Items/Values | Total (31.12.2024) | | | Total (31.12.2023) | | |
|-----------------------------|--------------------|----|----------------|--------------------|----|----------------|
| | L1 | L2 | L3 | L1 | L2 | L3 |
| 1. Debt securities | | | 1,777 | | | |
| 1.1 Structured securities | | | | | | |
| 1.2 Other debt securities | | | 1,777 | | | |
| 2. Equity securities | 999 | | 14,899 | 1,720 | | 18,110 |
| 3. UCITS units | | | 372,189 | | | 420,293 |
| 4. Loans | | | 418,976 | | | 463,092 |
| 4.1 Repurchase agreements | | | | | | |
| 4.2 Others | | | 418,976 | | | 463,092 |
| Total | 999 | | 807,841 | 1,720 | | 901,495 |

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

The item “Debt securities” includes:

- debt securities obtained following the conversion of CMC Ravenna's equity financial instruments arising from the portfolio acquired from Banca Carige and the transaction with Monte dei Paschi di Siena for a total of EUR 1.8 million.

The item “Equity securities” includes:

- the residual portfolio of Trevi Finanziaria Industriale S.p.A.'s shares, acquired following the conversion of receivables from the portfolio acquired from Banca Carige and from the transaction with Monte dei Paschi di Siena for a total of EUR 1 million;
- equity financial instruments (SFP) acquired following the conversion of receivables from the portfolio acquired from Banca Carige and in the context of the transaction with Monte dei Paschi di Siena for a total of EUR 14.9 million.

The item “UCITS units” includes:

- the investment in the *Italian Recovery Fund* for the amount of EUR 275.5 million. As of December 31, 2024, the Company held 350.6 units with a unit value of EUR 785,850 for a NAV unit value of EUR 818,892 (compared to 403.3 units held as of December 31, 2023). The reduction in the number of units in the portfolio is due to the cancellation of units following capital distributions in March and August 2024;
- the units of the *Back2Bonis* Fund, assigned to the Company in the context of the 'Cuvée' transaction, amounting to EUR 76.7 million as of December 31, 2024;
- the SGT Sansedoni fund units, acquired in 2021 as part of a debt-to-equity swap transaction and valued at EUR 11.4 million as of December 31, 2024;
- the units of Efesto, acquired in 2020 as part of the transaction with Monte dei Paschi di Siena and valued at EUR 7 million as of December 31, 2024;
- the units of Clessidra Restructuring Fund, valued at EUR 1.5 million as of December 31, 2024.

Loans include receivables that do not pass the SPPI test and for which measurement at *fair value* is mandatory, including the loan disbursed to Tatoonie SPV S.r.l., as part of the acquisition of a leasing portfolio, with a securitisation structure.

2.7 - Other financial assets mandatorily measured at fair value: break-down by debtor/issuer

| Items/Values | Total (31.12.2024) | Total (31.12.2023) |
|-------------------------------------|-----------------------|-----------------------|
| 1. Equity securities | 15,898 | 19,830 |
| of which: banks | - | - |
| of which: other financial companies | - | - |
| of which: non-financial companies | 15,898 | 19,830 |
| 2. Debt securities | 1,777 | - |
| a) Public administrations | - | - |
| b) Banks | - | - |
| c) Other financial companies | - | - |
| of which: insurance companies | - | - |
| d) Non-financial companies | 1,777 | - |
| 3. UCITS units | 372,189 | 420,293 |
| 4. Loans | 418,976 | 463,092 |
| a) Public Administrations | - | - |
| b) Banks | - | - |
| c) Other financial companies | 381,105 | 424,894 |
| of which: insurance companies | - | - |
| d) Non-financial companies | 37,765 | 37,757 |
| e) Households | 106 | 441 |
| Total | 808,840 | 903,215 |

Section 3 - Financial assets measured at fair value through other comprehensive income - Item 30

3.1 - Financial assets measured at fair value through other comprehensive income: break-down by type

| Items/Values | Total (31.12.2024) | | | Total (31.12.2023) | | |
|-----------------------------|--------------------|----|------------|--------------------|----|------------|
| | L1 | L2 | L3 | L1 | L2 | L3 |
| 1. Debt securities | 832,208 | | | 487,693 | | |
| 1.1 Structured securities | | | | | | |
| 1.2 Other debt securities | 832,208 | | | 487,693 | | |
| 2. Equity securities | | | 493 | | | 493 |
| 3. Loans | | | | | | |
| Total | 832,208 | | 493 | 487,693 | | 493 |

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

As of December 31, 2024 this item had a balance of EUR 832.7 million. In detail:

- Other debt securities: the amount of EUR 832.2 million, including accrued interest, refers to investments in Italian government bonds;
- Equity securities: the total amount of EUR 0.5 million refers entirely to the shares of Arezzo Fiere Congressi, deriving from the demerger project with Banca Monte dei Paschi di Siena.

3.2 - Financial assets measured at fair value through other comprehensive income: break-down by debtor/issuer

| Items/Values | Total 31.12.2024 | Total 31.12.2023 |
|-------------------------------|---------------------|---------------------|
| 1. Debt Securities | 832,208 | 487,693 |
| a) Public administrations | 832,208 | 487,693 |
| b) Banks | - | - |
| c) Other financial companies | - | - |
| of which: insurance companies | - | - |
| d) Non-financial companies | - | - |
| 2. Equity securities | 493 | 493 |
| a) Public administrations | - | - |
| b) Banks | - | - |
| c) Other financial companies | - | - |
| of which: insurance companies | - | - |
| d) Non-financial companies | 493 | 493 |
| 3. Loans | - | - |
| a) Public administrations | - | - |
| b) Banks | - | - |
| c) Other financial companies | - | - |
| of which: insurance companies | - | - |
| d) Non-financial companies | - | - |
| e) Households | - | - |
| Total | 832,701 | 488,186 |

3.3 - Financial assets measured at fair value through other comprehensive income: gross value and total value adjustments

| | Gross value | | | | | Total value adjustments | | | | | Total partial write-offs* |
|---------------------------|----------------|--|--------------|-------------|---|-------------------------|--------------|-------------|---|---|---------------------------|
| | First stage | of which: instruments with low credit risk | Second stage | Third stage | Purchased or Originated Credit Impaired | First stage | Second stage | Third stage | Purchased or Originated Credit Impaired | | |
| Debt securities | 832,208 | 832,208 | - | - | - | - | - | - | - | - | - |
| Loans | - | - | - | - | - | - | - | - | - | - | - |
| Total (31.12.2024) | 832,208 | 832,208 | - | - | - | - | - | - | - | - | - |
| Total (31.12.2023) | 488,394 | 488,394 | - | - | - | (701) | - | - | - | - | - |

* Value to be given for information purposes

Section 4 - Financial assets measured at amortised cost - Item 40

4.1 - Financial assets measured at amortised cost: break-down by type of loans and receivables with banks

| Break-down | Total (31.12.2024) | | | | | Total (31.12.2023) | | | | | | |
|-----------------------------|-------------------------|-------------|---|------------|----|--------------------|-------------------------|-------------|---|----|----|--------|
| | Carrying amount | | | Fair value | | Carrying amount | | | Fair value | | | |
| | First and second stages | Third stage | Purchased or Originated Credit Impaired | L1 | L2 | L3 | First and second stages | Third Stage | Purchased or Originated Credit Impaired | L1 | L2 | L3 |
| 1. Maturity Deposits | 100,162 | - | - | - | - | 100,162 | 40,127 | - | - | - | - | 40,127 |
| 2. Current accounts | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Loans | - | - | - | - | - | - | - | - | - | - | - | - |
| 3.1 Repurchase agreements | - | - | - | - | - | - | - | - | - | - | - | - |
| 3.2 Lease financing | - | - | - | - | - | - | - | - | - | - | - | - |
| 3.3 Factoring | - | - | - | - | - | - | - | - | - | - | - | - |
| - with recourse | - | - | - | - | - | - | - | - | - | - | - | - |
| - without recourse | - | - | - | - | - | - | - | - | - | - | - | - |
| 3.4 Other loans | - | - | - | - | - | - | - | - | - | - | - | - |
| 4. Debt Securities | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.1 Structured securities | - | - | - | - | - | - | - | - | - | - | - | - |
| 4.2 Other debt securities | - | - | - | - | - | - | 2,266 | - | - | - | - | 2,266 |
| 5. Other assets | 537 | - | - | - | - | 537 | 42,393 | - | - | - | - | 42,393 |
| Total | 100,699 | - | - | - | - | 100,699 | 42,393 | - | - | - | - | 42,393 |

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

As of December 31, 2024 the item refers to:

- An interest-bearing restricted deposit with Intesa Sanpaolo for EUR 100.2 million closed in January 2025;
- Receivables for fees to be received for EUR 0.5 million.

4.2 - Financial assets measured at amortised cost: break-down by type of loans and receivables with financial companies

| Break-down | Total (31.12.2024) | | | | | | Total (31.12.2023) | | | | | |
|----------------------------|-------------------------|-------------|---|------------|----|---------------|-------------------------|-------------|---|------------|----|---------------|
| | Carrying amount | | | Fair value | | | Carrying amount | | | Fair value | | |
| | First and second stages | Third Stage | Purchased or Originated Credit Impaired | L1 | L2 | L3 | First and second stages | Third Stage | Purchased or Originated Credit Impaired | L1 | L2 | L3 |
| 1. Loans | 50,473 | - | 12,056 | - | - | 63,332 | 47,289 | - | 17,415 | - | - | 64,866 |
| 1.1 Repurchase agreements | - | - | - | - | - | - | - | - | - | - | - | - |
| 1.2 Lease financing | - | - | - | - | - | - | - | - | - | - | - | - |
| 1.3 Factoring | - | - | - | - | - | - | - | - | - | - | - | - |
| - with recourse | - | - | - | - | - | - | - | - | - | - | - | - |
| - without recourse | - | - | - | - | - | - | - | - | - | - | - | - |
| 1.4. Other loans | 50,473 | - | 12,056 | - | - | 63,332 | 47,289 | - | 17,415 | - | - | 64,866 |
| 2. Debt securities | 18,473 | - | - | - | - | 18,473 | 14,778 | - | - | - | - | 14,778 |
| 2.1 Structured securities | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.2. Other debt securities | 18,473 | - | - | - | - | 18,473 | 14,778 | - | - | - | - | 14,778 |
| 3. Other assets | 28 | - | - | - | - | 28 | 20 | - | - | - | - | 20 |
| Total | 68,974 | - | 12,056 | - | - | 81,833 | 62,087 | - | 17,415 | - | - | 79,664 |

Key:

- L1 = Level 1
- L2 = Level 2
- L3 = Level 3

As of December 31, 2024, the item had a balance of EUR 81 million consisting of the receivables of the acquired portfolios for EUR 12 million, the loan to the Back2Bonis Fund for EUR 50.5 million and the notes held in the securitisation vehicle Chewbecca SPV S.r.l. for EUR 18.5 million.

4.3 - Financial assets measured at amortised cost: break-down by type of loans and receivables with customers

| Break-down | Total (31.12.2024) | | | | | Total (31.12.2023) | | | | | | |
|--|-------------------------|--------------|---|------------|----|--------------------|-------------------------|--------------|---|----|----|------------------|
| | Carrying amount | | | Fair value | | Carrying amount | | | Fair value | | | |
| | First and second stages | Third Stage | Purchased or Originated Credit Impaired | L1 | L2 | L3 | First and second stages | Third Stage | Purchased or Originated Credit Impaired | L1 | L2 | L3 |
| 1. Loans | 1,360 | 4,088 | 3,003,190 | - | - | 3,092,632 | 5,123 | 6,490 | 3,692,331 | - | - | 3,705,157 |
| 1.1 Lease financing | - | - | - | - | - | - | - | - | - | - | - | - |
| of which: without final purchase option | - | - | - | - | - | - | - | - | - | - | - | - |
| 1.2 Factoring | - | - | - | - | - | - | - | - | - | - | - | - |
| - with recourse | - | - | - | - | - | - | - | - | - | - | - | - |
| - without recourse | - | - | - | - | - | - | - | - | - | - | - | - |
| 1.3 Consumer credits | - | - | - | - | - | - | - | - | - | - | - | - |
| 1.4 Credit cards | - | - | - | - | - | - | - | - | - | - | - | - |
| 1.5 Pawn lending | - | - | - | - | - | - | - | - | - | - | - | - |
| 1.6 Loans granted in connection with payment services provided | - | - | - | - | - | - | - | - | - | - | - | - |
| 1.7 Other loans | 1,360 | 4,088 | 3,003,190 | - | - | 3,092,632 | 5,123 | 6,490 | 3,692,331 | - | - | 3,705,157 |
| of which: from enforcement of guarantees and commitments | - | - | - | - | - | - | - | - | - | - | - | - |
| 2. Debt securities | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.1 Structured securities | - | - | - | - | - | - | - | - | - | - | - | - |
| 2.2 Other debt securities | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Other assets | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 1,360 | 4,088 | 3,003,190 | - | - | 3,092,632 | 5,123 | 6,490 | 3,692,331 | - | - | 3,705,157 |

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

As of December 31, 2024 the item had a balance of EUR 3,008.6 million, mainly consisting of:

- Portfolios measured at amortised cost for the amount of EUR 1,390.8 million;
- Portfolios measured as POCI for the amount of EUR 1,617.8 million.

4.4 - Financial assets measured at amortised cost: break-down of loans and receivables with customers by debtors/issuers

| Type of transactions/values | Total (31.12.2024) | | | Total (31.12.2023) | | |
|-----------------------------|-------------------------|--------------|---|-------------------------|--------------|---|
| | First and second stages | Third stage | Purchased or Originated Credit Impaired | First and second stages | Third stage | Purchased or Originated Credit Impaired |
| 1. Debt Securities | - | - | - | - | - | - |
| a) Public administrations | - | - | - | - | - | - |
| b) Non-financial companies | - | - | - | - | - | - |
| 2. Loans to: | 1,360 | 4,088 | 3,003,191 | 5,123 | 6,490 | 3,692,331 |
| a) Public administrations | - | - | 2,587 | - | - | 812 |
| b) Non-financial companies | 813 | 2,156 | 2,142,213 | 1,826 | 1,877 | 2,535,806 |
| c) Households | 547 | 1,932 | 858,391 | 3,297 | 4,613 | 1,155,713 |
| 3. Other assets | - | - | - | - | - | - |
| Total | 1,360 | 4,088 | 3,003,191 | 5,123 | 6,490 | 3,692,331 |

4.5 - Financial assets measured at amortised cost: gross value and total value adjustments

| | Gross value | | | | | Total value adjustments | | | | |
|---------------------------|---------------|--|--------------|---------------|---|-------------------------|--------------|----------------|---|---------------------------|
| | First stage | of which: instruments with low credit risk | Second stage | Third stage | Purchased or Originated Credit Impaired | First stage | Second stage | Third stage | Purchased or Originated Credit Impaired | Total partial write-offs* |
| Debt securities | 18,473 | - | - | - | - | - | - | - | - | - |
| Loans | 55,725 | - | 1,373 | 10,508 | 6,859,881 | (817) | (22) | (5,097) | (3,850,383) | (7,718) |
| Other assets | 645 | 645 | - | - | - | (80) | - | - | - | - |
| Total (31.12.2024) | 74,843 | 645 | 1,373 | 10,508 | 6,859,881 | (897) | (22) | (5,097) | (3,850,383) | (7,718) |
| Total (31.12.2023) | 65,114 | 65,114 | 5,207 | 12,352 | 7,919,283 | (761) | (84) | (5,862) | (4,209,538) | (19,309) |

* Value to be given for information purposes

4.6 - Financial assets measured at amortised cost: guaranteed assets

| | Total (31.12.2024) | | | | Total (31.12.2023) | | | | | | |
|--|----------------------------------|----|--|--------|--------------------------------------|-----------|--|--------|--------------------------------------|-----------|-----------|
| | Loans and receivables with banks | | Loans and receivables with financial companies | | Loans and receivables with customers | | Loans and receivables with financial companies | | Loans and receivables with customers | | |
| | EV | GV | EV | GV | EV | GV | EV | GV | EV | GV | |
| 1. Non-impaired assets guaranteed by: | - | - | - | 3,032 | 3,032 | 3,032 | - | - | - | 5,072 | 5,072 |
| - Assets in financial leases | - | - | - | - | - | - | - | - | - | - | - |
| - Factoring credits | - | - | - | - | - | - | - | - | - | - | - |
| - Mortgages | - | - | 2,904 | 2,904 | 2,904 | - | - | - | 4,874 | 4,874 | - |
| - Pawns | - | - | - | - | - | - | - | - | - | - | - |
| - Personal guarantees | - | - | 128 | 128 | 128 | - | - | - | 198 | 198 | - |
| - Credit derivatives | - | - | - | - | - | - | - | - | - | - | - |
| 2. Impaired assets guaranteed by: | - | - | 11,140 | 11,119 | 2,731,911 | 2,648,770 | - | 15,612 | 15,357 | 3,208,843 | 3,102,699 |
| - Assets in financial leases | - | - | - | - | - | - | - | - | - | - | - |
| - Factoring credits | - | - | - | - | - | - | - | - | - | - | - |
| - Mortgages | - | - | 9,691 | 9,691 | 2,185,600 | 2,185,600 | - | 13,224 | 13,224 | 2,572,599 | 2,572,599 |
| - Pawns | - | - | - | - | 55,509 | 55,509 | - | 233 | 233 | 59,541 | 59,541 |
| - Personal guarantees | - | - | 112 | 112 | 480,203 | 397,062 | - | 2,155 | 1,900 | 565,439 | 459,295 |
| - Credit derivatives | - | - | 1,337 | 1,316 | 10,599 | 10,599 | - | - | - | 11,264 | 11,264 |
| Total | - | - | 11,140 | 11,119 | 2,734,943 | 2,651,802 | - | 15,612 | 15,357 | 3,213,915 | 3,107,771 |

Key:

EV = Book value of the exposures

GV = fair value of guarantees

The amounts refer to all exposures, fully or partially secured, to individual debtors.

Section 7 - Equity investments - Item 70

7.1 - Equity investments: information on equity investments relations

| Denominations | Registered office | Operational office | Shareholding interest % | Votes available % | Carrying amount | Fair Value |
|--|-------------------|--------------------|-------------------------|-------------------|-----------------|------------|
| A. Exclusively controlled companies | | | | | | |
| Tatooine Leaseco s.r.l. | Conegliano | Conegliano | 100% | 100% | 396 | n.a |
| Tatooine SPV s.r.l. | Conegliano | Conegliano | 100% | 100% | 16 | n.a |
| Le Manifatture s.r.l. | Conegliano | Conegliano | 100% | 100% | 11 | n.a |
| Total | | | | | 423 | n.a |

The balance of this item, equal to EUR 423 thousand, refers to the equity investments held by AMCO S.p.A. in the vehicles Tatooine SPV S.r.l., Tatooine LeaseCo S.r.l. and Le Manifatture S.r.l..

7.2 - Annual changes in equity investments

| | Group equity investments | Non-group equity investments | Total |
|----------------------------|--------------------------|------------------------------|------------|
| A. Opening balances | 423 | - | 423 |
| B. Increases | - | - | - |
| B.1 Purchases | - | - | - |
| B.2 Reversals | - | - | - |
| B.3 Revaluations | - | - | - |
| B.4 Other changes | - | - | - |
| C. Decreases | - | - | - |
| C.1 Sales | - | - | - |
| C.2 Value adjustments | - | - | - |
| C.3 Write-downs | - | - | - |
| C.4 Other changes | - | - | - |
| D. Closing balance | 423 | - | 423 |

7.5 - Non-significant equity investments: accounting information

| Items/values | Profit/Loss | Total assets | Shareholders' equity | Revenues |
|-----------------------|-------------|--------------|----------------------|------------|
| Le Manifatture s.r.l. | (16) | 295 | 13 | 248 |
| Total | (16) | 295 | 13 | 248 |

Section 8 - Property, plant and equipment - Item 80

8.1 - Property, plant and equipment held for operational use: break-down of assets measured at cost

| Activities/ Values | Total (31.12.2024) | Total (31.12.2023) |
|---|--------------------|--------------------|
| 1. Owned assets | 1,080 | 1,022 |
| (a) land | - | - |
| (b) buildings | - | - |
| (c) movable assets | 1,001 | 897 |
| (d) electronic equipment | 10 | 14 |
| (e) other | 69 | 111 |
| 2. Rights of use acquired through leases | 20,966 | 18,331 |
| (a) land | - | - |
| (b) buildings | 20,720 | 18,042 |
| (c) movable assets | - | - |
| (d) electronic equipment | 10 | 51 |
| (e) others | 236 | 238 |
| Total | 22,046 | 19,353 |
| of which: obtained through the enforcement of guarantees received | - | - |

The increase in fixed assets as of December 31, 2024 is mainly attributable to the determination of the right of use of the buildings in the new Rome and Naples offices, partially offset by the natural depreciation of owned assets and rights of use pursuant to IFRS 16.

8.5 - Inventories of property, plant and equipment regulated by IAS 2: break-down

| Activities/ Values | Total (31.12.2024) | Total (31.12.2023) |
|--|-----------------------|-----------------------|
| 1. Inventories of assets obtained from the enforcement of guarantees received | - | 1,412 |
| (a) land | - | - |
| (b) buildings | - | 1,412 |
| (c) movable assets | - | - |
| (d) electronic equipment | - | - |
| (e) others | - | - |
| 2. Other inventories of property, plant and equipment | 7,975 | 7,711 |
| Total | 7,975 | 9,123 |
| of which: measured at fair value less costs to sell | - | - |

Inventories mainly refer to properties acquired at auction or by way of *datio in solutum* by the Company in order to optimise recoveries from credit positions secured by properties.

8.6 - Operating property, plant and equipment: annual changes

| | Land | Buildings | Movable assets | Electronic equipment | Others | Total |
|--|------|----------------|----------------|----------------------|--------------|----------------|
| A. Initial gross balances | - | 21,369 | 1,054 | 183 | 749 | 23,355 |
| A.1 Total net impairments | - | (3,328) | (157) | (118) | (401) | (4,004) |
| A.2 Net initial balances | - | 18,041 | 897 | 65 | 348 | 19,351 |
| B. Increases | - | 5,574 | 287 | 1 | 218 | 6,080 |
| B.1 Purchases | - | 5,574 | 287 | 1 | 218 | 6,080 |
| B.2 Capitalised improvement costs | - | - | - | - | - | - |
| B.3 Reversals | - | - | - | - | - | - |
| B.4 Positive changes in fair value attributable to: | - | - | - | - | - | - |
| a) Shareholders' equity | - | - | - | - | - | - |
| b) Income statement | - | - | - | - | - | - |
| B.5 Positive exchange rate differences | - | - | - | - | - | - |
| B.6 Transfers from properties held for investment | - | - | X | X | X | - |
| B.7 Other changes | - | - | - | - | - | - |
| C. Decreases | - | (2,896) | (183) | (46) | (261) | (3,386) |
| C.1 Sales | - | - | - | - | - | - |
| C.2 Depreciation | - | (2,896) | (175) | (39) | (214) | (3,324) |
| C.3 Impairment adjustments attributable to: | - | - | - | - | - | - |
| a) Shareholders' equity | - | - | - | - | - | - |
| b) Income statement | - | - | - | - | - | - |
| C.4 Negative changes in fair value attributable to: | - | - | - | - | - | - |
| a) Shareholders' equity | - | - | - | - | - | - |
| b) Income statement | - | - | - | - | - | - |
| C.5 Negative exchange rate differences | - | - | - | - | - | - |
| C.6 Transfers to | - | - | - | - | - | - |
| a) Property, plant and equipment held for investment | - | - | X | X | X | - |
| b) Non-current assets and groups of assets held for disposal | - | - | - | - | - | - |
| C.7 Other changes | - | - | (8) | (7) | (47) | (62) |
| D. Net closing balance | - | 20,719 | 1,001 | 20 | 305 | 22,045 |
| D.1 Total net impairments | - | - | - | - | - | - |
| D.2 Gross closing balance | - | 20,719 | 1,001 | 20 | 305 | 22,045 |
| E. Valuation at cost | - | - | - | - | - | - |

8.8 - Inventories of property, plant and equipment regulated by IAS 2: annual changes

| | Inventories of property, plant and equipment obtained from the enforcement of guarantees received | | | | | Other inventories of property, plant and equipment | Total |
|--|---|-----------|----------------|----------------------|--------|--|---------|
| | Land | Buildings | Movable assets | Electronic equipment | Others | | |
| A. Opening balances | - | 1,412 | - | - | - | 7,711 | 9,123 |
| B. Increases | - | - | - | - | - | 1,785 | 1,785 |
| B.1 Purchases | - | - | - | - | - | 1,698 | 1,698 |
| B.2 Reversals | - | - | - | - | - | - | - |
| B.3 Positive exchange rate differences | - | - | - | - | - | - | - |
| B.4 Other changes | - | - | - | - | - | 87 | 87 |
| C. Decreases | - | (1,118) | - | - | - | (1,816) | (2,934) |
| C.1 Sales | - | (1,118) | - | - | - | (1,804) | (2,922) |
| C.2 Impairment adjustments | - | - | - | - | - | (12) | (12) |
| C.3 Negative exchange rate differences | - | - | - | - | - | - | - |
| C.4 Other changes | - | - | - | - | - | - | - |
| D. Closing balance | - | 294 | - | - | - | 7,680 | 7,974 |

8.9 - Commitments for the purchase of property, plant and equipment

Pursuant to the provisions of IAS 16, paragraph 74, letter c), please note that the Company does not have any commitments for the purchase of property, plant and equipment as of December 31, 2024.

Section 9 - Intangible Assets - Item 90**9.1 - Intangible assets: break-down**

| Items/Valuations | Total (31.12.2024) | | Total (31.12.2023) | |
|---|-------------------------|-------------------------------|-------------------------|-------------------------------|
| | Assets measured at cost | Assets measured at fair value | Assets measured at cost | Assets measured at fair value |
| 1 Goodwill | - | - | - | - |
| 2. Other intangible assets | | | | |
| of which: software | 159 | - | 819 | - |
| 2.1 owned | 159 | - | 820 | - |
| - generated internally | - | - | - | - |
| - Others | 159 | - | 820 | - |
| 2.2 rights of use acquired through leases | - | - | - | - |
| Total 2 | 159 | - | 820 | - |
| 3. Assets attributable to financial leases: | | | | |
| 3.1 unexercised assets | - | - | - | - |
| 3.2 assets withdrawn following termination of agreement | - | - | - | - |
| 3.3 other assets | - | - | - | - |
| Total 3 | - | - | - | - |
| Total (1+2+3) | 159 | - | 820 | - |
| Total (T-1) | 820 | - | 820 | - |

As of December 31, 2024 intangible assets amounted to EUR 159 thousand, the decrease observed compared to the previous year of EUR 661 thousand is mainly due to amortisation for the period.

9.2 - Intangible assets: annual changes

| | Total |
|---------------------------------------|--------------|
| A. Opening balances | 820 |
| B. Increases | 268 |
| B.1 Purchases | 268 |
| B.2 Reversals | - |
| B.3 Positive changes in fair value | - |
| - Shareholders' equity | - |
| - Income statement | - |
| B.4 Other changes | - |
| C. Decreases | (929) |
| C.1 Sales | - |
| C.2 Amortisation | (929) |
| C.3 Value adjustments attributable to | - |
| - Shareholders' equity | - |
| - Income statement | - |
| C.4 Negative changes in fair value: | - |
| - Shareholders' equity | - |
| - Income statement | - |
| C.5 Other changes | - |
| D. Closing balance | 159 |

Section 10 - Tax assets and tax liabilities - Item 100 of assets and Item 60 of liabilities

10.1 - Tax assets: current and deferred: break-down

| | Total (31.12.2024) | Total (31.12.2023) |
|--|-----------------------|-----------------------|
| Deferred tax assets with balancing entry in the income statement | 85,520 | 144,984 |
| Deferred tax assets with balancing entry in shareholders' equity | - | - |
| Current tax assets | 22,677 | 9,136 |
| Total | 108,197 | 154,120 |

This item includes only tax assets recognised in accordance with IAS 12 and therefore relating to direct taxes. Other tax receivables are instead included in the item 'Other assets'.

Recognised deferred tax assets relate to:

- for EUR 57.9 million to IRES and IRAP convertible DTAs on write-downs of receivables not yet deducted pursuant to Article 106, paragraph 3 of the Consolidated Income Tax Act or on goodwill and *intangibles* exempt pursuant to Article 10-ter of Italian Law Decree 185/2008 (deriving from the complex demerged from Banca MPS), pursuant to Article 2 of Italian Law Decree No. 225 of 29/12/2010, as amended (Italian Law No. 214/2011);
- for EUR 23.9 million to DTAs on ACEs and losses deemed recoverable by the Probability Test;
- for EUR 3.7 million to IRES and IRAP DTAs generated by deductible temporary differences.

In addition, following the performance of the *Probability Test*, the tax benefits that are currently unrecognised but can potentially be pursued against future taxable income amount to EUR 257.6 million. The recoverability of these contingent assets will be assessed from time to time on the basis of the *Probability Tests* conducted at the *reporting dates*.

10.2 - Tax liabilities: current and deferred: break-down

| | Total (31.12.2024) | Total (31.12.2023) |
|--|-----------------------|-----------------------|
| Deferred tax liabilities with balancing entry in the income statements | - | - |
| Deferred tax liabilities with balancing entry in shareholders' equity | - | - |
| Liabilities for current taxes | - | - |
| Total | - | - |

As of December 31, 2024, there were no current or deferred tax liabilities.

10.3 - Changes in deferred tax assets (as balancing entry in income statement)

| | Total (31.12.2024) | Total (31.12.2023) |
|--|-----------------------|-----------------------|
| 1. Opening balances | 144,984 | 185,798 |
| 2. Increases | 12,158 | 23,718 |
| 2.1 Deferred tax assets recognised during the year | 12,158 | 23,718 |
| a) relating to previous financial years | 12,158 | 23,718 |
| b) due to changes in accounting criteria | - | - |
| c) reversals | - | - |
| d) others | - | - |
| 2.2 New taxes or increases in tax rate | - | - |
| 2.3 Other increases | - | - |
| 3. Decreases | (71,622) | (64,532) |
| 3.1 Deferred tax assets derecognised during the year | (34,165) | (56,984) |
| a) Transfer | (25,224) | (38,730) |
| b) write-downs for non-recoverability | (8,941) | (18,254) |
| c) change of accounting criteria | - | - |
| d) others | - | - |
| 3.2 Reductions in tax rates | - | - |
| 3.3 Other decreases | (37,457) | (7,548) |
| a) conversion into tax credits under Law 214/2011 | (13,739) | (7,548) |
| b) others | (23,718) | - |
| 4. Final amount | 85,520 | 144,984 |

10.3.1 - Changes in deferred tax assets under Italian Law 214/2011 (as balancing entry in the income statement)

| | Total (31.12.2024) | Total (31.12.2023) |
|-------------------------------------|-----------------------|-----------------------|
| 1. Initial amount | 95,862 | 123,896 |
| 2. Increases | - | - |
| 3. Decreases | (37,947) | (28,034) |
| 3.1 Transfers | (24,208) | (28,034) |
| 3.2 Conversion into tax credits | (13,739) | - |
| a) arising from losses for the year | (13,739) | - |
| b) arising from tax losses | - | - |
| 3.3 Other decreases | - | - |
| 4. Final amount | 57,915 | 95,862 |

10.4 - Changes in deferred tax liabilities (as balancing entry in the income statement)

| | Total (31.12.2024) | Total (31.12.2023) |
|---|-----------------------|-----------------------|
| 1. Opening balances | - | 2,601 |
| 2. Increases | - | - |
| 2.1 Deferred taxes recognised during the year | - | - |
| a) relating to previous financial years | - | - |
| b) due to changes in accounting criteria | - | - |
| c) others | - | - |
| 2.2 New taxes or tax rate increases | - | - |
| 2.3 Other increases | - | - |
| 3. Decreases | - | 2,601 |
| 3.1 Deferred taxes derecognised during the year | - | 2,601 |
| a) transfers | - | 2,601 |
| b) due to changes in accounting criteria | - | - |
| c) others | - | - |
| 3.2 Tax rate reductions | - | - |
| 3.3 Other decreases | - | - |
| 4. Final amount | - | - |

Section 11 - Non-current assets and groups of assets held for disposal and related liabilities

11.1 Non-current assets and groups of assets held for disposal: break-down

| | 31.12.2024 | 31.12.2023 |
|---|-----------------------------|------------|
| A. Assets held for sale | | |
| A.1 Financial assets | 140,224 | - |
| A.2 Equity investments | - | - |
| A.3 Property, plant and equipment | - | - |
| of which: from the recovery of non-performing loans | - | - |
| A.4 Intangible assets | - | - |
| A.5 Other non-current assets | - | - |
| Total (A) | 140,224 | - |
| | of which measured at cost | 140,224 |
| | of which Fair value level 1 | - |
| | of which Fair value level 2 | - |
| | of which Fair value level 3 | - |
| B. Discontinued operations | | |
| B.1. Financial assets measured at fair value through profit or loss | - | - |
| - financial assets held for trading | - | - |
| - financial assets measured at fair value | - | - |
| - other financial assets mandatorily measured at fair value | - | - |
| B.2. Financial assets measured at fair value through other comprehensive income | - | - |
| B.3. Financial assets measured at amortised cost | - | - |
| B.4 Equity investments | - | - |
| B.5 Property, plant and equipment | - | - |
| of which: obtained from the enforcement of guarantees received | - | - |
| B.6 Intangible assets | - | - |
| B.7 Other activities | - | - |
| Total (B) | - | - |
| | of which measured at cost | - |
| | of which Fair value level 1 | - |
| | of which Fair value level 2 | - |
| | of which Fair value level 3 | - |

| | 31.12.2024 | 31.12.2023 |
|---|-----------------------------|------------|
| C. Liabilities associated with assets held for sale | | |
| C.1 Debts | - | - |
| C.2 Securities | - | - |
| C.3 Other liabilities | (5,706) | - |
| Total (C) | (5,706) | - |
| | of which measured at cost | (5,706) |
| | of which Fair value level 1 | - |
| | of which Fair value level 2 | - |
| | of which Fair value level 3 | - |
| D. Liabilities associated with discontinued operations | | |
| D.1 Financial liabilities measured at amortised cost | - | - |
| D.2 Financial liabilities held for trading | - | - |
| D.3 Financial liabilities measured at fair value | - | - |
| D.4 Funds | - | - |
| D.5 Other liabilities | - | - |
| Total (D) | - | - |
| | of which measured at cost | - |
| | of which Fair value level 1 | - |
| | of which Fair value level 2 | - |
| | of which Fair value level 3 | - |

As of December 31, 2024, "Non-current assets and groups of assets held for disposal" in the amount of EUR 140.2 million and "Liabilities associated to assets held for disposal" in the amount of EUR 5.7 million include the carrying amount and the related liabilities of a loan portfolio for which a divestment process was initiated and concluded with the collection of the price on February 24, 2025.

Section 12 - Other assets - Item 120

12.1 - Other assets: break-down

| | 31.12.2024 | 31.12.2023 |
|--|---------------|---------------|
| Servicing receivables and recoveries of expense on servicing | 18,762 | 17,655 |
| Accrued income and prepaid expenses | 6,757 | 5,798 |
| Other items to be settled | 5,010 | 6,691 |
| Improvements to third-party assets | 4,116 | 3,438 |
| Receivables for indirect taxes | 2,813 | 1,604 |
| Guarantee deposits and advance payments | 560 | 456 |
| Receivables from suppliers | 137 | 5,566 |
| Others | 1,210 | 352 |
| Total | 39,365 | 41,560 |

As of December 31, 2024, the item 'Other Assets' had a balance of EUR 39.4, million, mainly composed as follows:

- "Servicing receivables and recoveries of expense on *servicing*" include amounts related to expenses advanced by AMCO and reallocated to the Segregated Estates, in addition to fees to be collected accrued in the fourth quarter of 2024 and collected in the first quarter of 2025, amounts related to expense recoveries advanced by AMCO in the management of the Financed Capitals, in addition to related fees;
- "Accrued income and prepaid expenses" include, respectively, portions of revenues of the year, the financial impact of which will occur after the reporting date, and costs that have already had a financial impact but which will accrue, in whole or in part, in subsequent years;

- “Other items to be settled” include transitory items, partly arising from transactions that occurred close to the end of the year;
- “Improvements to third-party assets” include the *fit-out* expenses of AMCO's offices, net of related amortisation, which are considered capitalizable in accordance with IAS 16;
- “Receivables for indirect taxes” mainly include receivables for VAT and registration taxes to be recovered.

LIABILITIES

Section 1 - Financial liabilities measured at amortised cost - Item 10

1.1 - Financial liabilities measured at amortised cost: break-down by type of payables

| Items | Total (31.12.2024) | | | Total (31.12.2023) | | |
|---------------------------|--------------------|--------------------------|----------------|--------------------|--------------------------|----------------|
| | with banks | with financial companies | with customers | with banks | with financial companies | with customers |
| 1. Loans | - | - | - | - | - | - |
| 1.1 Repurchase agreements | - | - | - | - | - | - |
| 1.2 Other loans | - | - | - | - | - | - |
| 2. Leases payables | - | - | 24,867 | - | - | 22,576 |
| 3. Other payables | 5 | - | - | 5 | - | - |
| Total | 5 | - | 24,867 | 5 | - | 22,576 |
| Fair value - level 1 | - | - | - | - | - | - |
| Fair value - level 2 | - | - | - | - | - | - |
| Fair value - level 3 | 5 | - | 24,807 | 5 | - | 22,576 |
| Total fair value | 5 | - | 24,807 | 5 | - | 22,576 |

As of December 31, 2024 the item had a balance of EUR 24.9 million, almost entirely attributable to the recognition of financial liabilities for leases pursuant to IFRS 16.

1.2 - Financial liabilities measured at amortised cost: break-down by type of debt securities issued

| Type of securities/Values | Total (31.12.2024) | | | | | Total (31.12.2023) | | | |
|---------------------------|--------------------|------------------|----|----|------------------|--------------------|----|----|---|
| | CA | Fair value | | | CA | Fair value | | | |
| | | L1 | L2 | L3 | | L1 | L2 | L3 | |
| A. Securities | | | | | | | | | |
| 1. Bonds | 3,140,905 | 3,062,466 | - | - | 3,389,619 | 3,230,088 | - | - | - |
| 1.1 structured | - | - | - | - | - | - | - | - | - |
| 1.2 others | 3,140,905 | 3,062,466 | - | - | 3,389,619 | 3,230,088 | - | - | - |
| 2. Other securities | - | - | - | - | - | - | - | - | - |
| 2.1 structured | - | - | - | - | - | - | - | - | - |
| 2.2 others | - | - | - | - | - | - | - | - | - |
| Total | 3,140,905 | 3,062,466 | - | - | 3,389,619 | 3,230,088 | - | - | - |

Key:

CA= Carrying amount

L1= Level 1

L2= Level 2

L3= Level 3

The item entirely refers to senior unsecured bonds issued by the Company and listed on the Luxembourg Stock Exchange. The decrease, compared to December 31, 2024, is due to the regular repayment of the AMCO '24 bond with a nominal value of EUR 250 million that took place on February 14, 2024.

1.5 - Lease payables

As required by paragraph 53, letter g) and paragraph 58 of IFRS 16, information is provided below in relation to the analysis of deadlines of *lease payables* pursuant to paragraphs 39 and B11 of IFRS 7.

| | Payments to be made | |
|----------------------------------|-----------------------|-----------------------|
| | Total (31.12.2024) | Total (31.12.2023) |
| Up to 1 year | 4,066 | 3,604 |
| from 1 year to 2 years | 3,769 | 2,990 |
| from 2 years to 3 years | 3,648 | 2,931 |
| from 3 years to 4 years | 3,619 | 2,818 |
| from 4 years to 5 years | 3,679 | 2,823 |
| over 5 years | 6,525 | 7,725 |
| Total expected cash flows | 25,306 | 22,891 |
| Discounting effect | (440) | (315) |
| Lease liabilities | 24,866 | 22,576 |

Section 2 - Financial liabilities held for trading - Item 20

2.1 - Financial liabilities held for trading: break-down by type

| Type of transaction/Values | Total (31.12.2024) | | | | | Total (31.12.2023) | | | | |
|--|--------------------|------------|-----------|----|----------|--------------------|------------|----|----|----------|
| | NV | Fair Value | | | | NV | Fair Value | | | |
| | | L1 | L2 | L3 | FV * | | L1 | L2 | L3 | FV * |
| A. On-balance sheet liabilities | | | | | | | | | | |
| 1. Payables | - | - | - | - | - | - | - | - | - | - |
| 2. Debt securities | - | - | - | - | - | - | - | - | - | - |
| 3.1 Bonds | - | - | - | - | - | - | - | - | - | - |
| 3.1.1 Structured | - | - | - | - | X | - | - | - | - | X |
| 3.1.2 Other bonds | - | - | - | - | X | - | - | - | - | X |
| 3.2 Other securities | - | - | - | - | - | - | - | - | - | - |
| 3.2.1 Structured | - | - | - | - | X | - | - | - | - | X |
| 3.2.2 Others | - | - | - | - | X | - | - | - | - | X |
| Total (A) | - | - | - | - | - | - | - | - | - | - |
| B. Derivative Instruments | | | | | | | | | | |
| 1. Financial derivatives | - | - | 11 | - | - | - | 20 | - | - | - |
| 1.1 For trading | X | - | 11 | - | X | X | 20 | - | - | X |
| 1.2 Related to the fair value option | X | - | - | - | X | X | - | - | - | X |
| 1.3 Others | X | - | - | - | X | X | - | - | - | X |
| 2. Credit derivatives | - | - | - | - | - | - | - | - | - | - |
| 2.1 For trading | X | - | - | - | X | X | - | - | - | X |
| 2.2 Related to the fair value option | X | - | - | - | X | X | - | - | - | X |
| 2.3 Others | X | - | - | - | X | X | - | - | - | X |
| Total B | X | - | 11 | - | X | X | 20 | - | - | X |
| Total (A+B) | - | - | 11 | - | - | - | 20 | - | - | X |

Key

L1 = Level 1

L2 = Level 2

L3 = Level 3

NV = nominal/notional value

FV* = Fair value calculated excluding changes in value due to changes in the issuer's creditworthiness with respect to the issue date.

2.4 - Details of financial liabilities held for trading: derivative financial instruments

| Underlying assets/derivative types | Total (31.12.2024) | | | | Total (31.12.2023) | | | |
|---|------------------------|--------------------------------|---------------------------------|------------------------------|------------------------|---------------------------------|-----------|-------------------|
| | Over the counter | | | Organised markets | Over the counter | | | Organised markets |
| | Central counterparties | Without central counterparties | | | Central counterparties | Without central counterparties | | |
| | | With compensation agreements | Without compensation agreements | With compensation agreements | | Without compensation agreements | | |
| 1. Debt securities and interest rates | | | | | | | | |
| - Notional value | - | - | 166 | - | - | - | 748 | - |
| - Fair value | - | - | 11 | - | - | - | 20 | - |
| 2. Equity securities and stock indices | | | | | | | | |
| - Notional value | - | - | - | - | - | - | - | - |
| - Fair value | - | - | - | - | - | - | - | - |
| 3. Currencies and gold | | | | | | | | |
| - Notional value | - | - | - | - | - | - | - | - |
| - Fair value | - | - | - | - | - | - | - | - |
| 4. Loans | | | | | | | | |
| - Notional value | - | - | - | - | - | - | - | - |
| - Fair value | - | - | - | - | - | - | - | - |
| 5. Goods | | | | | | | | |
| - Notional value | - | - | - | - | - | - | - | - |
| - Fair value | - | - | - | - | - | - | - | - |
| 6. Others | | | | | | | | |
| - Notional value | - | - | - | - | - | - | - | - |
| - Fair value | - | - | - | - | - | - | - | - |
| Total | - | - | 11 | - | - | - | 20 | - |

Section 6 - Tax liabilities - Item 60

Please refer to section 10 of the assets.

Section 8 - Other liabilities - Item 80

8.1 - Other liabilities: break-down

| | 31.12.2024 | 31.12.2023 |
|--|----------------|----------------|
| Other items to be settled | 56,029 | 22,989 |
| Invoices to be received | 54,719 | 60,747 |
| Payables to suppliers | 9,358 | 5,860 |
| Payables for withholding and indirect taxation | 6,208 | 5,469 |
| Payables to personnel | 1,289 | 1,147 |
| Deposits and advance payments received | 175 | 13 |
| Others | 628 | 6,773 |
| Total | 128,406 | 102,996 |

This item is mainly composed of:

- “Other items to be settled”, which include items in process at the end of the year that have found their physiological settlement during the following month of January 2025;
- “Invoices to be received” and “Payables to suppliers” for the amount of EUR 64 million, which were in line with the previous year.

Section 9 - Staff severance indemnities - Item 90

9.1 - Staff severance indemnity: annual changes

| | Total (31.12.2024) | Total (31.12.2023) |
|----------------------------|-----------------------|-----------------------|
| A. Opening balances | 472 | 450 |
| B. Increases | 47 | 28 |
| B.1 Provision for the year | 47 | 6 |
| B.2 Other increases | - | 22 |
| C. Decreases | (55) | (6) |
| C.1 Liquidations paid | (2) | (5) |
| C.2 Other decreases | (53) | (1) |
| D. Closing balance | 464 | 472 |

9.2 - Other information

For a better understanding of the technical valuations carried out by the independent actuary expert, the main assumptions used are set out below:

| | Total (31.12.2024) |
|--|-----------------------|
| Annual discount rate | 3.18 % |
| Annual inflation rate | 2.00 % |
| Staff severance indemnity annual increase rate | 3.00 % |

9.2.a - Sensitivity analysis

The results of a sensitivity analysis to changes the main actuarial assumptions included in the calculation model are shown below.

| Sensitivity analysis | Annual discount rate | | Annual inflation rate | | Annual turnover rate | |
|------------------------|----------------------|---------|-----------------------|--------|----------------------|--------|
| | 0.25% | - 0.25% | 0.25% | -0.25% | 1.00% | -1.00% |
| Past service Liability | 455 | 472 | 469 | 458 | 468 | 462 |

9.2.b - Future Cash Flows

The following table shows a breakdown of the liability for staff severance indemnity over the next few years (not discounted):

| Years | Cash flows |
|-------|------------|
| 0-1 | 28 |
| 1-2 | 27 |
| 2-3 | 27 |
| 3-4 | 26 |
| 4-5 | 25 |

Section 10 - Provisions for risks and charges - Item 100

10.1 - Provisions for risks and charges: break-down

| Items/Values | Total (31.12.2024) | Total (31.12.2023) |
|--|-----------------------|-----------------------|
| 1. Provisions for credit risk related to commitments and guarantees issued | - | - |
| 2. Provisions for other commitments and guarantees issued | - | - |
| 3. Company pension funds | 201 | 169 |
| 4. Other provisions for risks and charges | 26,067 | 24,614 |
| 4.1 legal and tax disputes | 9,271 | 7,797 |
| 4.2 staff costs | 8,795 | 7,464 |
| 4.3 others | 8,001 | 9,353 |
| Total | 26,268 | 24,783 |

As of December 31, 2024 the provision had a balance of EUR 26.3 million. In more detail:

- Legal and tax disputes where the provision mainly includes:
 - Provisions for EUR 5.4 million due to sums collected by the Company in the course of its credit recovery activities for which there is the probability that the reimbursement to debtors/guarantors will be required;
 - Provisions for EUR 2.6 million for litigation in which the risk of damage compensation to debtors/guarantors has been assessed as probable;
- Staff costs: the item mainly refers to the provision for the company bonus set forth in Article 48 of the National Collective Labour Agreement, as well as for company welfare;
- Others: this item includes provisions for sums collected by the Company in its credit recovery activities for which there is a probability that repayment to debtors/guarantors will be necessary (including a specific risk provision covering expected disbursements for the portion of collections collected and to be returned to the already enforced guarantor), as well as provisions for future risks for penalties for termination of *outsourcing* contracts and tax risks.

10.2 - Provisions for risks and charges: annual changes

| | Provisions for other commitments and guarantees issued | Pension funds | Other provisions for risks and charges | Total |
|---|---|---------------|---|--------|
| A. Opening balances | - | 169 | 24,614 | 24,783 |
| B. Increases | - | 90 | 14,539 | 14,629 |
| B.1 Provision for the year | - | 90 | 14,539 | 14,629 |
| B.2 Changes due to the passing of time | - | - | - | - |
| B.3 Changes due to adjustments to the discount rate | - | - | - | - |
| B.4 Other changes | - | - | - | - |
| C. Decreases | - | 58 | 13,085 | 13,143 |
| C.1 Use for the financial year | - | 58 | 8,189 | 8,247 |
| C.2 Changes due to adjustments to the discount rate | - | - | - | - |
| C.3 Other changes | - | - | 4,896 | 4,896 |
| D. Closing balance | - | 201 | 26,068 | 26,269 |

10.6 - Provisions for risks and charges: other provisions

Please refer to paragraph "10.1 Provisions for risks and charges: break-down".

Section 11 - Shareholders' equity - Items 110, 120, 130, 140, 150, 160 and 170

11.1 - Share capital: break-down

| Types | Amount |
|---------------------|---------|
| 1. Share capital | 655,154 |
| 1.1 Ordinary shares | 600,000 |
| 1.2 Other shares | 55,154 |

The fully paid-up share capital is divided into 600,000,000 ordinary shares with no nominal value, held entirely by the Italian Ministry of Economy and Finance, and 55,153,674 B shares with no nominal value and no voting rights, held by the Italian Ministry of Economy and Finance, by other shareholders and including treasury shares in portfolio.

11.2 - Treasury shares

| Types | Amount |
|---------------------|--------|
| 1. Treasury shares | (72) |
| 1.1 Ordinary shares | (72) |

The amount refers entirely to treasury shares in portfolio resulting from the demerger transaction with Monte dei Paschi di Siena finalised in December 2020.

11.4 - Share premium: break-down

| Types | Amount |
|---------------|---------|
| Share premium | 604,552 |

11.5 - Other information

The item "Other profit reserves" consists for EUR 206.4 million of FTA reserves for the first-time adoptions of international accounting standards and for EUR 109.5 million of retained earnings.

| Nature/description | Amount | Possibility of uses [*] | Available portion | Summary of use over the last 3 years | |
|--|------------------|----------------------------------|-------------------|--------------------------------------|-------------------|
| | | | | To cover losses | For other reasons |
| Share capital | 655,154 | | - | - | - |
| Treasury shares | (72) | | - | - | - |
| Profit reserves: | | | | | |
| Legal reserve - mandatory portion | 131,031 | B | - | - | - |
| Legal reserve - quota exceeding 20% | 347,270 | A B C | 347,270 | - | - |
| Other profit reserves ** | 315,902 | A B C | 315,902 | 129,668 | - |
| Share premium reserve | 604,552 | A B C | 604,552 | - | - |
| Demerger reserve | - | A B C | - | 680,714 | - |
| Reserve for costs of share capital increase | (4,925) | | - | - | - |
| Valuation reserves: | | | | | |
| Financial assets measured at fair value through other comprehensive income | (17,941) | B | (17,941) | - | - |
| Actuarial profits/losses on defined-benefit plans | (311) | B | (311) | - | - |
| Retained earnings/(losses) | 29,019 | A B C | 29,019 | - | - |
| Total | 2,059,679 | | | | |
| Distributable portion | - | - | 1,296,744 | - | - |
| Non-distributable residual portion | | | 762,935 | | |

* A = For share capital increase

B = To cover losses

C = For distribution

** Available reserves pursuant to Article 6 of Italian Legislative Decree 38/2005

Other information

1 - Commitments and financial guarantees issued (other than those measured at fair value)

| | Nominal value on commitments and financial guarantees issued | | | | Total (31.12.2024) | Total (31.12.2023) |
|--------------------------------------|--|---------------|-------------|---|-----------------------|-----------------------|
| | First stage | Second stage | Third stage | Purchased or Originated Credit Impaired | | |
| Commitments to disburse funds | 86,914 | 83,629 | - | - | 170,543 | 196,063 |
| a) Public administrations | - | - | - | - | - | - |
| b) Banks | - | - | - | - | - | - |
| c) Other financial companies | 86,881 | - | - | - | 86,881 | 78,600 |
| d) Non-financial companies | 20 | 81,623 | - | - | 81,643 | 114,957 |
| e) Households | 13 | 2,006 | - | - | 2,019 | 2,506 |
| Financial guarantees issued | - | - | - | 19,732 | 19,732 | - |
| a) Public administrations | - | - | - | - | - | - |
| b) Banks | - | - | - | - | - | - |
| c) Other financial companies | - | - | - | - | - | - |
| d) Non-financial companies | - | - | - | 19,732 | 19,732 | - |
| e) Households | - | - | - | - | - | - |

2 - Other commitments and guarantees issued

| | Nominal value | |
|-----------------------------------|-----------------------|-----------------------|
| | Total (31.12.2024) | Total (31.12.2023) |
| 1. Other guarantees issued | 2,620 | 2,029 |
| of which: impaired | - | - |
| a) Public administrations | - | - |
| b) Banks | - | - |
| c) Other financial companies | - | - |
| d) Non-financial companies | 2,620 | 2,029 |
| e) Households | - | - |
| Other commitments | - | - |
| of which: impaired | - | - |
| a) Public administrations | - | - |
| b) Banks | - | - |
| c) Other financial companies | - | - |
| d) Non-financial companies | - | - |
| e) Households | - | - |

PART C - INFORMATION ON THE INCOME STATEMENT

Section 1 - Interest - Items 10 and 20

1.1 - Interest and similar income: break-down

| Items/Technical forms | Debt securities | Loans | Other Operations | Total (31.12.2024) | Total (31.12.2023) |
|--|-----------------|---------|------------------|--------------------|--------------------|
| 1. Financial assets measured at fair value through profit or loss | - | 14,070 | - | 14,070 | 15,003 |
| 1.1 Financial assets held for trading | - | - | - | - | - |
| 1.2 Financial assets measured at fair value | - | - | - | - | - |
| 1.3 Other financial assets mandatorily measured at fair value | - | 14,070 | - | 14,070 | 15,003 |
| 2. Financial assets measured at fair value through other comprehensive income | 9,201 | - | X | 9,201 | 5,279 |
| 3. Financial assets measured at amortised cost: | - | 241,644 | - | 241,644 | 294,064 |
| 3.1 Loans and receivables with banks | - | 3,177 | X | 3,177 | 3,548 |
| 3.2 Loans and receivables with financial companies | - | 1,415 | X | 1,415 | 567 |
| 3.3 Loans and receivables with customers | - | 237,052 | X | 237,052 | 289,949 |
| 4. Hedging derivatives | X | X | - | - | - |
| 5. Other assets | X | X | - | - | - |
| 6. Financial liabilities | X | X | X | - | - |
| Total | 9,201 | 255,714 | - | 264,915 | 314,346 |
| of which: interest income from impaired financial assets | - | - | - | - | - |
| of which: interest income on leases | X | - | X | - | - |

The item "Interest and similar income" mainly includes:

- EUR 238.1 million deriving from loans and receivables with financial companies and customers. More in detail, interest income is composed of:
 - Portfolios measured at amortised cost for the amount of EUR 101.8 million;
 - Portfolios measured as POCI for the amount of EUR 136.2 million;
- EUR 14.1 million deriving from the loan to the vehicle Tatoonie SPV;
- EUR 9.2 million related to interest income accrued on the government bond portfolio classified as FVOCI.

1.3 - Interest and similar expenses: break-down

| Items/Technical forms | Payables | Securities | Other Operations | Total (31.12.2024) | Total (31.12.2023) |
|--|----------|------------|------------------|--------------------|--------------------|
| 1. Financial liabilities measured at amortised cost | (408) | (83,599) | - | (84,007) | (99,823) |
| 1.1 Payables to banks | - | X | X | - | (3,386) |
| 1.2 Payables to financial companies | - | X | X | - | - |
| 1.3 Payables to customers | (408) | X | X | (408) | (141) |
| 1.4 Debt securities issued | X | (83,599) | X | (83,599) | (96,296) |
| 2. Financial liabilities held for trading | - | - | - | - | - |
| 3. Financial liabilities measured at fair value | - | - | - | - | - |
| 4. Other liabilities | X | X | - | - | - |
| 5. Hedging derivatives | X | X | - | - | - |
| 6. Financial Assets | X | X | X | - | - |
| Total | (408) | (83,599) | - | (84,007) | (99,823) |
| of which: interest expenses related to lease payables | - | X | X | - | - |

Interest and similar expenses related almost entirely to interest recognised at amortised cost on the *senior unsecured* bonds issued by the Company, for the amount of EUR 83.6 million.

Section 2 - Fees and commissions - Items 40 and 50

2.1 - Fee and commission income: break-down

| Detail | Total (31.12.2024) | Total (31.12.2023) |
|---|-----------------------|-----------------------|
| (a) lease transactions | - | - |
| (b) factoring transactions | - | - |
| (c) consumer credit | - | - |
| (d) guarantees issued | - | - |
| (e) services of: | - | - |
| - fund management for third parties | - | - |
| - foreign exchange intermediation | - | - |
| - product distribution | - | - |
| - others | - | - |
| (f) collection and payment services | - | - |
| (g) <i>servicing</i> of securitisation transactions | 8,041 | 8,292 |
| (h) other commissions | 32,383 | 34,894 |
| - credit recovery Segregated Estates | 29,012 | 33,122 |
| - securities lending | 1,456 | 429 |
| - others | 1,916 | 1,344 |
| Total | 40,424 | 43,186 |

Fee and commission income amounted to EUR 40.4 million. The item mainly includes *servicing* commissions received for the management of the Segregated Estates related to the former Banche Venete for EUR 29 million, commissions related to *servicing* activities on securitised portfolios for EUR 8.7 million and commissions for securities lending transactions for EUR 1.5 million.

2.2 - Fee and commission expenses: break-down

| Details/Sectors | Total (31.12.2024) | Total (31.12.2023) |
|--|-----------------------|-----------------------|
| a) Guarantees received | - | (81) |
| b) Distribution of services by third parties | - | - |
| c) Collection and payment services | - | - |
| d) Other commissions | (90) | (12) |
| Total | (90) | (94) |

Fees and commission expenses mainly refer to commissions payable on bank current accounts and guarantees.

Section 3 - Dividends and similar revenues - Item 70

3.1 - Dividends and similar revenues: break-down

| Items/Income | Total (31.12.2024) | | Total (31.12.2023) | |
|---|--------------------|----------------|--------------------|----------------|
| | Dividends | Similar income | Dividends | Similar income |
| A. Financial assets held for trading | - | - | - | - |
| B. Other financial assets mandatorily measured at fair value | - | 537 | - | 1,777 |
| C. Financial assets measured at fair value through other comprehensive income | - | - | - | - |
| D. Equity investments | - | - | 765 | - |
| Total | - | 537 | 765 | 1,777 |

The item refers to income distributed by UCITS mainly deriving from the investment in the *Italian Recovery Fund* and in *Clessidra*.

Section 4 - Trading activity net result - Item 80

4.1 - Trading activity net result: break-down

| | Capital gains (A) | Profits from trading (B) | Capital losses (C) | Trading losses (D) | Net profit [(A+B) - (C+D)]. |
|---|-------------------|--------------------------|--------------------|--------------------|-----------------------------|
| 1. Financial assets held for trading | - | - | - | - | - |
| 1.1 Debt securities | - | - | - | - | - |
| 1.2 Equity securities | - | - | - | - | - |
| 1.3 UCITS units. | - | - | - | - | - |
| 1.4 Loans | - | - | - | - | - |
| 1.5 Other | - | - | - | - | - |
| 2. Financial liabilities held for trading | - | - | - | - | - |
| 2.1 Debt securities | - | - | - | - | - |
| 2.2 Debts | - | - | - | - | - |
| 2.3 Other | - | - | - | - | - |
| 3. Financial assets and financial liabilities: Currency exchange differences | X | X | X | X | 814 |
| 4. Derivative Instruments | 44 | - | (46) | - | (2) |
| 4.1 Financial derivatives | 44 | - | (46) | - | (2) |
| 4.2 Credit derivatives | - | - | - | - | - |
| of which: natural hedges related to the fair value option | X | X | X | X | - |
| Total | 44 | - | (46) | - | 812 |

This item mainly refers to exchange rate differences arising from foreign currency loans.

Section 6 - Profit/loss on disposal/repurchase - Item 100

6.1 - Profit (loss) from disposal/repurchase: break-down

| Items/Income components | Total (31.12.2024) | | | Total (31.12.2023) | | |
|---|--------------------|--------------|--------------|--------------------|-----------------|---------------|
| | Profits | Losses | Net result | Profits | Losses | Net result |
| A. Financial assets | | | | | | |
| 1. Financial assets measured at amortised cost | 10,712 | (752) | 9,960 | 40,950 | (11,449) | 29,501 |
| 1.1 Loans and receivables with banks | - | - | - | - | - | - |
| 1.1 Loans and receivables with financial companies | - | - | - | - | - | - |
| 1.3 Loans and receivables with customers | 10,712 | (752) | 9,960 | 40,950 | (11,449) | 29,501 |
| 2. Financial assets measured at fair value through other comprehensive income | 2 | - | 2 | 12 | (2,946) | (2,934) |
| 2.1 Debt securities | 2 | - | 2 | 12 | (2,946) | (2,934) |
| 2.2 Loans | - | - | - | - | - | - |
| Total assets (A) | 10,714 | (752) | 9,962 | 40,962 | (14,395) | 26,567 |
| B. Financial liabilities measured at amortised cost | | | | | | |
| 1. Payables to banks | - | - | - | - | - | - |
| 2. Payables to financial companies | - | - | - | - | - | - |
| 3. Payables to customers | - | - | - | - | - | - |
| 4. Debt securities issued | - | - | - | 128 | - | 128 |
| Total liabilities (B) | - | - | - | 128 | - | 128 |

The item Profit/loss on disposal/repurchase shows a positive balance for EUR 10 million, mainly due to the disposal of loans accounted at amortised cost.

Section 7 - Net result of other financial assets and liabilities measured at fair value through profit or loss - Item 110

7.2 - Net change in the value of other financial assets and liabilities measured at fair value through profit or loss: break-down of other financial assets mandatorily measured at fair value

| Transactions/Income components | Capital gains (A) | Profits on disposal (B) | Capital losses (C) | Losses on disposal (D) | Net result [(A+B) - (C+D)] |
|--|-------------------|-------------------------|--------------------|------------------------|----------------------------|
| 1. Financial Assets | 12,933 | 6,873 | (11,768) | (249) | 7,790 |
| 1.1 Debt securities | - | - | - | - | - |
| 1.2 Equity securities | - | 738 | (1,568) | - | (830) |
| 1.3 UCITS units | - | 5,214 | (5,917) | - | (703) |
| 1.4 Loans | 12,933 | 921 | (4,283) | (249) | 9,323 |
| 2. Foreign currency financial assets: currency exchange differences | X | X | X | X | - |
| Total | 12,933 | 6,873 | (11,768) | (249) | 7,790 |

As of December 31, 2024 capital gains mainly refer to:

- EUR 4.4 million to the *fair value* measurement of the Loans to Tatoonie SPV S.r.l.;
- EUR 8.6 million related to the valuation of credit positions in the acquired portfolios.

Realised profits mainly refer to:

- EUR 5.2 million were attributable to the investment in the *Italian Recovery Fund*;
- EUR 0.9 million were attributable to the credit positions belonging to the acquired portfolios;
- EUR 0.7 million were attributable to *equity* and *semi-equity* securities.

Capital losses mainly refer to:

- EUR 5.9 million, mainly attributable to the *fair value* measurement of the Sansedoni Fund units, *Back2Bonis* and the investment in the *Italian Recovery Fund*;
- EUR 4.3 million to the valuation of credit positions belonging to the acquired portfolios;
- EUR 1.6 million to the write-down of *equity* and *semi-equity* securities.

Section 8 - Net value adjustments/reversals for credit risk - Item 130

8.1 - Net value adjustments for credit risk relating to financial assets measured at amortised cost: break-down

| Transactions/Income components | Value adjustments (1) | | | | | | Reversals (2) | | | | Total (31.12.2024) | Total (31.12.2023) |
|--|-----------------------|--------------|-------------|----------|---|------------------|---------------|--------------|---------------|---|--------------------|--------------------|
| | First stage | Second stage | Third stage | | Purchased or Originated Credit Impaired | | First stage | Second stage | Third stage | Purchased or Originated Credit Impaired | | |
| | | | Write-off | Others | Write-off | Others | | | | | | |
| 1. Loans and receivables with banks | (468) | - | - | - | - | - | 109 | - | - | - | (359) | (125) |
| - for leases | - | - | - | - | - | - | - | - | - | - | - | - |
| - for factoring | - | - | - | - | - | - | - | - | - | - | - | - |
| - other loans and receivables | (468) | - | - | - | - | - | 109 | - | - | - | (359) | (125) |
| 2. Loans and receivables with financial companies | - | - | - | - | - | - | 1 | - | - | - | 1 | (1,745) |
| - for leases | - | - | - | - | - | - | - | - | - | - | - | - |
| - for factoring | - | - | - | - | - | - | - | - | - | - | - | - |
| - other loans and receivables | - | - | - | - | - | - | 1 | - | - | - | 1 | (1,745) |
| 3. Loans and receivables with customers | (707) | - | - | - | (12,345) | (481,326) | 952 | - | 67,665 | 409,312 | (16,449) | (464,846) |
| - for leases | - | - | - | - | - | - | - | - | - | - | - | - |
| - for factoring | - | - | - | - | - | - | - | - | - | - | - | - |
| - for consumer credit | - | - | - | - | - | - | - | - | - | - | - | - |
| - pawn lending | - | - | - | - | - | - | - | - | - | - | - | - |
| - other loans and receivables | (707) | - | - | - | (12,345) | (481,326) | 952 | - | 67,665 | 409,312 | (16,449) | (464,846) |
| Total | (1,175) | - | - | - | (12,345) | (481,326) | 1,062 | - | 67,665 | 409,312 | (16,807) | (466,716) |

Reversals and value adjustments recorded on loans and receivables with customers originate from the economic effects generated as a result of recovery activities, as well as from the updated of the measurements of managed positions.

As of December 31, 2024 the net value adjustments arose mainly from:

- net adjustments on portfolios at amortised cost for EUR 57.5 million;
- net reversals on POCI portfolios for the amount of EUR 41.1 million.

8.2 - Net value adjustments for credit risk relating to financial assets measured at fair value through other comprehensive income: break-down

| Transactions/Income components | Value adjustments (1) | | | | | | Reversals (2) | | | | Total (31.12.2024) | Total (31.12.2023) |
|--------------------------------|-----------------------|--------------|-------------|----------|---|----------|---------------|--------------|-------------|---|--------------------|--------------------|
| | First stage | Second stage | Third stage | | Purchased or Originated Credit Impaired | | First stage | Second stage | Third stage | Purchased or Originated Credit Impaired | | |
| | | | Write-off | Others | Write-off | Others | | | | | | |
| A. Debt securities | (506) | - | - | - | - | - | 117 | - | - | - | (389) | 358 |
| B. Loans | - | - | - | - | - | - | - | - | - | - | - | - |
| - with customers | - | - | - | - | - | - | - | - | - | - | - | - |
| - with financial companies | - | - | - | - | - | - | - | - | - | - | - | - |
| - with banks | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | (506) | - | - | - | - | - | 117 | - | - | - | (389) | 358 |

Net value adjustments on financial assets measured at *fair value* with balancing entry in shareholders' equity, amounting to EUR 0.4 million, refer exclusively to the revaluation of government bonds held in the portfolio as of December 31, 2024 in accordance with IFRS 9.

Section 10 - Administrative expenses - Item 160

10.1 - Staff costs: break-down

| | Total (31.12.2024) | Total (31.12.2023) |
|--|-----------------------|-----------------------|
| 1) Employees | (53,085) | (48,690) |
| (a) wages and salaries | (36,842) | (34,313) |
| (b) social security contributions | (9,414) | (8,754) |
| (c) post-employment benefits | (744) | (672) |
| (d) social security expenses | - | - |
| e) provision for staff severance indemnity | (47) | (6) |
| (f) provision for pensions and similar obligations: | - | - |
| - defined contribution plans | - | - |
| - defined benefit plans | - | - |
| (g) payments to external complementary pension funds: | (1,928) | (1,947) |
| - defined contribution plans | (1,928) | (1,947) |
| - defined benefit plans | - | - |
| (h) other benefits for employee | (4,110) | (2,998) |
| 2) Other active personnel | - | (5) |
| 3) Directors and Statutory Auditors | (190) | (876) |
| 4) Retired personnel | - | - |
| 5) Recoveries of expense for personnel seconded to other companies | - | - |
| 6) Reimbursement of expenses for third-party personnel seconded to the company | - | - |
| Total | (53,275) | (49,571) |

Staff costs amounted to EUR 53.3 million and are mainly constituted by wages and salaries and related social security contributions and bonus provisions for employees.

The increase compared to 2023 is due to the higher number of resources hired by the Company during the year, as well as the full accrual of the skills of those hired in the previous year.

10.2 - Average number of employees by category

| | |
|--------------------|-----|
| Employees: | 429 |
| a) senior managers | 26 |
| b) middle managers | 304 |
| c) employees | 99 |
| Other personnel | - |

10.3 - Other administrative expenses: break-down

| Type of expenses/Values | 31.12.2024 | 31.12.2023 |
|--|------------------|------------------|
| Debt collection expenses | (43,592) | (42,091) |
| IT | (25,595) | (19,213) |
| Outsourcing fees | (22,876) | (19,936) |
| Professional and consultancy costs | (13,285) | (10,557) |
| Business information | (5,847) | (4,178) |
| Logistics Expenses | (4,456) | (3,087) |
| BPO | (3,720) | (5,279) |
| Indirect duties and taxes | (3,261) | (3,631) |
| Policies on property and other property expenses | (2,429) | (3,649) |
| Others | (1,391) | (1,286) |
| Total | (126,451) | (112,906) |

Other administrative expenses amounted to EUR 126 million and consisted mainly of credit recovery expenses, IT expenses, *Outsourcing* fees, and professional and consulting fees.

This table shows the fees paid to the independent auditor and the companies belonging to the same *network*.

| Type of Expenditure/Values | 31.12.2024 | 31.12.2023 |
|----------------------------|--------------|--------------|
| - Audit | (480) | (476) |
| - Other services | (446) | (254) |
| Total | (926) | (730) |

The balances include the fees related to the activities performed and do not include VAT, out-of-pocket expenses and any contributions to the supervisory authorities. The item "Audit" includes the fees related to the statutory audit of the 2024 financial statements. The item "Other services" includes EUR 47.8 thousand for fees relating to agreed-upon-procedures, EUR 6.5 thousand for fees related to the signing of tax returns and EUR 391.9 thousand for ancillary services rendered by companies belonging to the same network to which the auditing firm belongs.

Section 11 - Net provisions for risks and charges - Item 170

11.3 - Net provisions to other provisions for risks and charges: break-down

| Type of expenses/Values | 31.12.2024 | 31.12.2023 |
|---|----------------|----------------|
| For risk of sums repayment and compensation for damages | (966) | (116) |
| For risks on litigation and other | 1,952 | 96 |
| Other risk provisions | (2,491) | (8,485) |
| Total | (1,505) | (8,505) |

This item is mainly composed of provisions for risks on litigation.

Section 12 - Net value adjustments/reversals on property, plant and equipment - Item 180

12.1 - Net value adjustments/reversals on property, plant and equipment: break-down

| | Amortisation (a) | Impairment adjustments (b) | Reversals (c) | Net result (a + b - c) |
|---|---------------------|----------------------------------|---------------|---------------------------|
| A. Property, plant and equipment | | | | |
| A.1 For operating purposes | (3,377) | (9) | - | (3,386) |
| - owned | (252) | (9) | - | (261) |
| - rights of use acquired through leases | (3,125) | - | - | (3,125) |
| A.2 Held for investment purposes | - | - | - | - |
| - owned | - | - | - | - |
| - rights of use acquired through leases | - | - | - | - |
| A.3 Inventories | X | (12) | 939 | 927 |
| Total | (3,377) | (21) | 939 | (2,459) |

Section 13 - Net value adjustments/reversals on intangible assets - Item 190

13.1 - Net value adjustments/reversals on intangible assets: break-down

| | Amortisation (a) | Impairment adjustments (b) | Reversals of impairment losses (c) | Net result (a + b - c) |
|---|---------------------|----------------------------------|---|---------------------------|
| 1. Intangible assets other than goodwill | (929) | - | - | (929) |
| of which software | - | - | - | - |
| 1.1 owned | (929) | - | - | (929) |
| 1.2 rights of use acquired through leases | - | - | - | - |
| 2. Assets attributable to financial leases | - | - | - | - |
| 3. Assets granted with operating leases | - | - | - | - |
| Total | (929) | - | - | (929) |

Section 14 - Other operating income and expenses - Item 200

| Type of expenses/Values | 31.12.2024 | 31.12.2023 |
|--------------------------|---------------|--------------|
| Other operating income | 14,477 | 3,867 |
| Other operating expenses | (1,079) | (976) |
| Total | 13,398 | 2,891 |

14.1 - Other operating expenses: break-down

| Type of Expenditure/Values | 31.12.2024 | 31.12.2023 |
|--|----------------|--------------|
| Depreciation on leasehold improvements | (1,033) | (973) |
| Other operating expenses | (46) | (3) |
| Total | (1,079) | (976) |

This item mainly includes depreciation of leasehold improvements.

14.2 - Other operating income: break-down

| Type of expenses/Values | 31.12.2024 | 31.12.2023 |
|---------------------------------------|---------------|--------------|
| Recovery of <i>servicing</i> expenses | 13,579 | 9,810 |
| Other expense recoveries | 383 | 705 |
| Other operating income | 270 | 109 |
| Charges/revenues for collar | 245 | (6,757) |
| Total | 14,477 | 3,867 |

This item mainly includes the recovery of indirect expenses incurred by the Company and reallocated, on the basis of internally defined economic/financial allocation criteria, to the Segregated Estates and the Financed Capital.

Section 19 - Income taxes for the year on current operations - Item 270

19.1 - Income taxes for the year on current operations: break-down

| | Total (31.12.2024) | Total (31.12.2023) |
|--|-----------------------|-----------------------|
| 1. Current taxes (-) | - | - |
| 2. Changes in current taxes of previous years (+/-) | (901) | 34 |
| 3. Reduction of current year taxes (+) | - | - |
| 3.bis Reduction of current year taxes for tax credits under Law No. 214/2011 (+) | - | 7,548 |
| 4. Change in prepaid taxes (+/-) | (22,007) | (40,814) |
| 5. Change in deferred taxes (+/-) | - | 2,601 |
| 6. Taxes for the year (-) (-1+/-2+3+3bis+/-4+/-5) | (22,908) | (30,631) |

The net change in prepaid taxes mainly refers to the deferred tax assets recognised in previous years and used during the year.

19.2 - Reconciliation between theoretical tax charges and actual tax charges of the financial statements

| Reconciliation IRES tax charges | Taxable income | | IRES | % |
|---|----------------|------------------|---------------|--------------|
| | Detail | Total | | |
| Result before tax | | 51,908 | 14,275 | 27.5% |
| Increases | | | | |
| Provisions for risks and charges | 14,629 | | 4,023 | 7.8% |
| Capital losses on financial assets at fair value | 1,015 | | 279 | 0.5% |
| Effect of DTA valuation other temporary differences | 31,073 | | 8,545 | 16.5% |
| Other Increases | 2,596 | | 714 | 1.4% |
| Total increase | | 49,313 | | |
| Decreases | | | | |
| Use of provisions for risks and charges | (13,143) | | (3,614) | -7.0% |
| Capital gains on financial assets at fair value | (5,063) | | (1,392) | -2.7% |
| Collar payment | - | | - | - |
| Entry on tax losses | - | | - | - |
| Reversal of previous DTA for FTA of IFRS 9 | (17,756) | | (4,883) | -9.4% |
| Effect of DTA valuation on past losses and ACEs | (72,829) | | - | - |
| Other DTA valuation effect | (2,232) | | (614) | -1.2% |
| Write-downs of receivables from previous years | - | | - | - |
| Other decreases | (356) | | (98) | -0.2% |
| Total decreases | | (111,379) | | |
| Theoretical taxable income - IRES | | (10,158) | 17,235 | 33.2% |

| Reconciliation IRAP tax charges | Taxable income | | IRAP | % |
|---|----------------|------------------|--------------|--------------|
| | Detail | Total | | |
| Taxable income before adjustments | | 51,908 | | 5.7% |
| Increases | | | | |
| Non-deductible administrative expenses | 12,645 | | - | - |
| Staff costs | 10,266 | | - | - |
| Other non-deductible expenses | 4,817 | | - | - |
| Total increases | | 27,728 | | |
| Decreases | | | | |
| Adjustments on securities at FVOCI | - | - | - | - |
| Reversal of DTA from previous years (IFRS 9 DTA, intangibles, etc.) | (90,838) | | 5,196 | 10.0% |
| Provisions for risks and charges | - | | - | - |
| Other changes (personnel expenses, risk provisions) | - | | - | - |
| Overtaxes from previous years | (15,750) | | 901 | 1.7% |
| Other DTA valuation effect | (7,398) | | (423) | 0.8% |
| Total decreases | | (113,986) | | |
| Theoretical taxable income | | (34,350) | 5,674 | 10.9% |

PART D - OTHER INFORMATION

Section 1 - Specific references to the activities carried out

B. - FACTORING AND TRANSFER OF LOANS AND RECEIVABLES

B.1 - Gross value and carrying amount

B.1.2 - Purchase transactions of non-performing loans other than factoring

| Item/Values | Total (31.12.2024) | | | Total (31.12.2023) | | |
|--------------------------------------|--------------------|-------------------|------------------|--------------------|-------------------|------------------|
| | Gross value | Value adjustments | Net value | Gross value | Value adjustments | Net value |
| 1. Bad loans | 5,228,504 | 3,300,153 | 1,928,351 | 5,679,782 | 3,406,690 | 2,273,092 |
| 2. Unlikely to pay | 1,866,752 | 598,108 | 1,268,644 | 2,274,178 | 803,461 | 1,470,717 |
| 3. Non-performing past due exposures | 5,366 | 1,171 | 4,195 | 21,322 | 5,222 | 16,100 |
| Total | 7,100,622 | 3,899,432 | 3,201,190 | 7,975,282 | 4,215,373 | 3,759,909 |

B.2 - Breakdown by residual life

B.2.3 - Purchase Transactions of non-performing loans other than factoring

| Time bands | Exhibitions | |
|--------------------------------|--------------------|--------------------|
| | Total (31.12.2024) | Total (31.12.2023) |
| - up to six months | 735,123 | 863,427 |
| - from over 6 months to 1 year | 388,922 | 456,802 |
| - from over 1 year to 3 years | 951,981 | 1,118,134 |
| - from over 3 years to 5 years | 608,654 | 714,885 |
| - over 5 years | 516,511 | 606,660 |
| Total | 3,201,190 | 3,759,908 |

D. - GUARANTEES ISSUED AND COMMITMENTS*D.1 - Value of guarantees (real or personal) issued and commitments*

| Operations | Amount (31.12.2024) | Amount (31.12.2023) |
|---|------------------------|------------------------|
| 1) Guarantees of a financial nature issued at first request | - | - |
| a) Banks | - | - |
| b) Financial companies | - | - |
| c) Customers | - | - |
| 2) Other guarantees of a financial nature issued | - | - |
| a) Banks | - | - |
| b) Financial companies | - | - |
| c) Customers | - | - |
| 3) Commercial guarantees issued | 2,620 | 2,029 |
| a) Banks | - | - |
| b) Financial companies | - | - |
| c) Customers | 2,620 | 2,029 |
| 4) Irrevocable commitments to disburse funds | 106,793 | 78,600 |
| a) Banks | - | - |
| (i) funds whose utilisation is certain | - | - |
| (ii) funds whose utilisation is uncertain | - | - |
| b) Financial companies | 86,881 | 78,600 |
| (i) funds whose utilisation is certain | - | - |
| (ii) funds whose utilisation is uncertain | 86,881 | 78,600 |
| c) Customers | 19,912 | - |
| (i) funds whose utilisation is certain | - | - |
| (ii) funds whose utilisation is uncertain | 19,912 | - |
| 5) Commitments underlying credit derivatives: sales of protection | - | - |
| 6) Assets used to guarantee third-party obligations | - | - |
| 7) Other irrevocable commitments | - | - |
| (a) to issue guarantees | - | - |
| (b) others | - | - |
| Total | 109,413 | 80,629 |

Section 2 - Securitisation transactions, disclosure of non consolidated structured entities (other than the securitisation vehicle) and asset disposal operations

B. - INFORMATION ON NON CONSOLIDATED STRUCTURED ENTITIES (OTHER THAN THE SECURITISATION VEHICLE)

Italian Recovery Fund

Qualitative information

In October 2016 took place the first *closing* of the closed-end alternative investment fund called "Italian Recovery Fund," formerly "Atlante II" and established by Quaestio Capital SGR. As required by the Regulations, the purpose of the fund is to increase the value of its assets by carrying out investment transactions in non-performing loans from a plurality of Italian banks, possibly guaranteed by *assets*, also real estate as well as property *assets* (also not subject to guarantee), in the context of operations to enhance the value of non-performing loans.

The fund carries out the investment transactions described above by underwriting Financial Instruments of different *seniority levels*, focusing where possible on *mezzanine* and *junior* exposures, including those not traded on the regulated market, issued by one or more vehicles, also in the form of an investment fund, for the purchase of non-performing loans from a plurality of Italian banks.

Quantitative information

As of December 31, 2024, the NAV of equity investments in the Italian Recovery Fund was EUR 287.1 million while the *fair value*, calculated consistently with AMCO's internal methodology that involves valuation by discounting expected cash flows to investors, was EUR 275.5 million (with a residual commitment of EUR 18.6 million). From a regulatory perspective, it is considered a high-risk exposure as required by Bank of Italy Circular 288/2015 and subsequent updates.

The change in *fair value* of the investment in Italian Recovery Fund subject to change in the discount rate (+/-1%) and expected Breakdowns flows (+/-5%) is represented in the following table:

| | | Discount rate changes | | |
|-----------------------|-----|-----------------------|----------------|----------------|
| | | -1% | 0 | +1% |
| Changes in cash flows | +5% | +23.4 m (+8.5%) | +13.8m (+5.0%) | +4.6 (+1.7%) |
| | 0 | +9.2m (+3.3%) | - | -8.8m (-3.2%) |
| | -5% | -5.0m (-1.8%) | -13.8m (-5.0%) | -22.1m (-8.0%) |

Project Cuvée

Qualitative information

In the context of a securitisation transaction under Italian Law 130, relating to loans transferred by different Originating Banks, in accordance with a loan transfer agreement finalised on December 23, 2019, the company Ampre SPV S.r.l, acquired *without recourse* a loans portfolio mainly deriving from secured or unsecured loans, credit facilities and overdrawn current account, arisen in the period between 1999 and 2018 and due from debtors classified by their respective Originating Banks as "*unlikely to pay*" pursuant to Bank of Italy Circular No. 272 of July 30, 2008 as subsequently amended and/or supplemented.

Notice of the transfer was given by publication in the Official Gazette, Part II, No. 153 of December 31, 2019.

In the context of the securitisation, Ampre SPV S.r.l., in relation to the transferred loans, appointed AMCO to act the role of the entity in charge of loans collection and cash and payment services and responsible for verifying the compliance of operations with the law and to the information prospectus pursuant to Article 2, paragraph 3, letter c), paragraph 6 and paragraph 6-bis of Italian Law 130.

At the same time, Ampre SPV S.r.l. issued a non-segmented securitisation note with the objective of transferring it to the *Back2Bonis* Mutual Fund, which financed its purchase through the issue of fund units purchased by the Originating Banks.

On December 8, 2020, the second phase of the Cuvée transaction was launched, with the contribution by seven transferos (including AMCO and the Veneto and Vicenza Group's Segregated Estates) of loans of approximately EUR 450 million.

In October 2021, the third phase of the Cuvée transaction was launched, with the contribution by the three transferos (including AMCO) of loans for approximately EUR 59.7 million, while the fourth transfer phase, in which AMCO did not take part, took place in December for a total of EUR 124 million.

On April 11, 2022, EUR 1,039 million were transferred by a leading bank.

During 2023, an additional amount of EUR 317 million was transferred by various credit institutions, and approximately an amount of EUR 30 million during 2024.

Quantitative information

As required by the Bank of Italy Circular 288/2015 and subsequent updates, AMCO applies a 100% weighting to the fund units.

On the basis of the methodology described with reference to the units of the *Italian Recovery Fund* (to which reference is made), the fund's units, consistent with the internal Fair Value Policy, were valued at EUR 76.7 million. The change in the *fair value* of the investment in *Back2bonis* subject to the change in the discounting rate (+/-1%) and the expected Breakdowns flows (+/-5%) is represented in the following table:

| | | Discount rate changes | | |
|-----------------------|-----|-----------------------|---------------|---------------|
| | | -1% | 0 | +1% |
| Changes in cash flows | +5% | +6.8 (+8.8%) | +3.9m (+5.0%) | +1.0m (+1.3%) |
| | 0 | +2.8m (+3.4%) | | -2.7m (-3.2%) |
| | -5% | -1.2m (-1.5%) | -3.8m (-5.0%) | -6.4m (-8.3%) |

Efesto

Qualitative information

The Efesto Fund, established and managed by Finanziaria Internazionale Investments Società di Gestione del Risparmio S.p.A. (hereinafter, the "Management Company" or the "SGR"), belonging to the Banca Finanziaria Internazionale Group, was established by the Board of Directors of the Management Company on July 30, 2020. The Fund is an alternative, Italian, real estate, closed-end, reserved mutual investment fund, established pursuant to Articles 10 and 14 of Italian Ministerial Decree 30/2015, which invests in loans pursuant to Italian Law 130/99 and in other assets permitted by the legislation applicable to funds under Article 7, paragraph 1, letter b) and paragraph 2-bis of Italian Law 130/99. The duration of the Fund was identified as 10 years from the Fund's inception date, with maturity on the immediately following December 31 and

therefore corresponding to December 31, 2030. The Fund's depository bank ("Depository" as specified below) is BFF Bank S.p.A. The Fund began operations on November 2, 2020. The Units are reserved exclusively for investors who fall within the definition of "professional investors" pursuant to Article 1, paragraph 1, letter P) of Italian Ministerial Decree 30/2015 and that are (i) banks (ii) companies belonging to banking groups or (iii) financial intermediaries registered in the list provided for in Article 106 of the TUB. The Efesto fund units were acquired during 2020 as part of the Monte dei Paschi di Siena transaction.

As required by Bank of Italy Circular 288/2015 and subsequent updates, AMCO applies a 100% weighting to the fund units.

Quantitative information

The fund units were valued, consistent with the internal Fair Value Policy regulations, at EUR 7 million.

The change in the fair value of the investment in Efesto subject to the change in the discounting rate (+/- 1%) and the expected Breakdowns flows (+/-5%) is represented in the following table:

| | | Discount rate changes | | |
|-----------------------|-----|-----------------------|---------------|---------------|
| | | -1% | 0 | +1% |
| Changes in cash flows | +5% | +0.5 m (+7.8%) | +0.4m (+5.0%) | +0.2m (+2.3%) |
| | 0 | +0.2m (+2.7%) | - | -0.2m (-2.6%) |
| | -5% | -0.2 (-2.5%) | -0.4m (-5.0%) | -0.5m (-7.4%) |

Section 3 - Information on risks and related hedging policies

Introduction

With regard to risk management and control process in AMCO, the primary responsibility lies with the governing bodies, each according to their respective competencies. According to the Company's own *governance* model:

- the Board of Directors, as the body with strategic oversight function, plays a key role in achieving an effective and efficient risk management and control system. This body, as part of corporate risk *governance*, approves the risk management policies outlined with reference to the main significant risks identified;
- the Risk and Related Parties Committee (Associated Parties) has the task of assisting the Board of Directors by carrying out preliminary, propositional and advisory functions, regarding risk governance and management and the Internal Control System (ICS) to ensure its adequacy with respect to the characteristics of the Company in relation to the evolution of the organization and operations, as well as the regulatory context of reference;
- the Chief Executive Officer, consistent with risk management policies, defines and oversees the implementation of the risk management process, by establishing, among other things, the specific duties and responsibilities of involved corporate structures and functions;
- the functions in charge of these controls are separate from the production functions and contribute to the definition of risk management policies and the risk management process;

- the *Risk Management* Function, in particular, has the task to ensure the constant supervision and monitoring of risks pertaining to the First and Second Pillar of the prudential framework for financial intermediaries issued by the Bank of Italy. To this end, the *Risk Management* Function defines the risk measurement methodologies, carries out a constant control and provides, where necessary, for the execution of appropriate stress tests, reporting to the Corporate Bodies on the evolution of the Company's risk profile. The Risk Management Function is also called upon to collaborate in defining risk management policies and the risk management process, as well as the related identification and control procedures and methods, verifying their adequacy on an ongoing basis.

AMCO adopts an internal auditing system based on three levels, consistent with current laws and regulations. This model provides for the following types of controls:

- 1st level: line controls, aimed at ensuring the proper conduct of operations; these are carried out by the same operating and management structures;
- 2nd level: risk and compliance controls that have the object to ensure, among other things:
 - the proper implementation of the risk management process;
 - compliance with operating limits assigned to the various functions;
 - compliance of corporate activity to regulations, including those for self-regulations;
- 3rd level: internal audit controls, aimed at identifying any violations of procedures and regulations, as well as periodical assessing the completeness, adequacy, functionality (in terms of efficiency and effectiveness) and reliability of the organizational structure of the other components of the internal control system and the information system, at a predetermined frequency in relation to the nature and intensity of risks. The internal controls system is periodically subject to examination and adaptation in relation to the evolution of corporate activities and the reference context.

This system of controls regulated by the "Internal Controls and Operating Interrelationships System" is integrated by the "*Risk Policy*" which outlines the guidelines of the corporate risk management process. Specifically, the "*Risk Policy*":

- formalises the risk map to which AMCO is, or may be, exposed and defines them consistently with the supervisory regulations;
- defines the "*Risk Owners*" or the personnel entrusted with the identification, assessment, monitoring, mitigation and reporting of risks deriving from ordinary corporate operations;
- defines the stages into which the risk management process is divided (identification, measurement management, control and *reporting*);
- reports the main risks evaluation methods.

In addition, AMCO defines and annually updates a "*Risk Framework*" that represents the risk appetite, tolerance thresholds, and risk limits consistent with the *business model* and the maximum risk that can be taken by the Company in a manner consistent with the SREP "*Supervisory Review and Evaluation Process*" framework used by the Supervisory Authority in the evaluation of the risks for banks and financial intermediaries.

The *Risk Framework* expresses AMCO's risk appetite on relevant risks through qualitative targets ("*Preference*") and, for measurable risks, through the following quantitative thresholds:

- *Risk Capacity*: maximum level of risk that AMCO is technically able to assume without violating regulatory requirements or other constraints imposed by shareholders or the Supervisory Authority;
- *Risk Appetite*: the level of risk (overall and by type) that AMCO intends to assume in pursuing its strategic objectives;
- *Risk Tolerance*: maximum allowed deviation from the *risk appetite* fixed so as to ensure in any case sufficient margins for operating, even under stress conditions, within the maximum risk that may be taken (*capacity*);
- Limit system: set of risk limits, differentiated by type of risk, finalised to comply with *Appetite* thresholds.

3.1 - Credit Risk

Qualitative information

1 - General aspects

The credit management process complies with the most general principles of prudence, the criteria for consistency with the company's mission and objectives, and the credit risk management policies established by the Board of Directors.

The acquisition and management of other assets, including investments in investment fund units is carried out pursuing the objective of investments in activities directly and/or indirectly linked to the Company's core business.

2 - Credit risk management policies

2.1 Organisational aspects

The principles and guidelines for determining the loss forecasts for loans managed by AMCO are expressed within the "Policy for the valuation of credit exposures" to ensure that the value of financial assets recorded in the financial statements represents the best estimate of the actually recoverable amount.

It includes:

- the roles and responsibilities of corporate bodies and organisational structures involved in the credit management and evaluation process;
- the scope of application, consistent with the *business* model adopted by the Company;
- the *staging* criteria used to classify loans, to which correspond separate methods for calculating the losses to be recognised;
- the measurement method of the exposures (differentiated between *performing* and non-performing).

2.2 Management, measurement and control systems

Credit risk is monitored on an ongoing basis with the help of procedures and tools that enable timely identification of positions with particular anomalies. In fact, the Company is organised with regulatory/computerised structures and procedures for the management, classification and control of loans.

With reference to the management of credit, the Company also makes use of IT support through which the performance of recovery actions and the trend of collections is constantly monitored in line with expectation and as a result of the initiatives undertaken.

The resolutions relating to the management, classification, measurement and derecognition of loans are the responsibility of the Board of Directors, of the Chief Executive Officer/General Manager, the Joint General Manager, and the *Business* Departments depending on the type of action and the size of the exposure. The relative delegated powers are detailed in the "Mandated powers regulations" adopted by the Company.

With regard to the control system, line controls, are delegated to the Business Departments. During 2024, in order to strengthen control activities, an ad hoc structure, the Centralised Controls Function, was established, which is entrusted with carrying out some first-level controls, while second-level control activities are carried out by the Risk Management Function.

In the performance of measurement and control activities, in fact, the activity carried out by Risk Management in the context of second-level controls is of fundamental importance. In particular, with reference to credit risks, the Risk Management function:

- is responsible for the risk measurement and control systems and the evaluation methodologies for corporate activities;
- is responsible for the methodologies for determining flat-rate and analytical adjustments (including their updates) and verifies their adequacy based on historical evidence (*backtesting*), if available, or through external *benchmarks*;
- expresses *an ex ante* assessment of value adjustments for positions where this is expected;
- as part of second-level controls, verifies the correct application of the methodologies for determining value adjustments.

2.3 Methods of measuring expected losses

With regard to the classification of loans, in accordance with IAS/IFRS provisions, at each balance sheet date, the objective evidence of *impairment* elements is tested on each instrument or group of financial instruments.

The estimation of expected losses is calculated in accordance with IFRS 9 accounting standard. In terms of classification and *impairment* are provided:

- the classification of loans into three different levels (or "Stages") with different methods for calculating the losses to be recognised: **Stage 1** includes loans and securities classified as *performing* exposures that have not shown a significant increase in credit risk from the time of initial recognition or with low credit risk at the reporting date; **Stage 2** includes loans and securities classified as *performing* exposures that have shown a significant increase in credit risk since initial recognition; and **Stage 3** includes loans and securities with objective evidence of loss at the reporting date (*non-performing* exposures).
- For **Stage 2** exposures, it is necessary to assess the adjustments over the entire expected residual life of the loans, weighted by the probability of the *default* event occurring (and not only with a time horizon of one year as for exposures classified as *Stage 1*).

- Finally, for *Stage 3* exposures (*non-performing* exposures), the valuation can be carried out analytically or on a flat-rate basis, based on the classification under the various non-performing categories and/or the significance of the exposure. It should be noted that the initial recognition of an acquired or originated impaired financial asset ("POCI") takes place in **Stage 3**.

Once the financial assets have been classified in the various *Stages*, for each exposure it is necessary to determine the related value adjustments following the *Expected Credit Loss* or "*ECL*" logic, through the use of specific calculation models. The principle on which the *ECL* is based is to assess the expected loss of an asset by creating, therefore, a connection between the risk profile improvement or deterioration of the exposure with respect to the date of initial recognition in the financial statements, respectively with the increase or reduction of the provision. In terms of measuring the credit risk of the managed portfolio, the Company periodically subjects the value of the managed portfolio to verification of the existence of impairment losses, which could, consequently, determine a reduction in their estimated realisable value.

With reference to the classification of loans, in accordance with IAS/IFRS provisions, at each balance sheet date the presence of objective evidence of *impairment elements* on each financial instrument or group of instruments is tested.

The classification of impaired credit exposures coincides with the respective supervisory definitions. Specifically:

- **bad loans:** exposures to parties in a state of insolvency or in substantially comparable situations, regardless of any loss forecasts formulated by the Company and regardless of the existence of any collateral or personal guarantees placed to cover the exposures. Exposures whose anomalous situation is attributable to profiles pertaining to country risk are excluded;
- **unlikely to pay** (or "*UTP*"): credit exposures for which it is considered unlikely that, without recourse to actions such the enforcement of guarantees, the debtor will meet its credit obligations in full (in terms of principal and/or interest);
- **non-performing expired and/or past due exposures (*past due*):** exposures, other than those classified as bad loans or unlikely to pay that, at the reference date, are past due and/or expired for over 90 days and exceed a predetermined materiality threshold.

The EBA's *Implementing Technical Standards* (ITS) also introduced the "*forborne*" concept or exposures to which a concession has been granted, i.e. a modification of the previous contractual terms and/or the partial or total refinancing of the debt in consideration of the customer's financial difficulties at the time of the concession.

In line with supervisory guidelines, the Company uses the definition of "exposures subject to concessions" ("*forbearance exposures*") alongside the risk degree classifications, a characteristic at the credit line level that may refer to both *performing* exposures (known as "*forborne performing exposures*") and *non-performing* exposures ("*non-performing exposures with forbearance measures*"). Depending on the case, these exposures are transversal and include bad loans, unlikely to pay Unlikely to pay or non-performing expired exposures; therefore do not represent a separate category of impaired assets.

2.3.1 Valuation of performing exposures

In general, IFRS9 on the basis of expected loss defines expected loss as: "an estimate of losses (i.e. the present value of all non-collections) weighted based on probabilities over the expected life of the financial instrument. The non-collection is the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the entity expects to receive. Since the expected losses take into account both the amount and the timing of the payments, a loss on receivables occurs even if the entity expects to be paid in full but later than the contractually agreed date."

With reference to the model for calculating loss forecasts for *performing* credit exposures, the allocation into "Stage 1" and "Stage 2" involves different values of loss forecasts due to the different observation period. Specifically, "Stage 1" exposures are measured considering the expected losses deriving from possible default events that may occur in the following 12 months from the valuation date; "Stage 2" exposures are measured over a *lifetime* valuation horizon that takes into account the expected losses deriving from possible default events that may occur throughout the residual life of the loan.

Performing exposures are valued on a flat-rate basis based on rates that represent the expected loss (or ECL- *Expected Credit Loss*) of the position, i.e. the expected value of possible losses on exposures to a counterparty. In formulas:

$$ECL = \sum_{t=1}^T PD_t * LGD_t * EAD_t * D_t$$

Where:

- **PD_t** represents the marginal probability of *default of the* counterparty at period t, i.e. the probability that the debtor will become non-performing in period t;
- **LGD_t** represents the *loss given default* at period t associated with the relationship, that is the percentage of the exposure that is presumed to be lost if the counterparty *defaults*. As a rule, the LGD is usually differentiated according to the guarantees present;
- **EAD_t** is the exposure at period t;
- **D_t** is the discounting factor at period t;
- T is the residual duration of the exposure.

The Company defines risk parameters (PD and LGD) based on drivers that identify classes of counterparties that are homogeneous in terms of risk characteristics. In particular, given the AMCO's business model, the segmentation criteria adopted differ by type of counterparty and guarantees.

- type of counterparty (State - Central bodies, Supervised entities, Private individuals, Companies and other parties);
- presence of guarantees.

PD is estimated based on the following external systems:

- State - Central bodies: agency rating;
- Supervised entities: agency ratings;

- Private individuals: EBA benchmark;
- Companies and other parties: EBA benchmarks.

LGD estimates are differentiated by guarantee type (whether *secured* or *unsecured*).

The parameters used in the calculation of the expected loss (*ECL*) are updated at least annually.

In the case of "Stage 2" exposures, the adjustment coefficients are not less than 6% for *secured* positions and no less than 10% for *unsecured* positions.

2.3.2 Measurement of non-performing exposures

The application of the *expected loss* principle with reference to non-performing exposures requires the determination of expected recoveries on the basis of the possible developmental scenarios of the position (e.g. compliance or non-compliance with a repayment plan, enforcement of a guarantee at market price or at a lower value, etc.).

The method for determining expected recoveries can be analytical or on a flat-rate basis (alternatively also defined "statistical methodology") in the case of exposures that, due to their intrinsic characteristics (insignificant amount, high number, lack of information), are suitable for the adoption of prudential but streamlined and low-cost valuation processes, mainly of an automatic nature, able to ensure uniform valuations.

2.3.2.1 Measurement of non-performing exposures - Analytical methodology

AMCO adopts an analytical approach for non-performing exposures exceeding EUR 750 thousand.

The analytical valuations are regularly reviewed according to predetermined timelines or in the event of significant events (credit resolutions, changes relating to guarantees and guarantees values, evolution of insolvency procedure, delays in expected payments, etc.).

The analytical valuation assumes an estimate of expected cash flows based on the specific characteristics of the position by considering the cash flows servicing the debt (only for "*going concern*" positions), the liquidation value of the assets or other sources of collections (e.g. guarantees).

The criteria used by AMCO provide a uniform treatment for collateral while differing between Companies and Individuals for the evaluation of other recovery sources due to the different characteristics of counterparties and their available information sets.

Valuation of guarantees

In the case of loans secured by a mortgage collateral, if the recovery strategy involves the valuation or enforcement of that collateral, the following aspects are considered:

- property value from appraisal (i.e. market value and realisable value) / CTU / auction;
- application of haircuts;
- *encumbrances/pool* corrective actions: adjustments to the value of the property in order to include the possible presence of third-party creditors with higher degree of priority or part of a pool.

In the case of loans backed by non-real estate collateral and personal guarantees, the recoverable amount considers the application of specific *haircuts*.

Measurement of cash flows

In order to properly assess the extent of the credit exposure recovery, in accordance with the ECB *Guidance*, the Managers provide the most reliable representation of the debtor's repayment capacity.

In particular, nominal cash flows are subject to assessment of their degree of uncertainty, depending both on the soundness of the underlying plan and on the analysis timeframe (cash flows referring to the final years of the period examined are likely to be characterised by greater uncertainty). The presence of collateral or personal guarantees is a mitigating element in terms of flows uncertainty, representing first and foremost an additional incentive for the Customer/Debtor to service the debt *and secondly* a possible alternative recovery source if the ongoing cash flows do not cover the plan negotiated with the Customer/Debtor.

For example, this logic applies in the valuation of cash flows expected from insolvency proceedings, restructurings, repayment plans, settlement and write-off or disposals that provide for deferred payments over time or "*orderly disposal of assets*" (including the case of sale of repossessed property deriving from a *lease* agreement) where cash flows will consider the planned disposal plan.

The criteria used to evaluate other recovery sources are differentiated based on the different characteristics of the counterparties and their available information sets. Therefore, the following are distinguished:

- Companies (where the counterparty's "*going concern*" assumption *is primarily* relevant):
 - Counterparties in liquidation
 - Going concern counterparties and
- Private individuals:
 - with a defined repayment plan (parties for whom a repayment plan agreement has been reached, settlement and write-off or transfer of the approved credit);
 - secured exposures or unsecured exposures (for which cash flows can be measured, *inter alia*, on the basis of historical recoveries).

2.3.2.2 Measurement of non-performing exposures - Flat-rate approach

The valuation of exposures below the threshold of EUR 750 thousand, on the other hand, is carried out with mathematical/statistical models, applying standard coefficients according to the exposures characteristics and the portfolio to which they belong:

A. Non-POCI positions

B. POCI positions.

A. Flat-rate valuations on positions at amortised cost (non-POCI).

In the case of "non-POCI" positions recorded at amortised cost and valued on a flat-rate basis, the Company use a model whose algorithms for determining provision percentages are based on:

- average *benchmark* values borrowed from the banking system adjusted for appropriate factors that consider the peculiarities of AMCO's business model and/or the performance of specific segments. The *adjusted benchmarks* determine the model anchoring in order to overcome the depth of AMCO's time series;

- econometric estimates based on AMCO's internal empirical evidence with a view to Basel III "Advanced Internal Rating Based Approach" (IRB), which provides the determination of loss rate in the event of default (or LGD "Loss Given Default") through regulatory standards. The selection of the variables included in the model and the estimation of the related parameters, therefore, followed statistical procedures aligned with market *practices* and ECB guidelines for the development of *rating/LGD* models. These parameters make it possible to differentiate the actual *coverage* percentage based on the counterparty/exposure characteristics.

The variables considered for determination of differentiated *coverage* are:

- **administrative status** (bad loans or UTP/PD);
- **segment type** ("Individual" or "Company");
- **Presence of mortgage guarantees** (credit exposure with an associated mortgage guarantee);
- **presence of "eligible" personal guarantee** (credit exposure with an associated personal guarantee whose guarantor is a Sovereign State, a financial institution or a trust);
- **Presence of "ineligible" personal guarantees** (personal guarantees issued by a party other than those envisaged for eligible personal guarantees);
- **LTV "loan to value"** only for exposures secured by a mortgage (ratio between the secured exposure and the value of the property as collateral);
- **Vintage** (counterparty's time in years spent in the same administrative status);
- **Portfolio flags**.

The initial loan valuation involves the calculation of the provision against individual relationships by applying the valuation model based on the relevant information at the counterparty/exposure/collateral level.

Thereafter, this assessment is reviewed monthly by applying the same model to the updated relationship characteristics.

The discounting of cash flows for these positions is defined by estimating the recovery time based on the counterparty status, the time spent in the status (*vintage*) and the type of exposure (*secured/unsecured*).

Backtesting activities and updates during the year

Backtesting on the period 01/2022 - 06/2024 verified the consistency of recoveries on closed positions with the LGD model predictions. Based on the empirical evidence, the coefficients of the model were confirmed while the intertemporal curves for some sub-portfolios were updated, aligning them more closely with the *collection rates* of total positions (open and closed) observed in the available period. This change resulted in higher provisions amounting EUR 15 million compared to expected cash flows of EUR 757 million.

B. Flat-rate valuation on POCI positions

- The valuation of POCI positions at the time of acquisition of a new portfolio is determined through the application of statistical methods defined at company level and consistent with the internally defined initial recognition criteria.

- For accounting purposes, individual exposures are subsequently reclassified to *clusters* defined at the time of acquisition based on their management *status* recorded (i.e. UTP and bad loans) and the presence or absence of guarantees (*secured/unsecured*). Four main clusters are therefore defined:
 - **Secured UTPs**: secured UTP positions;
 - **Unsecured UTPs**: unsecured UTP positions;
 - **Secured bad loans**: secured bad loans positions;
 - **Unsecured bad loans**: unsecured bad loans positions.
- Updating the valuations envisages the recalculation of the amortised cost of the loan based on the residual book value, the cluster *Effective Interest Rate*, the cluster residual *Business Plan* or its updates (e.g., cluster composition).
- At each reporting date after initial recognition, AMCO measures the value adjustment on the basis of the change in expected credit losses on a *lifetime basis* compared to what was expected at initial recognition through an analysis of *receivables/pool* in order to identify whether the recovery expectation initially envisaged are in line with the events that have occurred after their recognition.
- The quantification of the *impairment* to be calculated on the loans in *clusters* is equal to the difference between the book value and the expected cash flows (post-change) discounted by the original *credit-adjusted EIR*.
- The recovery estimates are based on statistical *lifetime* recovery curves. These curves are used both for the initial measurement of exposures and for subsequent updates. The consistency of the expected collections with respect to the actual performance is verified through "*backtesting*" analyses, the results of which may require revision of estimates with consequent determination of provisions.
- The estimation of flat-rate *POCI* positions considers a set of curves defined on the basis of the following variables:
 - **Administrative status**: classification of counterparties relating to the bad loans and UTP/PD administrative status;
 - **Segment Type**: Breakdown of counterparties by "Individual" or "Company" segment type as defined in the "Policy for the evaluation of credit exposures ("impairment")" in force at the time;
 - **Presence of guarantees**: counterparty with credit exposures with an associated guarantee;
 - **Size of counterparty exposure**: range of debtor exposure;
 - **Geographic area**;
 - **Procedure**: presence of a procedure (only for bad loans status);
 - **Vintage**: time spent (in years) in the same administrative status).
- The above characteristics define a set of curves with annual recovery percentage of the initial exposure defined for each one of them.

Backtesting activities and updates during the year

The verification of the adequacy of the recovery curves ("backtesting") for the 2024 year involved a perimeter of 48 clusters defined by the combination of the portfolio (purchase), and the *pool* of homogeneous loans (secured UTP, unsecured UTP, secured bad loans and unsecured bad loans). The reviews considered the consistency of the collection profile with the related *business plan* as well as some *forward looking* elements related to the evolution of the portfolio characteristics. On the basis of these analyses, the business plans referring to 8 clusters belonging to minor portfolios were updated, resulting in provisions of EUR 3.4 million.

2.4 Credit risk mitigation techniques

Credit risk mitigation techniques include those instruments that contribute to reduce the loss that the Company would incur in the event of counterparty default; specifically, this refers to guarantees received from customers, both real and personal ones, and to any contracts that may determine a reduction in credit risk.

The acquired portfolios included positions secured by mortgages on properties that present a lower risk compared to the overall acquired portfolio.

The value of financial collateral is subject to periodic monitoring, which consists of comparing the current value of the collateral with its initial value, so as to allow the manager to intervene promptly if there is a significant reduction in the value of the same collateral.

Quantitative information

For the purposes of quantitative information on credit quality, the term "credit exposures" does not include equity securities and UCITS units.

1 - Breakdown of financial assets by portfolio and credit quality (carrying amounts)

| Portfolios/quality | Bad loans | Unlikely to pay | Non-performing past due exposures | Performing past due exposures | Other performing exposures | Total |
|---|------------------|------------------|-----------------------------------|-------------------------------|----------------------------|------------------|
| 1. Financial assets measured at amortised cost | 1,908,417 | 1,106,595 | 4,120 | | 171,235 | 3,190,367 |
| 2. Financial assets measured at fair value through other comprehensive income | | | | | 832,208 | 832,208 |
| 3. Financial assets measured at fair value | | | | | | |
| 4. Other financial assets mandatorily measured at fair value | 591 | 42,720 | 16 | | 765,514 | 808,841 |
| 5. Financial assets in the process of being disposed | 19,343 | 119,330 | 59 | | 1,492 | 140,224 |
| Total (31.12.2024) | 1,928,351 | 1,268,645 | 4,195 | | 1,770,449 | 4,971,640 |
| Total (31.12.2023) | 2,273,092 | 1,470,717 | 16,100 | | 1,016,715 | 4,776,624 |

2 - Distribution of financial assets by portfolio and credit quality (gross and net values)

| Portfolios/quality | Impaired | | | | Not impaired | | | | Total (net exposure) |
|---|------------------|-------------------------|------------------|---------------------------|------------------|-------------------------|------------------|------------------|----------------------|
| | Gross exposure | Total value adjustments | Net exposure | Total partial write-offs* | Gross exposure | Total value adjustments | Net exposure | | |
| 1. Financial assets measured at amortised cost | 6,874,604 | 3,855,472 | 3,019,132 | 7,718 | 172,163 | 928 | 171,235 | 3,190,367 | |
| 2. Financial assets measured at fair value through other comprehensive income | - | - | - | - | 832,208 | - | 832,208 | 832,208 | |
| 3. Financial assets measured at fair value | - | - | - | - | X | X | - | - | |
| 4. Other financial assets mandatorily measured at fair value | 43,326 | - | 43,326 | - | X | X | 765,514 | 808,840 | |
| 5. Financial assets in the process of being disposed | 182,693 | 43,961 | 138,732 | 26 | 1,519 | 27 | 1,492 | 140,224 | |
| Total (31.12.2024) | 7,100,623 | 3,899,433 | 3,201,190 | 7,744 | 1,005,890 | 955 | 1,770,449 | 4,971,639 | |
| Total (31.12.2023) | 7,975,281 | 4,215,373 | 3,759,908 | 19,309 | 588,856 | 1,561 | 1,016,715 | 4,776,623 | |

* Value to be given for information purposes

| Portfolios/quality | Assets of evidently poor credit quality | | Other assets | |
|--------------------------------------|---|--------------|--------------|--------------|
| | Capital losses | Net exposure | Net exposure | Net exposure |
| 1. Financial assets held for trading | - | 6 | - | - |
| 2. Hedging derivatives | - | - | - | - |
| Total (31.12.2024) | - | 6 | - | - |
| Total (31.12.2023) | - | 6 | - | - |

3 - Breakdown of financial assets by overdue bands (carrying amounts)

| Portfolios/quality | First stage | | | Second stage | | | Third stage | | | Purchased or Originated Credit Impaired | | |
|---|-----------------------|---------------------------------|----------------|-----------------------|---------------------------------|----------------|-----------------------|---------------------------------|----------------|---|---------------------------------|------------------|
| | From 1 day to 30 days | From over 30 days up to 90 days | Beyond 90 days | From 1 day to 30 days | From over 30 days up to 90 days | Beyond 90 days | From 1 day to 30 days | From over 30 days up to 90 days | Beyond 90 days | From 1 day to 30 days | From over 30 days up to 90 days | Beyond 90 days |
| 1. Financial assets measured at amortised cost | 4,013 | - | - | - | - | - | - | - | 5,410 | 8 | 39 | 3,009,662 |
| 2. Financial assets measured at fair value through other comprehensive income | - | - | - | - | - | - | - | - | - | - | - | - |
| 3. Financial assets in the process of being disposed | 210 | - | - | - | - | - | - | - | 2,535 | - | - | 135,912 |
| Total (31.12.2024) | 4,223 | - | - | - | - | - | - | - | 7,945 | 8 | 39 | 3,145,574 |
| Total (31.12.2023) | - | - | - | 1,777 | 8,499 | 932 | 292 | 5,647 | 2,982 | 26,617 | 3,135,926 | |

4 - Financial assets, commitments to disburse funds and financial guarantees issued: changes in total value adjustments and provisions

| Reasons/risk stages | Total value adjustments | | | | | | | | | | | |
|--|--|---|--|---|----------------------------------|----------------------------------|--|---|--|---|----------------------------------|----------------------------------|
| | Stage 1 assets | | | | | Stage 2 assets | | | | | | |
| | Loans and receivables with banks on demand | Financial assets measured at amortised cost | Financial assets measured at fair value through other comprehensive income | Financial assets in the process of being disposed | of which: individual write-downs | of which: collective impairments | Loans and receivables with banks on demand | Financial assets measured at amortised cost | Financial assets measured at fair value through other comprehensive income | Financial assets in the process of being disposed | of which: individual write-downs | of which: collective impairments |
| Opening total adjustments | 134 | 776 | 701 | | 835 | 776 | | 84 | | | | 84 |
| Increases in purchased or originated financial assets | | | | | | | | | | | | |
| Derecognition other than write-offs | | | | | | | | | | | | |
| Net value adjustments/reversals for credit risk of (+/-) | 294 | 121 | (701) | | (835) | (776) | | (62) | | 27 | | (35) |
| Contractual amendments without derecognition | | | | | | | | | | | | |
| Changes of the estimated method | | | | | | | | | | | | |
| Write-offs recognised directly to the income statement | | | | | | | | | | | | |
| Other changes | | | | | | | | | | | | |
| Closing total adjustments | 428 | 897 | | | | | | 22 | | 27 | | 49 |
| Cash collection recoveries from write-offs of financial assets | | | | | | | | | | | | |
| Write-offs recognised directly to the income statement | | | | | | | | | | | | |

Notes to the financial statements

| Total value adjustments | | | | | | | | | | | Total provisions for commitments and guarantees issued | | | Total | |
|--|---|--|---|----------------------------------|----------------------------------|---|--|---|----------------------------------|----------------------------------|--|--------------|-------------|--|-----------|
| Stage 3 assets | | | | | | Fin. assets Purchased or Originated Credit Impaired | | | | | | | | | |
| Loans and receivables with banks on demand | Financial assets measured at amortised cost | Financial assets measured at fair value through other comprehensive income | Financial assets in the process of being disposed | of which: individual write-downs | of which: collective impairments | Financial assets measured at amortised cost | Financial assets measured at fair value through other comprehensive income | Financial assets in the process of being disposed | of which: individual write-downs | of which: collective impairments | First stage | Second stage | Third stage | Commitments to disburse funds and fin. guarantees issued Purchased or Originated Credit Impaired | Total |
| | 5,862 | | | | 5,862 | 4,209,511 | X | X | 2,324,783 | 1,884,728 | | | | | 4,217,068 |
| | (765) | | 1,592 | 962 | (135) | (81,478) | | 42,369 | (164,879) | 125,771 | | | | | (38,603) |
| | | | | | | (277,649) | | | (2,965) | (274,685) | | | | | (277,649) |
| | 5,097 | | 1,592 | 962 | 5,727 | 3,850,384 | | 42,369 | 2,156,939 | 1,735,814 | | | | | 3,900,816 |

5 - Financial assets, commitments to disburse funds and financial guarantees issued: transfers between different credit risk stages (gross and nominal values)

This section is not applicable for the Company as all Financial assets are classified at Stage 3 and stage transfers were not implemented during the year.

6 - Credit exposures with customers, with banks and with financial companies

6.1 - Credit and off-balance sheet exposures with banks and financial companies: gross and net values

| Exposure types/values | Gross exposure | | | Total value adjustments and total provisions | | | | Net exposure | Total partial write-offs* |
|--|----------------|--------------|-------------|--|--------------|--------------|---------------|---------------|---------------------------|
| | First stage | Second stage | Third stage | Purchased or Originated Credit Impaired | First stage | Second stage | Third stage | | |
| A. ON-BALANCE-SHEET CREDIT EXPOSURES | | | | | | | | | |
| A.1 On demand | 236,433 | | | | 428 | | | | 236,005 |
| a) Non-performing | X | | | | X | | | | |
| b) Performing | 236,433 | | X | | 428 | | X | | 236,005 |
| A.2 Others | 170,579 | | | 95,480 | 906 | | | 83,323 | 181,830 |
| a) Bad loans | X | | | 91,626 | X | | | 82,520 | 9,105 |
| - of which: forbore exposures | X | | | | X | | | | |
| b) Unlikely to pay | X | | | 3,854 | X | | | 803 | 3,051 |
| - of which: forbore exposures | X | | | | X | | | | |
| c) Non-performing past due exposures | X | | | | X | | | | |
| - of which: forbore exposures | X | | | | X | | | | |
| d) Performing past due exposures | | | | | | | X | | |
| - of which: forbore exposures | | | | | | | X | | |
| e) Other performing exposures | 170,579 | | X | | 906 | | X | | 169,673 |
| - of which: forbore exposures | | | X | | | | X | | |
| TOTAL A | 407,012 | | | 95,480 | 1,334 | | 83,323 | | 417,835 |
| B. OFF-BALANCE SHEET CREDIT EXPOSURES | | | | | | | | | |
| a) Non-performing | | | X | | | | | | |
| b) Performing | 86,881 | | | X | | | X | | 86,881 |
| TOTAL B | 86,881 | | | | | | | | 86,881 |
| TOTAL A+B | 493,893 | | | 95,480 | 1,334 | | 83,323 | | 504,716 |

* Value to be given for information purposes

6.2 - On-balance sheet credit exposures with banks and financial companies: changes in gross non-performing exposures

| Reasons/Categories | Bad loans | Unlikely to pay | Non-performing past due exposures |
|---|----------------|-----------------|-----------------------------------|
| A. Initial gross exposure | 115,557 | 10,489 | |
| - of which: exposures transferred but not derecognised | | | |
| B. Increases | 31,849 | 23,741 | |
| B.1 inflows from performing exposures | | | |
| B.2 inflows from purchased or originated credit impaired financial assets | 18 | 1,403 | |
| B.3 transfers from other categories of non-performing exposures | 1,490 | | |
| B.4 contractual amendements without derecognition | | | |
| B.5 Other increases | 30,341 | 22,338 | |
| C. Decreases | 55,397 | 25,301 | |
| C.1 outflows to performing exposures | | | |
| C.2 write-offs | 35,598 | 18,325 | |
| C.3 collections | 2,733 | 4,381 | |
| C.4 proceeds from disposals | 3,600 | 14 | |
| C.5 losses on disposal | | 21 | |
| C.6 transfers to other categories of non-performing exposures | | 1,490 | |
| C.7 contractual amendements without derecognition | | | |
| C.8 Other decreases | 13,466 | 1,070 | |
| D. Final gross exposure | 92,009 | 8,929 | |
| - of which: exposures transferred but not derecognised | | | |

6.2 bis - On-balance sheet credit exposures with banks and financial companies: changes in gross forborne exposures differentiated by credit quality

| Reasons/Quality | Forborne exposures: non-performing | Forborne exposures: performing |
|--|------------------------------------|--------------------------------|
| A. Initial gross exposure | 16,371 | |
| - of which: exposures transferred but not derecognised | | |
| B. Increases | 20,178 | |
| B.1 inflows from non-forborne performing exposures | | |
| B.2 inflows from forborne performing exposures | | X |
| B.3 inflows from forborne non-performing exposures | X | |
| B.4 inflows from non-forborne non-performing exposures | | |
| B.5 Other increases | 20,178 | |
| C. Decreases | 25,531 | |
| C.1 Outflows to non-forborne performing exposures | X | |
| C.2 Outflows to performing forborne exposures | | X |
| C.3 Outflows to non-performing forborne exposures | X | |
| C.4 write-offs | 18,101 | |
| C.5 collections | 1,963 | |
| C.6 Proceeds from disposals | 3,600 | |
| C.7 Losses on disposal | | |
| C.8 other decreases | 1,868 | |
| D. Final gross exposure | 11,017 | |
| - of which: exposures transferred but not derecognised | | |

6.3 - Non-performing on-balance sheet credit exposures with banks and financial companies: changes in total value adjustments

| Reasons/Categories | Bad loans | | Unlikely to pay | | Non-performing past due exposures | |
|---|----------------|-----------------------------|-----------------|-----------------------------|-----------------------------------|-----------------------------|
| | Total | of which: forbore exposures | Total | of which: forbore exposures | Total | of which: forbore exposures |
| A. Opening total adjustments | 101,649 | 2,439 | 1,508 | 994 | | |
| - of which: exposures transferred but not derecognised | | | | | | |
| B. Increases | 1,407 | 863 | 786 | | | |
| B.1 Value adjustments of Purchased or Originated Credit Impaired Assets | 373 | | 786 | | | |
| B.2 other value adjustments | | | | | | |
| B.3 Losses on disposal | | | | | | |
| B.4 Transfers from other categories of non-performing exposures | 1,034 | 863 | | | | |
| B.5 contractual amendments without derecognition | | | | | | |
| B.6 other increases | | | | | | |
| C. Decreases | -20,537 | -2,399 | -1,490 | -865 | | |
| C.1 Reversals of valuation losses | -2,554 | -2,399 | -202 | -2 | | |
| C.2 Reversals of collections | -1,131 | | -28 | | | |
| C.3 Profit on disposals | | | | | | |
| C.4 write-offs | -16,752 | | -20 | | | |
| C.5 Transfers to other categories of non-performing exposures | | | -1,034 | -863 | | |
| C.6 contractual amendments without derecognition | | | | | | |
| C.7 Other decreases | -100 | | -206 | | | |
| D. Closing total adjustments | 82,519 | 903 | 804 | 129 | | |
| - of which: exposures transferred but not derecognised | | | | | | |

6.4 - Credit and off-balance sheet exposures with customers: gross and net values

| Exposure types/values | Gross exposure | | | Total value adjustments and total provisions | | | | | Net exposure | Total partial write-offs* | |
|--|----------------|--------------|---------------|--|-------------|--------------|-------------|---|------------------|---------------------------|--------------|
| | First stage | Second stage | Third stage | Purchased or Originated Credit Impaired | First stage | Second stage | Third stage | Purchased or Originated Credit Impaired | | | |
| A. ON-BALANCE SHEET CREDIT EXPOSURES | | | | | | | | | | | |
| a) Bad loans | X | | 1,249 | 5,135,186 | | X | | 911 | 3,216,730 | 1,918,793 | 5,189 |
| - of which: forbore exposures | X | | | | | X | | | | | |
| b) Unlikely to pay | X | | 11,905 | 1,803,840 | | X | | 5,204 | 592,101 | 1,218,440 | 2,555 |
| - of which: forbore exposures | X | | | | | X | | | | | |
| c) Non-performing past due exposures | X | | 1,481 | 3,868 | | X | | 573 | 598 | 4,177 | |
| - of which: forbore exposures | X | | | | | X | | | | | |
| d) Performing past due exposures | 4,215 | | | | X | 9 | | X | | 4,206 | |
| - of which: forbore exposures | | | | | X | | | X | | | |
| e) Other performing exposures | 211 | 2,891 | | | X | | 49 | X | | 3,054 | |
| - of which: forbore exposures | | | | | X | | | X | | | |
| TOTAL A | 4,426 | 2,891 | 14,635 | 6,942,894 | | 9 | 49 | 6,688 | 3,809,429 | 3,148,671 | 7,744 |
| B. OFF-BALANCE SHEET CREDIT EXPOSURES | | | | | | | | | | | |
| a) Non-performing | X | | 19,912 | 2,620 | | X | | | | 22,532 | |
| b) Performing | | | | | X | | | X | | | |
| TOTAL B | | | 19,912 | 2,620 | | | | | | 22,532 | |
| TOTAL A+B | 4,426 | 2,891 | 34,547 | 6,945,514 | | 9 | 49 | 6,688 | 3,809,429 | 3,171,203 | 7,744 |

* Value to be given for information purposes

6.5 - Credit exposures with customers: changes in gross non-performing exposures

| Reasons/Categories | Bad loans | Unlikely to pay | Non-performing past due exposures |
|---|------------------|------------------|-----------------------------------|
| A. Initial gross exposure | 5,564,262 | 2,263,689 | 21,322 |
| - of which: exposures transferred but not derecognised | | | |
| B. Increases | 756,512 | 718,393 | 28,554 |
| B.1 Inflows from performing exposures | | 713 | 761 |
| B.2 Inflows from Purchased or Originated Credit Impaired Financial Assets | 77,465 | 121,107 | 7,106 |
| B.3 Transfers from other categories of non-performing exposures | 230,635 | 35,247 | 1,182 |
| B.4 contractual amendments without derecognition | | | |
| B.5 Other increases | 448,412 | 561,326 | 19,505 |
| C. Decreases | 1,184,340 | 1,128,617 | 44,508 |
| C.1 Outflows to performing exposures | | 2,125 | 1 |
| C.2 write-offs | 267,163 | 239,870 | 302 |
| C.3 collections | 517,186 | 362,735 | 4,943 |
| C.4 Proceeds from disposals | 18,163 | 23,712 | 11,401 |
| C.5 Losses on disposal | 38 | 33,871 | |
| C.6 transfers to other categories of non-performing exposures | 10,773 | 231,505 | 24,786 |
| C.7 contractual amendments without derecognition | | | |
| C.8 other decreases | 371,017 | 234,799 | 3,075 |
| D. Final gross exposure | 5,136,434 | 1,853,465 | 5,368 |
| - of which: exposures transferred but not derecognised | | | |

6.5 bis - On-balance sheet credit exposures with customers: changes in gross forborne exposures differentiated by credit quality

| Reasons/Quality | Forborne exposures: non-performing | Forborne exposures: performing |
|--|------------------------------------|--------------------------------|
| A. Initial gross exposure | 1,427,121 | 3,300 |
| - of which: exposures transferred but not derecognised | | |
| B. Increases | 477,838 | 2,964 |
| B.1 Inflows from non-forborne performing exposures | | |
| B.2 Inflows from forborne performing exposures | 1,444 | X |
| B.3 Inflows from forborne non-performing exposures | X | |
| B.4 Inflows from non-forborne non-performing exposures | 61,059 | |
| B.5 Other increases | 415,335 | 2,964 |
| C. Decreases | 634,473 | 4,709 |
| C.1 Outflows to non-forborne performing exposures | X | 2,360 |
| C.2 Outflows to performing forborne exposures | | X |
| C.3 Outflows to non-performing forborne exposures | X | 1,444 |
| C.4 write-offs | 77,177 | |
| C.5 collections | 248,041 | 261 |
| C.6 Proceeds from disposals | 5,550 | |
| C.7 Losses on disposals | 51 | |
| C.8 other decreases | 303,653 | 645 |
| D. Final gross exposure | 1,270,486 | 1,554 |
| - of which: exposures transferred but not derecognised | | |

6.6 - Non-performing on-balance sheet credit exposures with customers: changes in total value adjustments

| Reasons/Categories | Bad loans | | Unlikely to pay | | Non-performing past due exposures | |
|---|------------------|------------------------------|-----------------|------------------------------|-----------------------------------|------------------------------|
| | Total | of which: forborne exposures | Total | of which: forborne exposures | Total | of which: forborne exposures |
| A. Opening total adjustments | 3,305,041 | 50,328 | 801,991 | 329,068 | 5,222 | 4,861 |
| - of which: exposures transferred but not derecognised | | | | | | |
| B. Increases | 342,243 | 25,247 | 196,798 | 5,583 | 3,645 | 909 |
| B.1 Value adjustments from Purchased or Originated Credit Impaired Financial Assets | 216,805 | X | 148,872 | X | 2,680 | X |
| B.2 other value adjustments | 65 | 4 | 2,016 | 1,689 | 445 | 391 |
| B.3 Losses on disposal | | | | | | |
| B.4 Transfers from other categories of non-performing exposures | 111,424 | 25,243 | 9,002 | 3,883 | 508 | 506 |
| B.5 contractual changes without derecognition | | | | | | |
| B.6 other increases | 13,949 | | 36,908 | 11 | 12 | 12 |
| C. Decreases | -429,651 | -12,478 | -401,483 | -120,688 | -7,696 | -3,844 |
| C.1. Reversals of valuation losses | -165,102 | -8,139 | -133,045 | -51,316 | -1,401 | -744 |
| C.2 Reversals from collections | -110,623 | -669 | -92,338 | -41,204 | -2,004 | -719 |
| C.3 Profit on disposals | | | | | -14 | -3 |
| C.4 write-offs | -149,136 | -1,545 | -64,232 | -1,949 | | |
| C.5 transfers to other categories of non-performing exposure | -4,790 | -2,125 | -111,868 | -26,219 | -4,276 | -2,378 |
| C.6 contractual changes without derecognition | | | | | | |
| C.7 Other decreases | | | | | -1 | |
| D. Closing total adjustments | 3,217,633 | 63,097 | 597,306 | 213,963 | 1,171 | 1,926 |
| - of which: exposures transferred but not derecognised | | | | | | |

7 - Classification of financial assets, of commitments to disburse funds and financial guarantees issued on the basis of external and internal ratings

7.1 - Breakdown of financial assets, commitments to disburse funds and financial guarantees issued on the basis of external ratings (gross values)

| Exposures | External rating classes | | | | | | Without rating | Total |
|--|-------------------------|----------------|---------|---------|---------|---------|------------------|------------------|
| | Class 1 | Class 2 | Class 3 | Class 4 | Class 5 | Class 6 | | |
| A. Financial assets measured at amortised cost | | 100,242 | | | | | 6,946,525 | 7,046,767 |
| - First stage | | 100,242 | | | | | 74,755 | 174,997 |
| - Second stage | | | | | | | 1,373 | 1,373 |
| -Third stage | | | | | | | 10,508 | 10,508 |
| -Purchased or Originated Credit Impaired | | | | | | | 6,859,889 | 6,859,889 |
| B. Financial assets measured at fair value through other comprehensive income | | 832,208 | | | | | | 832,208 |
| - First stage | | 832,208 | | | | | | 832,208 |
| - Second stage | | | | | | | | |
| - Third stage | | | | | | | | |
| - Purchased or Originated Credit Impaired | | | | | | | | |
| C. Financial assets in the process of being disposed | | | | | | | 184,212 | 184,212 |
| - First stage | | | | | | | | |
| - Second stage | | | | | | | 1,519 | 1,519 |
| -Third stage | | | | | | | 4,127 | 4,127 |
| -Purchased or Originated Credit Impaired | | | | | | | 178,566 | 178,566 |
| Total (A+B+C) | | 932,450 | | | | | 7,130,737 | 8,063,187 |
| D. Commitments to disburse funds and financial guarantees issued | | | | | | | 109,413 | 109,413 |
| - First stage | | | | | | | 86,881 | 86,881 |
| - Second stage | | | | | | | | |
| - Third stage | | | | | | | 19,912 | 19,912 |
| - Purchased or Originated Credit Impaired | | | | | | | 2,620 | 2,620 |
| Total D | | | | | | | 109,413 | 109,413 |
| Total (A+B+C+D) | | 932,450 | | | | | 7,240,150 | 8,172,600 |

The following tables show the connection (*mapping*) between the risk classes and the agency *ratings* used.

Long-term *ratings* for exposures to central administrations and central banks, supervised intermediaries; public sector entities; local authorities; multilateral development banks; companies and other parties:

| Creditworthiness class | Moody's | Fitch Standard&Poor's DBRS |
|------------------------|-------------------|----------------------------|
| Class 1 | from Aaa to Aa3 | from AAA to AA- |
| Class 2 | from A1 to A3 | from A+ to A- |
| Class 3 | from Baa1 to Baa3 | from BBB+ to BBB- |
| Class 4 | from Ba1 to Ba3 | from BB+ to BB- |
| Class 5 | from B1 to B3 | from B+ to B- |
| Class 6 | Caa1 and lower | CCC+ and lower |

Short-term *ratings* for exposures to supervised intermediaries and companies:

| Creditworthiness class | Moody's | Fitch | Standard&Poor's | DBRS |
|------------------------|---------|---------------|-----------------|--------------|
| Class 1 | P-1 | F1+, F1 | A-1+, A-1 | R-1 |
| Class 2 | P-2 | F2 | A -2 | R-2 |
| Class 3 | P-3 | F3 | A -3 | R-3 |
| Class from 4 to 6 | NP | lower than F3 | lower than A-3 | R-4, R-5 R-6 |

9 - Concentration of credit

9.1 - Breakdown of on-balance and off-balance sheet credit exposures by business sector of the counterparty

| | Amount (31.12.2024) | Total (31.12.2023) |
|----------------------------|------------------------|-----------------------|
| a) States | 832,702 | 487,693 |
| b) Public institutions | 2,587 | 846 |
| c) Non-financial companies | 2,565,828 | 2,569,504 |
| d) Financial companies | 417,734 | 659,837 |
| e) Households | 860,976 | 1,164,071 |
| f) Other operators | - | 7,403 |
| Total (31.12.2024) | 4,679,827 | 4,889,354 |

9.2 - Breakdown of on-balance and off-balance sheet credit exposures by geographical area of the counterparty

| | Amount (31.12.2024) | Total (31.12.2023) |
|---------------------------|------------------------|-----------------------|
| (a) North-West | 901,351 | 1,018,800 |
| (b) North-East | 737,898 | 876,511 |
| (c) Centre | 2,042,899 | 1,804,140 |
| d) South and islands | 982,279 | 1,173,915 |
| e) Abroad | 15,400 | 15,989 |
| Total (31.12.2024) | 4,679,827 | 4,889,355 |

9.3 - Large exposures

| | Amount (31.12.2024) | Total (31.12.2023) |
|-----------------------------|------------------------|-----------------------|
| a) Amount (carrying amount) | 1,707,450 | 1,243,734 |
| b) Amount (weighted value) | 865,936 | 746,735 |
| (c) Number | 4 | 3 |

10 - Models and other methods for the measurement and management of credit risk

For the measurement of credit risk, AMCO adopts the standardised method for the calculation of the RWAs of each exposures and, consequently, for the estimate of the Own Funds absorbed by this type of risk.

3.2 - Market Risk

During 2024, the Company did not carry out any transactions falling within the trading portfolio in accordance with the regulatory classification.

3.2.1 - Interest rate risk

Qualitative disclosures

1 - General aspects

Interest rate risk relates to the losses that the Company may incur as a result of unfavorable market rate trends and refers to the mismatch of maturity and repricing dates (*repricing risk*) and the different trend of reference rates of asset and liability items (*basis risk*).

It is measured using ALM techniques designed to estimate the impacts on the generation of interest margin and the present value of asset and liability balance sheet items due to changes in interest rates.

Interest rate risk finds its place among "second-pillar" risks.

AMCO adopts the methodology prescribed by prudential regulations for managing interest rate risk. It provides conducting an interest rate sensitivity analysis through a parallel *shock* of +/- 200 *bps*. In case of downward scenarios, the constraint of non-negativity of rates is ensured.

In 2024, the Company did not implement any interest rate risk hedging strategies.

1 - Breakdown of financial assets and financial liabilities by residual duration (repricing date)

| Items/Residual maturity | On demand | Up to 3 months | From over 3 months up to 6 months | From over 6 months up to 1 year | From over 1 year to up to 5 years | From over 5 years up to 10 years | Beyond 10 years | Indefinite life |
|---------------------------------|----------------|----------------|-----------------------------------|---------------------------------|-----------------------------------|----------------------------------|-----------------|-----------------|
| 1. Assets | 544,813 | 481,235 | 100,157 | 347,072 | 2,040,909 | 359,795 | 43,800 | 901,776 |
| 1.1 Debt securities | | 401,157 | | | 451,302 | | | |
| 1.2 Loans and receivables | 544,813 | 80,078 | 100,157 | 347,072 | 1,589,607 | 359,795 | 43,800 | 901,776 |
| 1.3 Other assets | | | | | | | | |
| 2. Liabilities | 24,884 | 607,552 | | | 2,533,352 | | | |
| 2.1 Payables | 24,871 | | | | | | | |
| 2.2 Debt securities | | 607,552 | | | 2,533,352 | | | |
| 2.3 Other liabilities | 13 | | | | | | | |
| 3. Financial derivatives | | | | | | | | |
| Options products | | | | | | | | |
| 3.1 Long positions | | | | | | | | |
| 3.2 Short positions | | | | | | | | |
| Other derivatives | | | | | | | | |
| 3.3 Long positions | | | | | | | | |
| 3.4 Short positions | | | | | | | | |

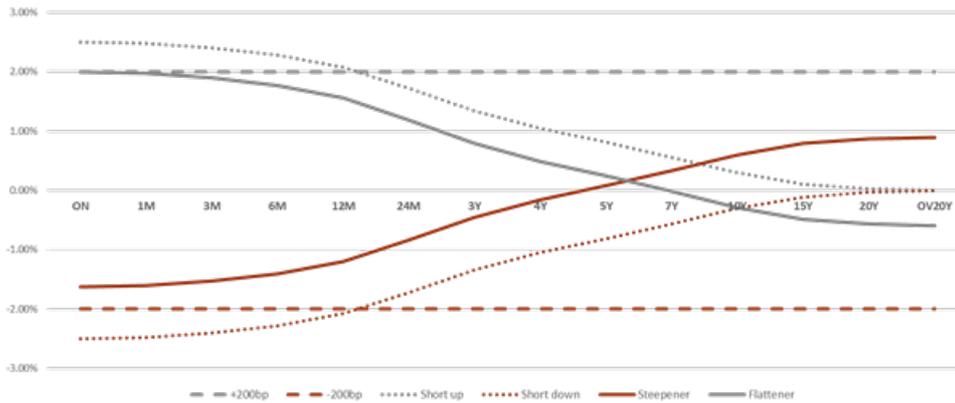
2 - Models and other methods for the measurement and management of interest rate risk

The methodology used to calculate interest rate risk provides:

- The classification of assets and liabilities into 14 time bands according to residual life (fixed-rate items) or the renegotiation date (variable rate items);
- weighting of net exposures: within each band, active positions are offset against passive positions, resulting in a net position. The latter is multiplied by a weighting factor obtained as the product of the hypothetical change in market rates (calculated as the difference between the market curve under normal conditions) and considering the shock and the band's modified *duration*.
- sum of the weighted exposures of the different time bands: the weighted exposures of the different time bands are summed together, resulting in a total weighted exposure that approximates the change in the present value of the items exposed to that type of risk in the event of the assumed rate *shock*.

In addition, AMCO, in order to assess its exposure to interest rate risk under stressed conditions, adopts the non-parallel rate change scenarios provided by BIS ("*Interest rate risk in the banking book*," 2019) i.e.:

- *steeper* - increase in the slope of the curve;
- *flattener* - reduction in the slope of the curve;
- *Short up* - increase in short-term rates;
- *short down* - reduction in short-term rate.



Quantitative information

As of December 31, 2024, internal capital for interest rate risk amounted to EUR 96 million.

3.2.2 - Price risk

Qualitative information

1 - General aspects

Price risk expresses the risk arising from fluctuations in the price of securities due to factors pertaining to market trends and the issuer's situation. Since the Company does not engage in

trading in securities for trading purposes, it is not required to set up a specific capital requirement to control this risk.

Given the nature of the Company's assets, this risk is fully absorbed within credit risk.

Quantitative information

1 - Models and other methods for the measurement and management of price risk

Not applicable considering the absence of trading activities.

2 - Other quantitative information on price risk

Not applicable considering the absence of trading activities.

3.2.3 - Exchange-rate risk

Qualitative information

1 - General aspects

The exchange-rate risk, understood as the company's exposure to fluctuations in foreign currency conversion rates, appears residual in light of the incidence of the carrying value of loans and receivables in foreign currencies.

As of December 31, 2024, the exchange rate risk component for AMCO was residual and remained below the regulatory threshold of 2% of Own Funds.

Quantitative information

1 - Break-down of assets, liabilities and derivatives by currency

| Entries | Currencies | | | | | |
|---------------------------------|--------------|-----------------|-----|------------------|--------------|------------------|
| | US dollars | Pounds sterling | Yen | Canadian dollars | Swiss Francs | Other Currencies |
| Financial assets | 6,636 | | | | | |
| 1.1 Debt securities | | | | | | |
| 1.2 Equity securities | | | | | | |
| 1.3 Loans and receivables | | | | | | |
| 1.4 Other financial assets | 6,636 | | | | | |
| 2. Other assets | | | | | | |
| 3. Financial liabilities | | | | | | |
| 3.1 Payables | | | | | | |
| 3.2 Debt securities | | | | | | |
| 3.3 Other financial liabilities | | | | | | |
| 4. Other liabilities | | | | | | |
| 5. Financial derivatives | | | | | | |
| 5.1 long positions | | | | | | |
| 5.2 short positions | | | | | | |
| Total assets | 6,636 | | | | | |
| Total liabilities | | | | | | |
| Imbalance (+/-) | 6,636 | | | | | |

2 - Models and other methods for the measurement and management of exchange rate risk

As required by EU Regulation 575/2013 (CRR) as subsequent amended, AMCO measures the exchange rate risk as the sum of the overall net position in foreign exchange, i.e. the sum of the net positions in each currency, multiplied by the 8% coefficient if the net exposure exceeds 2% of Own Funds.

3.3 - Operational risks

Qualitative information

1 - General aspects, management processes and measurement methods for operational risk

The definition adopted and implemented by AMCO identifies operational risk as "the risk of loss resulting from the inadequacy or dysfunction of processes, human resources and internal systems, or from exogenous events, including legal risk".

To determine internal capital for operational risk, AMCO uses the basic method provided for in Article 316 of EU Regulation 575/2013. Under the basic method, the capital requirement is 15% of the three-year average of the relevant indicator, understood as the sum of the elements provided for in Article 316 of EU Regulation 575/2013, as subsequently amended.

In terms of risk mitigation, the Company has regulated its operational risk management controls in the "Operational Risk Management *Policy*," which provides:

- The analysis and evaluation, in terms of probability and impact, of operational events that could occur in the performance of company processes through a risk self-assessment process ("*Risk Self Assessment*");
- The progressive collection of data on any "loss events" that have occurred in order to combine qualitative assessments with feedback from objective evidence useful for the improvements of management processes.

Quantitative information

The requirement for operational risk quantified as of December 31, 2024 amounted to EUR 31.7 million.

3.4 - Liquidity Risk

Qualitative information

1 - General aspects, management processes and liquidity risk measurement methods

The liquidity risk is represented by the possibility that the Company will not be able to meet its payment commitments due to the inability to access funds (*Funding Liquidity Risk*) or the inability to dispose of assets in the market to offset the liquidity imbalance (*Market Liquidity Risk*). Furthermore, liquidity risk relates to the inability to access new adequate financial resources, in terms of amount and costs, with respect to the operative needs/opportunities, which could force the Company to slow down or stop the development of the activity, or to sustain excessive funding costs to meet its commitments, with significant negative impacts on margins. The Company's main financial source is represented by its equity.

In consideration of the Company's current equity and financial structure, this risk is especially inherent in the ability to cover liabilities with the available cash assets.

AMCO adopts the "Liquidity and investment management policy", which defines the liquidity management model and related processes and the "Liquidity Risk Management policy" which defines the risk measurement tools (*maturity ladder*, percentage of restricted assets out of total assets and diversification of forms of *funding*). These metrics are included in the *Risk Framework* that defines appropriate *target* thresholds, maximum values and operational limits.

Quantitative information

1 - Temporal break-down of financial assets and financial liabilities by residual contractual maturity

| Items/Timing | On demand | From over 1 day to 7 days | From over 7 days to 15 days | From over 15 days to 1 month | From over 1 month up to 3 months | From over 3 months up to 6 months | From over 6 months up to 1 year | From over 1 year up to 3 years | From over 3 years up to 5 years | Beyond 5 years | Indefinite life |
|--|----------------|---------------------------|-----------------------------|------------------------------|----------------------------------|-----------------------------------|---------------------------------|--------------------------------|---------------------------------|------------------|-----------------|
| On-balance sheet assets | 626,132 | 400,000 | 19,355 | 63,559 | 104,875 | 371,491 | 1,513,461 | 812,672 | 615,425 | 1,144,621 | |
| A.1 Government securities | | 400,000 | | | | | 300,000 | 150,000 | | | |
| A.2 Other debt securities | 3,325 | | | | | | 6,589 | | 16,852 | | |
| A.3 Loans | 622,807 | | 19,355 | 63,559 | 104,875 | 371,491 | 1,206,872 | 662,672 | 598,573 | 1,144,621 | |
| A.4 Other assets | | | | | | | | | | | |
| On-balance sheet liabilities | 24,917 | | 608,252 | 45,054 | 5,723 | 17,109 | 1,750,000 | 750,000 | | | |
| B.1 Payables to: | 46 | | 2 | 54 | 98 | 234 | | | | | |
| - Banks | | | | | | | | | | | |
| - Financial companies | | | | | | | | | | | |
| - Customers | 46 | | 2 | 54 | 98 | 234 | | | | | |
| B.2 Debt securities | | | 608,250 | 45,000 | 5,625 | 16,875 | 1,750,000 | 750,000 | | | |
| B.3 Other liabilities | 24,871 | | | | | | | | | | |
| Off-balance-sheet transactions | 248 | 1 | 2 | 1 | 1 | 2 | | | | | |
| C.1 Capital financial derivatives | | | | | | | | | | | |
| - Long positions | | | | | | | | | | | |
| - Short positions | | | | | | | | | | | |
| C.2 Financial derivatives without capital exchange | | 1 | 2 | 1 | 1 | 2 | | | | | |
| - Positive differentials | | | | | | | | | | | |
| - Negative differentials | | 1 | | 1 | 1 | 2 | | | | | |
| C.3 Loans to be received | | | | | | | | | | | |
| - Long positions | | | | | | | | | | | |
| - Short positions | | | | | | | | | | | |
| C.4 Irrevocable commitments to disburse funds | 248 | | | | | | | | | | |
| - Long positions | | | | | | | | | | | |
| - Short positions | 248 | | | | | | | | | | |
| C.5 Financial guarantees issued | | | | | | | | | | | |
| C.6 Financial guarantees received | | | | | | | | | | | |

Section 4 - Information on Equity

4.1 - The corporate equity

4.1.1 - Qualitative information

The corporate equity represents the first line of defence against the risks associated with the overall activity of a financial intermediary: an adequate level of capitalization makes it possible to express, with the necessary margins of autonomy, the company's own business purpose and at the same time preserve the stability of the intermediary. In addition, equity is the main reference point for the assessment of the Supervisory Body: the most important control tools in terms of risk management are based on this; the operations in different sectors are also connected to the equity size.

The Basel III framework on own funds introduced several new elements with respect to the previous prudential regulations, providing in particular: a recomposition of intermediaries' capital in favor of ordinary shares and profit reserves ("common equity"), in order to increase their quality; the adoption of stricter criteria for the eligibility of other equity instruments (the innovative equity instruments and subordinated liabilities); greater harmonisation of the elements to be deducted (with reference to certain categories of prepaid tax assets and significant holdings in banking, financial and insurance companies); and the only partial inclusion in common equity of minority interests.

In the determination of own funds, reference is made to the specific regulations according to which it is made up of the algebraic sum of a series of elements (positive and negative) which, in relation to the equity quality recognised to each of them, can be used into the calculation of Class 1 Capital (both in Primary Class 1 - Common Equity Tier 1, and Additional Class 1 Capital - Additional Tier 1 Capital) or Class 2 (Tier 2) even though with certain limitations. The positive elements constituting funds must be fully available to the financial companies, so as to be used without limitation to cover risks and corporate losses. The amount of these elements is adjusted for any tax charges. The total of own funds consists of Class 1 Capital (Tier 1 Capital), which in turn consists of Common Equity Tier 1 (CET 1) and Additional Tier 1 Capital (AT 1) to which Class 2 Capital (Tier 2 - T2) is added net of deductions.

4.1.2 - Quantitative information

4.1.2.1 - Company equity: break-down

| Items/Values | Amount (31.12.2024) | Amount (31.12.2023) |
|---|------------------------|------------------------|
| 1. Share capital | 655,154 | 655,154 |
| 2. Share premiums | 604,552 | 604,552 |
| 3. Reserves | 789,278 | 1,180,349 |
| - of profits | 794,203 | 923,871 |
| (a) legal | 478,301 | 478,301 |
| (b) statutory | - | - |
| (c) treasury shares | - | - |
| (d) others | 315,902 | 445,570 |
| - others | (4,925) | 256,478 |
| 4. (Treasury shares) | (72) | (72) |
| 5. Valuation reserves | (18,253) | (34,007) |
| - Equity securities measured at fair value through other comprehensive income | (1,621) | (1,621) |
| - Hedging of equity securities measured at fair value through other comprehensive income | - | - |
| - Financial assets (other than equity securities) measured at fair value through other comprehensive income | (16,321) | (32,051) |
| - Property, plant and equipment | - | - |
| - Intangible assets | - | - |
| - Hedging of foreign investments | - | - |
| - Hedging of financial flows | - | - |
| - Hedging instruments (non-designated elements) | - | - |
| - Currency exchange differences | - | - |
| - Non-current assets and groups of assets held for disposal | - | - |
| - Financial liabilities measured at fair value through profit or loss (change in own creditworthiness) | - | - |
| - Special revaluation laws | - | - |
| - Actuarial profits (losses) related to defined-benefit plans | (311) | (335) |
| - Share of valuation reserves of equity investments valued with the equity method | - | - |
| 6. Equity instruments | - | - |
| 7. Profit (Loss) for the year (+/-) | 29,019 | (391,071) |
| Total | 2,059,678 | 2,014,905 |

4.1.2.2 - Valuation reserves of financial assets measured at fair value through other comprehensive income: breakdown

| Activities/Values | Total (31.12.2024) | | Total (31.12.2023) | |
|-------------------|--------------------|------------------|--------------------|------------------|
| | Positive reserve | Negative reserve | Positive reserve | Negative reserve |
| Debt securities | 742 | (17,063) | 30 | (32,080) |
| Equity securities | - | (1,621) | - | (1,621) |
| Loans | - | - | - | - |
| Total | 742 | (18,684) | 30 | (33,701) |

4.1.2.3 - Valuation reserves of financial assets measured at fair value through other comprehensive income: annual changes

| | Debt securities | Equity securities | Loans |
|---|-----------------|-------------------|-------|
| 1. Opening balances | (32,051) | (1,621) | - |
| 2. Increases | 15,759 | - | - |
| 2.1 Increases in fair value | 14,670 | - | - |
| 2.2 Value adjustments for credit risk | 1,089 | X | - |
| 2.3 Reversal to income statement of negative disposal reserves | - | X | - |
| 2.4 Transfers to other components of shareholders' equity (equity securities) | - | - | - |
| 2.5 Other changes | - | - | - |
| 3. Decreases | (30) | - | - |
| 3.1 Reductions in fair value | - | - | - |
| 3.2 Reversals for credit risk | - | - | - |
| 3.3 Reversal to income statement of positive disposal reserves | (30) | X | - |
| 3.4 Transfers to other Shareholders' equity components (equity securities) | - | - | - |
| 3.5 Other changes | - | - | - |
| 4. Closing balance | (16,322) | (1,621) | - |

4.2 - Own Funds and adequacy ratios

4.2.1 - Own funds

4.2.1.1 - Qualitative information

Own funds are calculated by the Company on the basis of equity values determined with the application of international accounting standards, taking into account the Supervisory provisions in force (Circular 288 and 286 of the Bank of Italy and subsequent amendments, implementing EU Regulation 575 of 2013 - CRR and subsequent amendments), and allocating the components in relation to the capital quality recognised to them.

The current components of the Company's Own Funds are fully computable in Primary Tier 1 Capital - CET 1.

4.2.1.2 - Quantitative information

| | Total (31.12.2024) | Total (31.12.2023) |
|--|-----------------------|-----------------------|
| A. Tier 1 capital before application of prudential filters | 2,059,678 | 2,014,906 |
| B. Tier 1 prudential filters: | - | - |
| B.1. positive IAS/IFRS prudential filters (+) | - | - |
| B.2. negative IAS/IFRS prudential filters (-) | - | - |
| C. Tier 1 capital gross of elements to be deducted (A+B) | 2,059,678 | 2,014,906 |
| D. Items to be deducted from Tier 1 capital | (23,930) | (36,309) |
| E. Total Tier 1 capital (TIER1) (C-D) | 2,035,748 | 1,978,597 |
| F. Tier 2 capital before application of prudential filters | - | - |
| G. Tier 2 capital prudential filters: | - | - |
| G.1. positive IAS/IFRS prudential filters (+) | - | - |
| G.2. negative IAS/IFRS prudential filters (-) | - | - |
| H. Tier 2 capital gross of elements to be deducted (F+G) | - | - |
| I. Elements to be deducted from Tier 2 capital | - | - |
| L. Total Tier 2 capital (TIER2) (H-I) | - | - |
| M. Elements to be deducted from total Tier 1 and Tier 2 capital | - | - |
| N. Regulatory capital (E + L - M) | 2,035,748 | 1,978,597 |

4.2.2 - Capital adequacy

4.2.2.1 - Qualitative information

The Company has established an internal process for assessing its capital adequacy in order to periodically manage and control the level of risk exposure it assumes in carrying out its business activities.

The ICAAP process designed is divided into the following stages:

- Strategic lines and considered horizon;
- Corporate governance, organizational structures and internal control systems related to ICAAP;
- methodologies and criteria used for identifying, measuring, aggregating risks and conducting *stress tests*;
- estimate and components of total internal capital with reference to the end of the previous year and, prospectively, to the current year;
- Reconciliation between total internal capital and regulatory requirements and between total capital and own funds;
- self-assessment ICAAP;
- annual review of ICAAP, the outcomes of which form the prerequisite for making improvements and changes to the process.

Identification of risks to be assessed and stress tests

This phase is aimed at identifying all risks, having regard to the operations carried out by the Company that could hinder or limit the Company in fully achieving its strategic objectives, risks that, therefore, must be subject to measurement or evaluation.

It results in the identification of risks to which the Company is (or could be) exposed with respect to its operations and target markets.

In order to identify significant risks, the Company first considers all risks contained in the list set forth in Annex A in Title IV Chapter 14, Section III of Bank of Italy Circular 288. The analysis is then deepened to assess whether the specific business and corporate operations reveal further significant risk factors.

Measurement/assessment of individual risks and determination of internal capital

The risks identified by the Company are classified into two categories:

- (a) quantifiable risks in terms of internal capital, for which the Company uses appropriate metrics to measure capital absorption;
- (b) risks that cannot be quantified in terms of internal capital, for which a capital *buffer* is not determined and for which adequate control and mitigation systems are in place in accordance with the provisions of Circular 288, as amended.

With regard to the risks referred to in point (a) above, the measurement of individual risks and the determination of the internal capital related to each of them are carried out using the methodologies provided for in the reference regulations and which are considered most appropriate, in relation to its own operational and organizational characteristics, both from a current and a prospective terms.

In the risk measurement/assessment phase, the Company defines and performs *stress* tests for better assessment of risk exposure. The results of stress tests are considered in the overall assessment of internal capital and used to set the risk thresholds within the "*Risk Framework*".

Determination of total internal capital and reconciliation with regulatory requirements and Own Funds

This step in the process is aimed at acquiring the individual capital requirements values determined for each type of risk and aggregating them according to a defined simplified approach "*building block*," which consists of adding together the internal capital calculated against each of the measurable risks. This determines the amount of total internal capital.

Total internal capital is compared with regulatory requirements and own funds in order to verify its adequacy. Specifically, current and prospective Own Funds must be able to cover the capital requirements of current, prospective and stressed risks determined in the preparation of the ICAAP report.

4.2.2.2 - Quantitative information

| Categories/Values | Unweighted amounts | | Weighted amounts/requirements | |
|---|--------------------|------------|-------------------------------|------------|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| A. RISK ASSETS | 5,535,543 | 5,715,130 | 4,964,446 | 5,661,148 |
| A.1 Credit and counterpart risk | 5,535,543 | 5,715,130 | 4,964,446 | 5,661,148 |
| B. REGULATORY CAPITAL REQUIREMENTS | - | - | 428,896 | 481,138 |
| B.1 Credit and counterpart risk | - | - | 397,156 | 452,892 |
| B.2 Requirement for the provision of payment services | - | - | - | - |
| B.3 Requirement for the issuance of electronic money | - | - | - | - |
| B.4 Specific prudential requirements | - | - | 31,740 | 28,246 |
| B.5 Total prudential requirements | - | - | - | - |
| C. RISK ASSETS AND ADEQUACY RATIOS | - | - | 5,361,201 | 6,014,226 |
| C.1 Weighted risk assets | - | - | 5,361,201 | 6,014,226 |
| C.2 Tier 1 capital/weighted risk assets (Tier 1 capital ratio) | | | 37.97 % | 32.90 % |
| C.3 Regulatory capital/weighted risk assets (total capital ratio) | | | 37.97 % | 32.90 % |

Pursuant to the provisions of Art. 92 Paragraph 1 of the CRR, the minimum Prudential Own Funds requirement for AMCO by prudential regulations is 8%.

Section 5 - Analytical statements of comprehensive income

| Items | 31.12.2024 | 31.12.2023 |
|---|---------------|------------------|
| 10. Profit (Loss) for the year | 29,019 | (391,071) |
| Other Income components without reversal to the Income Statement: | 24 | (13) |
| 20. Equity securities measured at fair value through other comprehensive income | - | - |
| a) Change in fair value | - | - |
| b) Transfers to other components of Shareholders' equity | - | - |
| 30. Financial liabilities measured at fair value through profit or loss (change in own creditworthiness) | - | - |
| a) Change in fair value | - | - |
| b) Transfers to other components of Shareholders' equity | - | - |
| 40. Hedging of equity securities measured at fair value through other comprehensive income | - | - |
| a) Change in fair value (hedged instrument) | - | - |
| b) Change in fair value (hedging instrument) | - | - |
| 50. Property, plant and equipment | - | - |
| 60. Intangible assets | - | - |
| 70. Defined-benefit plans | 24 | (13) |
| 80. Non-current assets and groups of assets held for disposal | - | - |
| 90. Share of valuation reserves of equity investments valued with the equity method | - | - |
| 100. Income taxes relative to other income components without reversal to the Income Statement | - | - |
| Other Income components with reversal to the Income Statement: | 15,730 | 31,842 |
| 110. Hedging of foreign investments: | - | - |
| a) changes in fair value | - | - |
| b) reversal to Income Statement | - | - |
| c) other changes | - | - |
| 120. Currency exchange differences: | - | - |
| a) changes in fair value | - | - |
| b) reversal to Income Statement | - | - |
| c) other changes | - | - |
| 130. Hedging of financial flows: | - | - |
| (a) changes in fair value | - | - |
| b) Transfer to Income Statement | - | - |
| (c) other changes | - | - |
| of which: result of net positions | - | - |
| 140. Hedging instruments (non-designated elements): | - | - |
| a) changes in value | - | - |
| b) reversal to Income Statement | - | - |
| c) other changes | - | - |
| 150. Financial assets (other than equity securities) measured at fair value through other comprehensive income: | 15,730 | 31,842 |
| a) changes in fair value | 14,670 | 29,422 |
| b) reversal to Income Statement | 1,059 | 2,420 |
| - impairment adjustments | 1,089 | - |
| - profits/(losses) on disposal | (30) | 2,420 |
| (c) other changes | - | - |
| 160. Non-current assets and groups of assets held for disposal: | - | - |
| a) changes in fair value | - | - |
| b) reversal to Income Statement | - | - |
| c) other changes | - | - |
| 170. Share of valuation reserves of equity investments valued with the equity method: | - | - |
| a) changes in fair value | - | - |
| b) reversal to Income Statement | - | - |
| - impairment adjustments | - | - |
| - profit/loss on disposal | - | - |
| c) other changes | - | - |
| 180. Income taxes relative to other income components with reversal to the Income Statement | - | - |
| 190. Total other income components | 15,754 | 31,829 |
| 200. Other comprehensive income (10+190) | 44,773 | (359,242) |

Section 6 - Related-party transactions

6.1 - Fees for key management personnel

No additional benefits are provided to corporate officers beyond what is detailed reported in item 160 "Staff costs."

Therefore, details of compensation paid or accrued in 2024 financial year for key management personnel, including members of the Board of Statutory Auditors, are provided below:

Fees for key management personnel (including the Board of Statutory Auditors)

Executives with strategic responsibility

| | |
|---|-------|
| Short-term benefits and remunerations of Directors and Statutory Auditors | 1,417 |
|---|-------|

It should be noted that the Chief Executive Officer has established a subordinate employment relationship with the Company as an executive, agreeing that any further assignments, including administrative ones, would not entail additional compensation while also renouncing any amounts accrued up to that time.

Consistent with what was agreed, at the time of conferral pursuant to Article 2381, Paragraph 3 of the Italian Civil Code, the Chief Executive Officer expressly waived both the remuneration already resolved at the Shareholders' Meeting pursuant to Article 2389, Paragraph 1 of the Italian Civil Code, and the remuneration attributable pursuant to Article 2389, Paragraph 3 of the Italian Civil Code in relation to the powers conferred.

For 2024 fiscal year, the total Gross Annual Remuneration (RAL) recognised for the position of Chief Executive Officer and Joint General Manager was set at a total of EUR 887 thousand, including short-term variable remuneration related to the achievement of assigned goals.

6.2 - Loans and guarantees issued to Directors and Statutory Auditors

There are no loans and guarantees issued to Directors and Statutory Auditors.

6.3 - Information on transactions with Related Parties

In accordance with the Introduction, this paragraph provides information on the relations that took place in 2024 with:

- MEF's controlling shareholder;
- MEF's direct and indirect subsidiaries;
- AMCO's direct subsidiaries.

During the year, AMCO did not carry out any transactions of an "atypical or unusual" nature that in terms of significance or materiality might have given rise to doubts regarding the safeguarding of the company's equity, either with related parties or with parties other than related parties as defined by IAS 24.

With regard to transactions of a non-typical or unusual nature with related parties, they fall within the scope of AMCO's operations and are carried out at market conditions and in any case on the basis of assessments of mutual economic convenience.

Transactions with Investees

In 2024, Tatoonie SPV S.r.l., accrued commission payable to AMCO for EUR 391 thousand, plus interest expense of EUR 14.1 million, against a loan recognised as an asset of AMCO S.p.A. in "Other financial assets mandatorily measured at fair value" for EUR 375.6 million. Lastly, Tatoonie LeaseCo S.r.l. accrued commission expenses for EUR 486 thousand.

Transactions with other related companies

Financial transactions carried out with other investee companies of the Italian Ministry of Economy and Finance refer only to current accounts held at normal market conditions at Poste Italiane and Monte dei Paschi di Siena S.p.A. respectively for EUR 104.3 million and EUR 8 thousand.

Further transactions of a commercial nature with other investee companies of the MEF are part of the normal use of services as a user on market terms.

The following table shows the main outstanding transactions as of December 31, 2024, or the main economic effects recognised in 2024 for transactions with related parties.

| | Balance sheet items | | | | Income statement items | | | |
|-------------------------|---|-----------------------|------------------------|--------------|------------------------|---------------------------|----------------------------|--------------------------|
| | Other financial assets mandatorily measured at fair value | Loans and receivables | Debt securities issued | Other assets | Interest income | Fee and commission income | Fee and commission expense | Other income and charges |
| Tatoonie SPV S.r.l. | 375,650 | | - | - | 14,070 | 391 | - | - |
| Tatoonie LeaseCo S.r.l. | | | | | | 486 | | |
| Le Manifatture s.r.l. | - | - | - | - | - | - | - | - |
| Other related | | | | | | | | |
| Monte Paschi di Siena | - | 104,353 | | | 254 | | | (463) |
| Poste Italiane S.p.A. | - | 8 | | | | | | |

Section 7 - Leasing (Lessee)

Qualitative information

Leases that fall within the scope of IFRS 16, stipulated by the Company as lessee, are represented by leases of real estate (offices and apartments), motor vehicles and office machines that do not fall within the scope of the definition of "low value."

The Company is marginally exposed to financial outflows for variable *lease* payments due that are not included in the measurement of the *lease* liability, mainly represented by balancing payments on expenses linked to rental agreements.

For each contract, the Company has determined the duration of the *lease*, considering the "non-cancelable" period during which it has the right to use the underlying asset and taking into consideration all contractual aspects that may change this duration, including, in particular, the possible presence of (i) periods covered by a right to terminate or an option to extend the *lease*, (ii) periods covered by an option to purchase the underlying asset. In general, with reference to contracts that provide the option for the Company to tacitly renew the lease at the end of a first contractual period, the duration of the *lease* is determined based on historical experience and information available at that date considering, in addition to the non-cancelable period, also the period covered by the extension option (first period of contractual renewal), unless there are corporate plans to dispose of the leased asset as well as clear and documented assessments

that lead to the belief that it is reasonable not to exercise the renewal option or to exercise the termination option.

The Company has not provided guarantees on the residual value of the *leased* asset and has made no commitments with regard to the stipulation of *lease* agreements not included in the value of the *lease* liability recognised in the balance sheet. Please also note that:

- there are no contractual restrictions on the use of *assets* for which the Company is the lessee;
- there are no agreements imposed on the Company by the lessors *of the leases* themselves;
- there are no *lease agreements* resulting from sale and leaseback transactions.

Pursuant to Paragraph 60 of IFRS 16, it should be noted that, in accordance with the standard's provisions, which grants exemptions in this regard, the Company has excluded from the application of IFRS 16 contracts with "low value" object assets and *lease agreements* with a contractual duration of 12 months or less.

Quantitative information

In relation to the quantitative information required of the lessee by IFRS 16, please refer to what is provided in the following parts of the Notes to the financial statements:

- 1) *in Part A.2 - Part relating to the main items of the financial statements, paragraph Property, plant and equipment;*
- 2) *In Part B - Information on the Balance Sheet.*
 - (a) *Assets Section 8 - Property, plant and equipment - Item 80*
 - (b) *Liabilities Section 1 - Financial liabilities measured at amortised cost - Item 10*
- 3) *In Part C - Income Statement Information*
 - (a) *Section 1 - Interest - Items 10 and 20*
 - (c) *Section 10 - Administrative expenses - Item 160*
 - (c) *Section 12 - Net value adjustments/reversals on property, plant and equipment - Item 180*

Pursuant to Paragraph 53, letter a) of IFRS 16, please note that, against a total amount of EUR 1,746 thousand of depreciation recognised for assets consisting of the right of use during the year, the underlying classes of these assets are as follows:

- Office buildings and apartments: EUR 2,537 thousand;
- Motor vehicles: EUR 135 thousand;
- Office equipment: EUR 27 thousand.

Finally, it should be noted that, in accordance with the provisions of Paragraph 55 of IFRS 16, at the end of the fiscal year, the portfolio of short-term *leases* subject to commitment has not changed from the portfolio of short-term *leases* to which the short-term *leases* costs recognised during the fiscal year refer.

Section 8 - Other detailed information

8.1 - Segment reporting

In accordance with IFRS 8, segment reporting is provided at the consolidated financial statements level, to which reference should be made.

8.2 - Earnings per share

AMCO does not disclose information on earnings per share as this disclosure is optional for unlisted intermediaries and for intermediaries not in the process of being listed.

8.3 - Fees paid to the Independent Auditors

Information on the fees paid to the Independent Auditors has been provided in Section 10, item 160 of the Income Statement (to which reference should be made).



Section
relating to
Segregated
Estates



Statement of the Veneto Group Segregated Estate as of December 31, 2024

Introduction

On April 11, 2018, pursuant to the provisions of Article 5 of Italian Decree Law No. 99 of June 25, 2017 (hereinafter also the "Decree Law"), converted into Italian Law No. 121 on July 31, 2017, and in compliance with the provisions of Italian Ministerial Decree No. 221 of February 22, 2018 (hereinafter "MD 221/2018"), AMCO signed with Banca Popolare di Vicenza S.p.A. in administrative compulsory liquidation and with Veneto Banca S.p.A. in administrative compulsory liquidation, the contracts (hereinafter also the "Transfer Agreements") to acquire the non-performing loan portfolios of the two banks, through and on behalf of, respectively, the Vicenza Group Segregated Estate and the Veneto Group Segregated Estate (hereinafter also the "Segregated Estates" or "SE"), both established by the afore-mentioned MD 221/2018.

The object of the transfer was the loans classified or classifiable as "bad loans", "*unlikely to pay*" or "*past due*" as of the date of the launch of the administrative compulsory liquidations procedures and not transferred to and/or retroceded by Intesa Sanpaolo S.p.A. pursuant to Articles 3 and 4 of the afore-mentioned Decree Law, together with assets, contracts and legal rights and obligations accessory to the same, with the exclusion from this scope of certain assets, liabilities, contracts and rights and obligations identified in the transfer contracts in line with the criteria dictated by MD 221/2018.

In addition, the said Decree pursuant to Article 5 paragraph 4 indicates that "The separate financial statements shall be prepared in accordance with international accounting standards". This separate statement, prepared for each Segregate Estate, forms an annex to these financial statements, consistent with the general provisions on Segregated Estates.

The adoption of international accounting standards for the preparation of separate statements for the Segregated Estates requires that, in application of IFRS 9, an analysis of *assets derecognition* must be carried out by the transferor, assuming that it prepares financial statements in accordance with IAS/IFRS, even if this is not the case, in order to verify whether the conditions for the recognition of assets by the Segregated Estates transferee apply. The analyses carried out on the two separate Veneto Group and Vicenza Group Segregated Estates considered the following scenarios:

1. Estimated future net cash flows of loans assuming the Transfer Agreements are in force;
2. Estimation of net future cash flows of loans assuming no transfer of assets by LCAs but assuming adoption of the same *business model* by LCAs;
3. Estimated future net cash flows of loans under the assumption that there was no asset disposal by LCAs but under the assumption of adopting a different *business model* and *pricing* of master and *special servicing* activities with respect the previous two assumptions.

The analysis carried out on the basis of the cash flows currently expected from the loans subject to purchase, showed that in all the hypotheses described above, not only the cumulative incidence of the commission components is considerably lower than 10% (parameter used for *derecognition*), but the variability between the hypothesis of Transfer to AMCO Segregated Estates and the hypotheses in which this had not occurred (both maintaining the same management *business model* - moreover, shared with the LCAs, or by hypothesizing an alternative one) is substantially zero.

On the basis of these assumptions, AMCO has not substantially acquired all the risks and benefits of the ownership of the acquired financial assets and, consequently, the requirements provided by IFRS 9 for the accounting recognition of the financial assets in the financial statements have not been met.

As a holder of the Segregated Estates, although not a beneficiary of the results of the assets and liabilities, AMCO is required to provide adequate *disclosure* in its financial statements, as defined by IFRS 12. More specifically, for the purposes of the disclosure to be provided, it has been assessed that:

- AMCO is not required to consolidate the Segregated Estates, nor can these be considered *Joint Ventures* with the Company;
- AMCO does not hold any equity investments in the Segregated Estates, which therefore cannot be considered to be equity investments in non-consolidated structured entities;
- the constitution of two Segregated Estates, in order to pursue the specific statutory protections provided by this institution, and the existence of a management contract, which is still in place, between them and AMCO, ensures that the relationship existing between the Company and the SE falls within the case of sponsorship provided by IFRS 12. Therefore, the *disclosure* requirements are those defined by IFRS 12.27 and fulfilled in this report, as well as in Notes to the financial statements of AMCO.

Report

With reference to the Veneto Group Segregated Estate, the portfolio is broken down as follows:

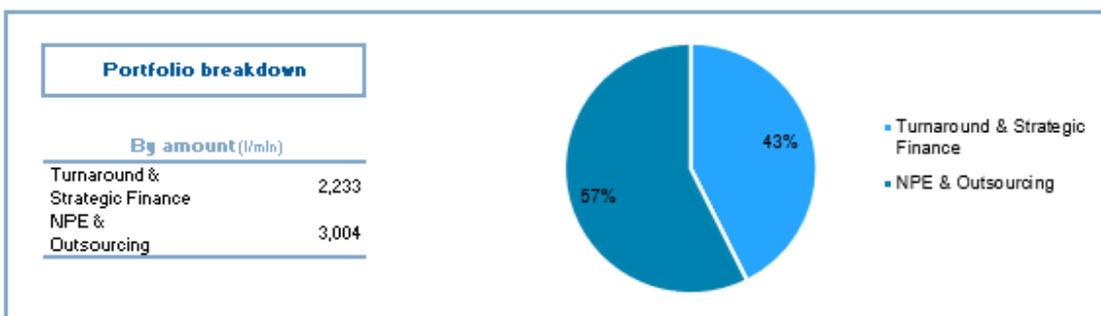
| Veneto Group SE | 31.12.2024 | 31.12.2023 |
|--------------------------|--------------|--------------|
| Gross Book Value | 5,236 | 5,752 |
| - Italian Portfolio | 4,996 | 5,373 |
| - Foreign portfolio | 241 | 380 |
| Net Present Value | 890 | 1,128 |
| - Other assets | 65 | 87 |
| Total | 955 | 1,215 |

Net Present Value is calculated on internal data and valuations that consider expected cash flows on the portfolio, plus estimated legal fees for loans recovery and fees for asset management. This value, discounted at a *risk-free* rate, is provided for information purposes only in this statement. It should be noted that the methodology used is not to be considered in any way either an expression of a *fair value* of financial assets *compliant* with the dictates of IFRS 13 or a credit valuation that can be considered compliant with the indications of IFRS 9 on *impairment*.

The item Other Assets includes:

- Liquidity on current accounts in the amount of EUR 41 million including fees from the last quarter of 2024 yet to be settled for the *servicing* activities performed by AMCO on the portfolio;
- Securities, equity financial instruments and similar instruments in the amount of EUR 24 million;
- Active interest rate derivatives.

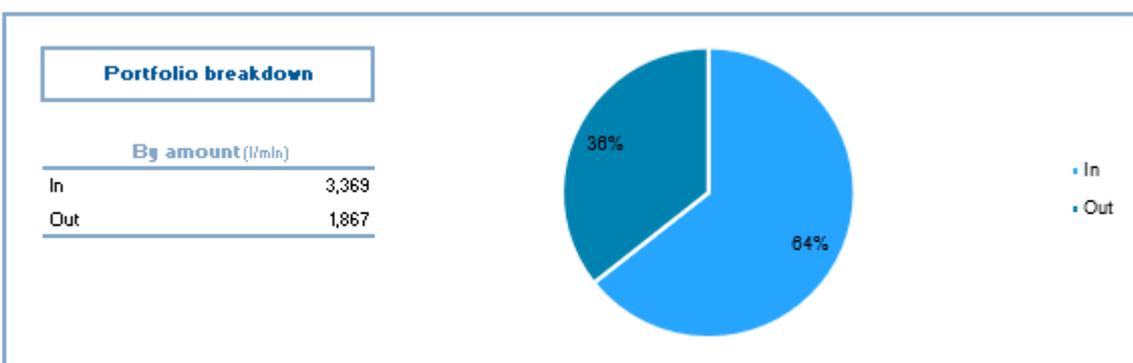
The following tables provide an overview of the portfolios:



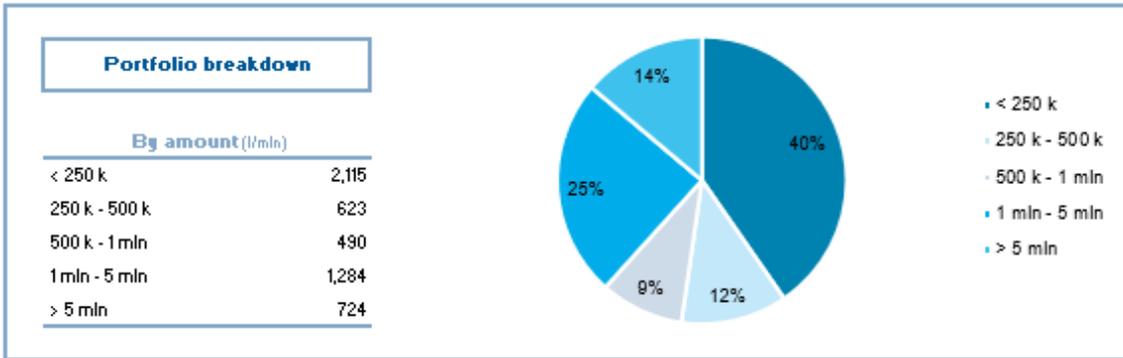
Consistent with sector *best practices*, also included in the "Guidance to banks on non-performing loans" issued by the European Central Bank, AMCO's management strategies are differentiated in line with the characteristics of debtors and related credit exposures with the aim of maximizing the value of positions.

In this regard, portfolio management is differentiated taking into account the following criteria:

- "gone concern" loans, i.e., non-performing loans in which the debtor's operating cash flows have ceased for which, therefore, the loan recovery strategy involves maximizing the value of the *collateral* or actions to return the exposure, including with a liquidation view;
- "going concern" loans, i.e., those loans for which the debtor's operating cash flows continue to be generated, for which the recovery strategy envisages a management aimed at restoring/safeguarding business continuity, also by making recourse to new finance, if the conditions exist.



Outsourced management represents 36% of the portfolio, as the strategy defined by the Company determines for low-exposure positions (generally particularly fragmented) for leveraging the economies of scale of specialized *servicers* (also taking into account the level of maturity and standardization of market solutions).



Analyzing the portfolio by amount, it can be noted that 38% of the portfolio is made up by positions over EUR 1 million, while 40% of the portfolio is represented by positions under EUR 250 thousand.

| Veneto Group SE | 31.12.2024 | 31.12.2023 |
|----------------------|------------|------------|
| Collections | 209 | 258 |
| Liquidity retroceded | 161 | 172 |

The cash back in 2024 on the assets under management of the Segregated Estate is EUR 161 million. This cash flow was reported quarterly to LCA as required by the transfer agreement.

Statement of the Vicenza Group Segregated Estate as of December 31, 2024

Introduction

On April 11, 2018, pursuant to the provisions of Article 5 of Italian Decree Law No. 99 of June 25, 2017 (hereinafter also the "Decree Law"), converted into Italian Law No. 121 on July 31, 2017, and in compliance with the provisions of Italian Ministerial Decree No. 221 of February 22, 2018 (hereinafter "MD 221/2018"), AMCO signed with Banca Popolare di Vicenza S.p.A. in administrative compulsory liquidation and with Veneto Banca S.p.A. in administrative compulsory liquidation, the contracts (hereinafter also the "Transfer Agreements") to acquire the non-performing loan portfolios of the two banks, through and on behalf of, respectively, the Vicenza Group Segregated Estate and the Veneto Group Segregated Estate (hereinafter also the "Segregated Estates" or "SE"), both established by the afore-mentioned MD 221/2018.

The object of the transfer was the loans classified or classifiable as "bad loans", "*unlikely to pay*" or "*past due*" as of the date of the launch of the administrative compulsory liquidations procedures and not transferred to and/or retrocessed by Intesa Sanpaolo S.p.A. pursuant to Articles 3 and 4 of the afore-mentioned Decree Law, together with assets, contracts and legal rights and obligations accessory to the same, with the exclusion from this scope of certain assets, liabilities, contracts and rights and obligations identified in the transfer contracts in line with the criteria dictated by MD 221/2018.

In addition, the said Decree pursuant to Article 5 paragraph 4 indicates that "The separate financial statements shall be prepared in accordance with international accounting standards". This separate statement, prepared for each Segregated Estate, forms an annex to these financial statements, consistent with the general provisions on Segregated Estates.

The adoption of international accounting standards for the preparation of separate statements for the Segregated Estates requires that, in application of IFRS 9, an analysis of *assets derecognition* must be carried out by the transferor, assuming that it prepares financial statements in accordance with IAS/IFRS, even if this is not the case, in order to verify whether the conditions for the recognition of assets by the Segregate Estates transferee apply. The analyses carried out on the two separate Veneto Group and Vicenza Group Segregate Estates considered the following scenarios:

1. Estimated future net cash flows of loans assuming the Transfer Agreements are in force;
2. Estimation of net future cash flows of loans assuming no transfer of assets by LCAs but assuming adoption of the same *business model* by LCAs;
3. Estimated future net cash flows of loans under the assumption that there was no asset disposal by LCAs but under the assumption of adopting a different *business model* and *pricing* of master and *special servicing* activities with respect the previous two assumptions.

The analysis carried out on the basis of the cash flows currently expected from the loans subject to purchase, showed that in all the hypotheses described above, not only the cumulative incidence of the commission components is considerably lower than 10% (parameter used for *derecognition*), but the variability between the hypothesis of Transfer to AMCO Segregated Estates and the hypotheses in which this had not occurred (both maintaining the same management *business model* - moreover, shared with the LCAs, or by hypothesizing an alternative one) is substantially zero.

On the basis of these assumptions, AMCO has not substantially acquired all the risks and benefits of ownership of the acquired financial assets and, consequently, the requirements provided by IFRS 9 for the accounting recognition of the financial assets in the financial statements have not been met.

As a holder of the Segregated Estates, although not a beneficiary of the results of the assets and liabilities, AMCO is required to provide adequate *disclosure* in its financial statements, as defined by IFRS 12. More specifically, for the purposes of the disclosure to be provided, it has been assessed that:

- AMCO is not required to consolidate the Segregated Estates, nor can these be considered *Joint Ventures* with the Company;
- AMCO does not hold any equity investments in the Segregated Estates, which therefore cannot be considered to be equity investments in non-consolidated structured entities;
- the constitution of two Segregated Estates, in order to pursue the specific statutory protections provided by this institution, and the existence of a management contract, which is still in place, between them and AMCO, ensures that the relationship existing between the Company and the SE falls within the case of sponsorship provided by IFRS 12. Therefore, the *disclosure* requirements are those defined by IFRS 12.27 and fulfilled in this report, as well as in Notes to the financial statements of AMCO.

Report

With reference to the Vicenza Group Segregated Estate, the portfolio is broken down as follows:

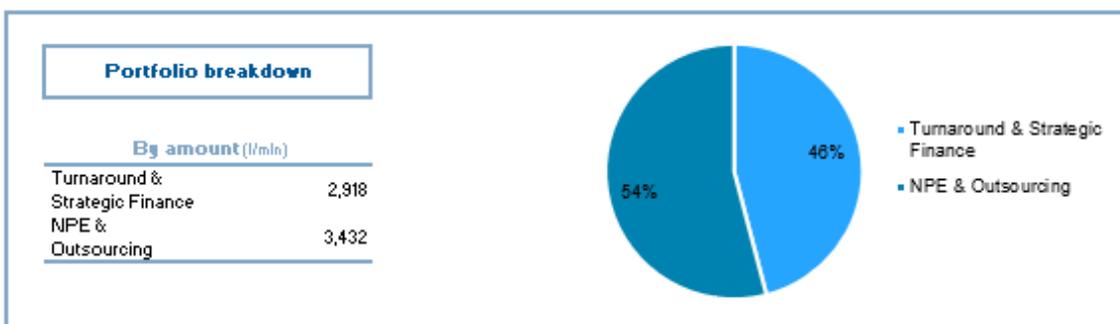
| Vicenza Group SE | 31.12.2024 | 31.12.2023 |
|--------------------------|--------------|--------------|
| Gross Book Value | 6,351 | 6,871 |
| - Italian Portfolio | 6,351 | 6,871 |
| - Foreign portfolio | - | - |
| Net Present Value | 1,075 | 1,418 |
| - Other assets | 99 | 105 |
| Total | 1,174 | 1,523 |

Net Present Value is calculated on internal data and valuations that consider expected cash flows on the portfolio, plus estimated legal fees for loans recovery and fees for asset management. This value, discounted at a *risk-free* rate, is provided for information purposes only in this statement. It should be noted that the methodology used is not to be considered in any way either an expression of a *fair value* of financial assets *compliant* with the dictates of IFRS 13 or a credit valuation that can be considered compliant with the indications of IFRS 9 on *impairment*.

The item Other assets includes:

- Liquidity on current accounts in the amount of EUR 51.6 million including fees from the last quarter of 2024 yet to be settled for the *servicing* activities performed by AMCO on the portfolio;
- Securities, equity financial instruments and similar instruments in the amount of EUR 47 million;
- Active interest rate derivatives.

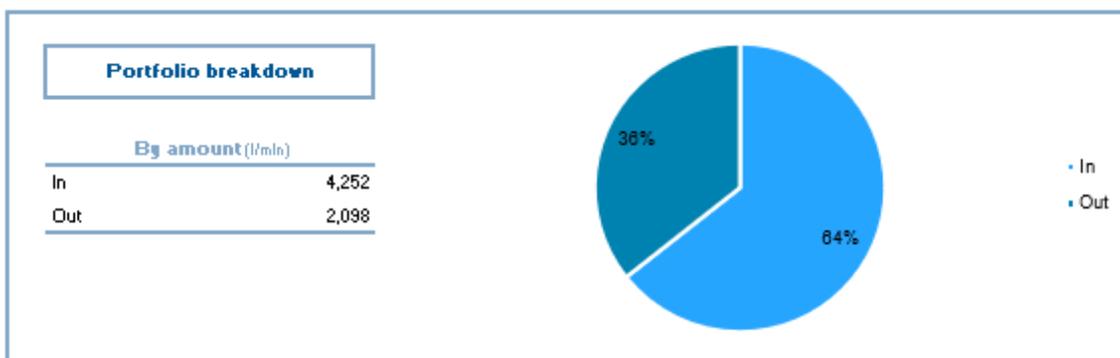
The following tables provide an *overview* of the portfolios:



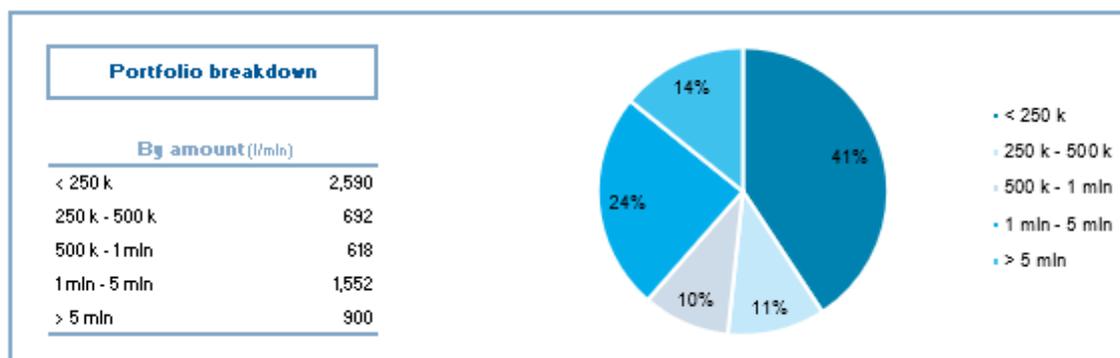
Consistent with sector *best practices*, also included in the "Guidance to banks on non-performing loans" issued by the European Central Bank, AMCO's management strategies are differentiated in line with the characteristics of debtors and related credit exposures with the aim of maximizing the value of positions.

In this regard, portfolio management is differentiated taking into account the following criteria:

- "gone concern" loans, i.e., non-performing loans in which the debtor's operating cash flows have ceased for which, therefore, the loan recovery strategy involves maximizing the value of the *collateral* or actions to return the exposure, including with a liquidation view;
- "going concern" loans, i.e., those loans for which the debtor's operating cash flows continue to be generated, for which the recovery strategy envisages a management aimed at restoring/safeguarding business continuity, also by making recourse to new finance, if the conditions exist.



"Outsourced" management represents 36% of the portfolio, as the strategy defined by the Company determines for low-exposure positions (generally particularly fragmented) for leveraging the economies of scale of specialized *servicers* (also taking into account the level of maturity and standardization of market solutions).



Analysing the portfolio by amount it can be noted that 39% of the portfolio is made up by positions over EUR 1 million, while 41% of the portfolio is represented by positions under EUR 250 thousand.

| Vicenza Group SE | 31.12.2024 | 31.12.2023 |
|----------------------|------------|------------|
| Collections | 323 | 327 |
| Liquidity retroceded | 267 | 261 |

The cash back in 2024 on the assets under management of the Segregated Estate is EUR 267 million. This cash flow was reported quarterly to LCA as required by the transfer agreement.

Statement by
the Chief Executive
Officer and the
Manager
in Charge

10

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Attestation of the Chief Executive Officer and the Manager in charge of preparing the Company's Financial Reports on the Financial Statements and the Report on Operations as of December 31, 2024 pursuant to Article 154-bis of Italian Legislative Decree 58/1998

1. The undersigned ANDREA MUNARI, in the role of Chief Executive Officer and LUCA LAMPUGNANI, in the role of Manager in charge of preparing the Company's Financial Reports of AMCO - Asset management company S.p.A., also taking into account the provisions of Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of February 24, 1998, Article 13 paragraph 6 of the Articles of Association and what stated at point 2 below, certify:
 - the adequacy in relation to the characteristics of the company and the corporate structure;
 - the effective application of administrative and accounting procedures and practices in the preparation of the Financial Statements as of December 31, 2024.
2. In this regard, it should be noted that the undersigned LUCA LAMPUGNANI has carried out activities useful for the verification of the adequacy and the effective application of current procedures and consolidated administrative and accounting provisions for the preparation of the financial statements as of December 31, 2024.
3. The undersigned also certify that the Financial Statements as of December 31, 2024:
 - correspond to the accounting entries and records;
 - are suitable to provide a truthful and correct representation of the financial, economic and assets situation of the Company;
 - are prepared in accordance with the IAS/IFRS international accounting standards recognised by the European Community and the Provisions of Bank of Italy on the subject.
4. Lastly, it is certified that the Report on Operations as of December 31, 2024 includes a reliable analysis of the performance and result as well as the Company's situation, together with a description of the main risks and uncertainties to which the Company is exposed.

Milan, March 13, 2025

Signed by
Andrea Munari
Chief Executive Officer

Signed by
Luca Lampugnani
*Manager in charge of preparing the Company's
Financial Reports*



Management control
committees's report

11.



AMCO S.p.A.

REPORT OF THE MANAGEMENT CONTROL COMMITTEE TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2024

To the Shareholders of AMCO - Asset Management Company S.p.A. (hereinafter, also "AMCO" or the "Company")

1. Introduction

On December 30, 2024, AMCO's Shareholders' Meeting held in extraordinary session to amend the Articles of Association in order to adopt the so-called one-tier system of governance, which provides a Board of Directors ("Board") in which the policy-making, strategic supervision and management functions converge, as well as a Management Control Committee (the "Committee") that has control functions.

The Shareholders' Meeting, in its ordinary session, therefore appointed four additional members of the Board of Directors, assigning three of them the function of members of the aforementioned Committee, with the aim to favour the integration of further skills and professionalism in the management body so as to continue along the path of strengthening AMCO's governance.

The Committee, in addition to carrying out the tasks provided for by the law and the Articles of Association, performs - in accordance with the provisions of Bank of Italy Circular No. 288/2015 - the same tasks assigned to the Control Body (Board of Statutory Auditors) in the traditional model, as well as the tasks provided for by Article 19 of the Italian Legislative Decree No. 39/2010 as the Internal Control and Audit Committee.

The Committee emphasises that the body's overall activity is based on the specificities of one-tier system of corporate governance, which provides for the complete circulation and timeliness of information, full participation in the Board of Directors' meetings, as well as in the meetings of the boards endo-committees.

As a result of the above-mentioned amendment to the Articles of Association, during 2024, the control on compliance with the law and the Articles of Association, on compliance with the principles of correct management and, in particular, on the adequacy of the organisational, administrative and administrative and accounting structure adopted by the Company and its practical functioning was carried out by the Board of Statutory Auditors in accordance with Article 2403 et seq. of the Italian Civil Code.

Upon taking office, the Committee took note of the work carried out by the previous control body. In addition, the Committee organised specific meetings after taking office:

- (i) with the Corporate Control Functions ("FACs") during which it obtained information on the main activities carried out by them (meetings of February 18, 2025 and March 4, 2025);
- (ii) with the Chief Executive Officer and the Manager in Charge to obtain information on the process, principles and main valuation aspects of the Financial Statements as of December 31, 2024 (meeting of March 4, 2025) as well as to learn the results of the audit activities carried out pursuant to Italian Law 262/2005 (meeting of March 24, 2025);
- (iii) with the independent auditors Deloitte & Touche S.p.A. (hereinafter, also the "Independent Auditors") to receive from the latter an update on the auditing activities carried out on the statutory and consolidated financial statements (meetings of February 18, 2025, March 4, 2025 and March 24, 2025), examining the results of the reports issued by the same (meeting of March 31, 2025) as well as the observations on the Additional Report of the Independent Auditors *pursuant to* Article 11 of European Commission Regulation n. 537/2014 pursuant to Article 19, paragraph 1, letter a) of the Italian Legislative Decree no. 39/2010 (meeting of March 31, 2025).

Based on the above, the Management Control Committee brings this report to the attention of the Shareholder.

2. General comments

The Company's financial statements as of December 31, 2024, prepared in accordance with the Italian regulations governing their preparation, showed a positive net result of Euro 29.019.057.

As of December 31, 2024, Shareholders' equity of the Company amounted to EUR 2.060 million, up by EUR 45 million compared to December 2023, due to the combined effect of the profit for the year and the reduction of valuation reserves for EUR 16 million.

The draft financial statements were made available to the Committee within the legal deadline.

With respect to the investee companies, as of December 31, 2024 AMCO owned:

- the entire equity investment in the vehicles Tatooine SPV S.r.l. and Tatooine LeaseCo S.r.l., acquired on December 19, 2022;
- the entire equity investment in the company Le Manifatture S.r.l., an operating company acquired on May 5, 2023 that manages the shopping center complex acquired as part of the 'Jedi Jawa' securitisation transaction.

With respect to transactions with related parties, the financial transactions carried out with investees of the Ministry of Economy and Finance were carried out at market conditions and refer to current account relationships held with Banca Monte Paschi di Siena S.p.A. and Poste

Italiane S.p.A.

With respect to the going concern assumption, the directors do not believe that there are elements such as to cast doubt on the Company's ability to operate in this respect over a period of at least 12 months and, therefore, the financial statements as of December 31, 2023 were prepared based on a going concern basis.

3. Supervisory activities pursuant to the law and the Articles of Association

Supervisory activities were performed in the financial year 2024 by the previous Board of Statutory Auditors. The analysis of the related minutes did not reveal any noteworthy elements relating to the supervisory activity.

Opinions

During the 2024 financial year, the previous Board of Statutory Auditors issued the following opinions and observations:

1. approval of the Reports of the Board of Statutory Auditors on the separate and consolidated financial statements as of December 31, 2023 and for the year than ended: meeting of March, 29 - April 4, 2024; report issued on April 4, 2024;
2. Opinions on the appointment of Dr. Ornella Desideri - as the new Head of the Compliance and Anti-Money Laundering Department as well as the delegate for Reporting Suspect Operations and the delegate for Reporting Anti-Money Laundering Aggregate - respectively meetings of May 22, 2024 and June 6, 2024;
3. Observations of the control body pursuant to Circular 288/2015 (Title III, Chapter I, Section V, §1) on the report prepared by Internal Audit regarding the controls carried out on the outsourced Important Operational Functions (IOF): meeting of April 22, 2024;
4. Observations of the control body pursuant to Bank of Italy Circular No. 288/2015 (Title III, Chap. I, Section II, §2) on the audits carried out and the findings of the ICAAP process: meeting of April 22, 2024.

Complaints

During 2024, no complaint was received by the Company.

Petitions

During 2024, no petition was received by the Company.

4. Supervisory activities on compliance with the principles of correct administration

The Committee supervises compliance with the principles of correct administration, holding periodic meetings with the heads of the individual departments and related functions as well as with the Manager in charge of preparing the Company's financial reports ("Manager in Charge") and with the Independent Auditors, also with a view to verifying that management decisions are based on an adequate system of information flows to the Bodies and that the decision-making processes take into account the riskiness and effects of the management

choices made.

Since its inception, the Committee has benefited from a regular exchange of information on the Company's operating performance, the functionality and effectiveness of the internal control and risk management system with the heads of departments, with the Chief Executive Officer, within the Board of Directors' meetings, as well as by attending meetings of the Risk and Related Parties Committee (Associated Parties).

5. Supervisory activities on the adequacy, efficiency and functionality of the organisational structure

Since its settlement, the Committee has been updated on the changes that have taken place in the organisational structure to implement the 2024-2028 Plan approved on March 12, 2024. In particular, during the 2024 financial year the Company's new organisational structure was completed, which makes governance more solid, strengthens business oversight and accompanies AMCO's evolution. The business model was modified and strengthened with the organisational evolution involving two Departments, with greater delegations to managerial roles. This reorganisation aims to optimize recoveries with industrialized management of positions according to their size.

With respect to the staff composition, we note that as of December 31, 2024, the number of AMCO's employees was a total of 444 units, up compared to the correspondent number as of December 31, 2023 (417 units).

As of the aforementioned date, there were no coordinated and continuous collaboration contracts.

As of December 31, 2024, the Company outsourced the following activities:

- a) IT system for administrative and accounting management;
- b) servicing of loan portfolios;
- c) document management.

The process of streamlining business structures involved both the internal reorganization of the functions assigned to in-house recovery and the rationalization of the number of special servicers. Since January 1, 2025, the outsourced management of the portfolio was reduced from 15 to 8 special servicers. The new arrangement ensures better monitoring of the activities carried out by the servicers, with the aim of ensuring greater management efficiency and adherence to ESG requirements, which are progressively more and more central to AMCO's strategy.

6. Supervisory activities on the adequacy, efficiency and functionality of the administrative accounting and financial reporting system

Meetings with the Manager in Charge

As part of its supervisory activity on accounting and corporate disclosures, also with a view to contributing to the assessment of the correct use of accounting standards, the Committee met with the Manager in Charge and the other competent functions of the Company to

examine the preparation of the 2024 financial statements.

The Committee also reviewed the periodic report on the results of the control activities carried out by the Manager in Charge relating to the 2024 financial year as illustrated in the Report on the System of Internal Controls relating to Financial Reporting, including the main points of attention and the progress of mitigation actions, as well as in the plans drawn up for the activities planned for the 2025 financial year.

Meetings with the Independent Auditors

The Committee met with the Independent Auditors, together with the Chief Financial Officer and the Manager in Charge, to review the audit plan and receive updates on the activities carried out for the formulation of the opinion on the 2024 financial statements.

The Company's financial statements have been prepared in accordance with the IAS/IFRS issued by the International Accounting Standards Board and the related interpretations of the International Financial Reporting Interpretations Committee, endorsed by the European Commission, as established by EC Regulation No. 1606/2002. This document is prepared on the basis of the instructions issued by the Bank of Italy in the provisions relating to the "Financial Statements of IFRS Intermediaries other than Banking Intermediaries", issued with measure of November 17, 2022.

AMCO's draft financial statements as of December 31, 2024 were approved by the Board on March 13, 2025.

7. Supervision of the adequacy, efficiency and functionality of the internal control system

The internal control system is structured on three levels:

- 1st level: line controls carried out by the operational and business structures, including through units dedicated exclusively to control tasks aimed at ensuring the proper conduct of operations;
- 2nd level: controls aimed at ensuring the proper implementation of the risk management process, compliance with operating limits and compliance of corporate activities with regulations. These controls are performed:
 - o by the Head of the Compliance and Anti-Money Laundering Department, in whose Department is the Compliance Function to which the prevention and management of the risk of non-compliance with regulations is assigned and the Anti-Money Laundering Function to which the prevention and mitigation of 'money laundering risk' is assigned;
 - o the Chief Risk Officer, who is assigned the tasks and responsibilities of the Risk Management function.
- 3rd level: internal audit controls, aimed at identifying violations of procedures and regulations as well as assessing the completeness, adequacy, functionality and

reliability of the Company's internal control system and information system in relation to the nature and intensity of risks. In AMCO, the Head of the Internal Audit Department reports to the Board.

The Company's system of internal controls also involves, among others, the Manager in Charge of financial reporting, the Independent Auditors, the Supervisory Board pursuant to Italian Legislative Decree 231/2001 (the 'Supervisory Board') as well as the Court of Auditors, since AMCO, a subsidiary of the Ministry of Economy and Finance, is subject to financial management control pursuant to Article 12 of Italian Law 259/1958.

With reference to the Supervisory Board, it should be noted that on March 13, 2025, the Board of Directors approved amendments to the Organisational, Management and Control Model pursuant to Italian Legislative Decree 231/2001 to take into account the transition to the one-tier system and its impact on the organisational system, which were implemented in the new Internal Regulations.

The control body and the Supervisory Board exchange relevant data and information in a timely manner during the course of the financial year, coordinating in joint meetings for matters of common competence. During 2024, joint meetings of the Board of Statutory Auditors with the Supervisory Board were held on April 15, 2024 and October 28, 2024.

8. Supervisory activities on the adequacy, efficiency and functionality of the risk governance and management process

In view of the work carried out by the previous control body, from the time of its establishment until the date of this report, the Committee has supervised:

- on the completeness, adequacy, functionality and reliability of the internal risk measurement systems for determining capital requirements, noting their compliance with regulatory requirements. The Committee reviewed the annual reports of the Internal Audit and Risk Management functions in order to mitigate the critical issues highlighted;
- on the completeness, adequacy, functionality and reliability of the Risk Assessment Framework for 2024, examining its methodological aspects.

9. Supervisory activities related to the financial statements and Independent Auditors' activity

With regard to supervisory activities related to the financial statements, the Management Control Committee recognises:

- having received on March 28, 2025 the Report referring to the financial statements as of December 31, 2024, pursuant to Article 14 of Italian Legislative Decree No. 39/2010 and Article 10 of European Commission Regulation (EC) No. 537/2014, including the key aspects and the opinion showing that the Report on operations and the Corporate Governance and Ownership Structure Report, limited to the information indicated in Article 123-bis, paragraph 4, of Italian Legislative Decree

No. 58/1998, are consistent with the financial statements prepared in accordance with the law;

- having received pursuant to Article 11, of European Commission Regulation (EC) No. 537/2014, the Additional Report for the Internal Control and Audit Committee confirming its independence pursuant to Article 6(2)(a) of European Commission Regulation (EC) 537/2014 and paragraph 17 of International Standard on Auditing (ISA Italia) 260.

Based on the information provided in these reports, the Company's financial statements provide a true and fair view of the equity and financial position as of December 31, 2024, the economic result and cash flows for the year ended on that date, in accordance with the International Financial Reporting Standards adopted by the European Union as well as the provisions issued in application of Article 9 of Italian Legislative Decree No. 38/2005 and Article 43 of Italian Legislative Decree No. 136/2015; and that the Report on operations and the information in the Corporate Governance and Ownership Structure Report limited to the information indicated in Article 123-bis, paragraph 4, of Italian Legislative Decree No. 58/1998, are consistent with the financial statements. The Independent Auditors Report also includes an indication of the key aspects of the audit, in relation to which, however, no separate opinion is expressed, as they were addressed in the audit and in forming the opinion on the financial statements as a whole.

Since the Management Control Committee is not entrusted with the analytical control of the content of the financial statements, the Committee supervised the Directors' compliance with the procedural rules concerning the preparation, approval and publication of the financial statements, ascertaining its general compliance with the law as regards its formation and structure, and supervised the process of preparing and presenting the financial information to the Shareholders' Meeting.

Since Deloitte & Touche S.p.A. is the independent auditors assigned the role of statutory auditor, each proposal for appointment concerning subjects belonging to its network is monitored in advance and, where applicable, authorised.

Based on the findings of this control process, it is confirmed that during the 2024 financial year, non-audit engagements were conferred on Deloitte & Touche S.p.A. and persons linked to it by ongoing relationships. In particular, the following engagements were conferred during the 2024 financial year:

- i) issue of the quarterly report on the procedures required on the correct application of the rules for the accounting of receipts and the criteria for the allocation of costs to the Veneto Group Segregated Estate;
- ii) issue of the quarterly report on the procedures required on the correct application of the rules for the accounting of receipts and the criteria for the allocation of costs to the Vicenza Group Segregated Estate;
- iii) signing of the "SC 2024" form to affix the so-called 'compliance visa'.

For the sake of completeness, pre-approved services for other companies in the Deloitte network are listed below:

- Agreed Upon Procedures, loan portfolios perimeter *Guaranteed Loans Active Management (GLAM)* [project in stand-by, no activity carried out at the moment]
- Centralized Computer Archive (Archivio Unico Informatico - AUI) support;
- Technical functional requirements Corporate Data Warehouse (DWH) support.

A complete overview of the amounts paid in the 2024 financial year to the independent auditors is presented in the Notes to the financial statements, Part C - Section 10 to which reference is made.

Taking into account the declarations of independence issued by Deloitte & Touche S.p.A., as well as the appointments granted to the same and to the companies belonging to its network, by AMCO and its subsidiaries, the Management Control Committee considers that there are no critical aspects to be reported with regard to the continued fulfilment of the requirement of independence of the Independent Auditors.

During the supervisory activity carried out by the previous Board of Statutory Auditors and the Management Control Committee since the date of appointment, as described above, on the basis of the information and data acquired, no facts emerged from which to infer non-compliance with the law and the Articles of Association or such as to justify reporting to the Supervisory Authority or mention in this Report.

Certification of the Chief Executive Officer and the Manager in Charge

The Committee acquired the certification of the Chief Executive Officer and the Manager in Charge on the financial statements and the Report on operations as of December 31, 2024 pursuant to Article 154-bis of Italian Legislative Decree No. 58/1998, certifying that the Manager in Charge carried out activities profitable to verify the adequacy and effective application of existing procedures and consolidated administrative-accounting practices for the preparation of the financial statements as of December 31, 2024.

In the same document, the Chief Executive Officer and the Manager in Charge also certify that the financial statements as of December 31, 2024:

- i) corresponds to the accounting entries and records;
- ii) is suitable to provide a truthful and correct representation of the financial, economic and assets situation of the Company;
- iii) is prepared in accordance with the IAS/IFRS recognised by the European Community and the provisions of Bank of Italy on the subject.

It was also certified that the Report on operations as of December 31, 2024 includes a reliable analysis of the operating performance and results of operations as well as the Company's situation, together with a description of the main risks and uncertainties to which the Company is exposed.

We note that, based on the information provided in the independent auditor's report "[...]

financial statements give a true and fair view of the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and to art. 43 of Italian Legislative Decree no. 136/15”

In view of the above, the 2024 financial year closed with a positive net result of EUR 29 million, compared to a loss of EUR 391 million in 2023, due to lower adjustments and the reduction of the debt to third parties.

The directors point out that assets under management at the end of 2024 amounted to EUR 32.2 billion, down by EUR 2.5 billion compared to EUR 34.7 billion in 2023 due to ordinary recovery activity.

To the best of our knowledge, the directors, in preparing the financial statements, have not departed from the law pursuant to Article 2423, paragraph 5 of the Italian Civil Code.

10. Significant events subsequent to December 31, 2024

The changed market context, as well as AMCO's need to be ready to meet the new challenges of the 2024-2028 Strategic Plan, coupled with an increasing focus on the efficiency of controls within corporate governance, led, among other things, to a revision of the corporate purpose, always in compliance with the limits and provisions set by the regulations. The change to the corporate purpose, adopted by resolution of the Shareholders' Meeting in extraordinary session of March 6, 2025, entailed changes to the corporate purpose of the Articles of Association (Art. 3) aimed at providing the tools to implement the role recognised to the Company by the 2024 -2028 Strategic Plan "We Produce Value" in the management of non-performing loans to facilitate the financial rebalancing of Households and businesses.

The Shareholders' Meeting also approved to change the registered office of the Company.

Finally, it should be noted that, with regard to the additional non-audit service of the Independent Auditors concerning the issuance of *comfort letters* under AMCO's EMTN Programme (issued in March 2025), this service was pre-approved by the previous Board of Statutory Auditors when accepting the original audit proposal.

11. Observations and proposals regarding the approval of the financial statements

Considering the results of our work and the 'unqualified' opinion expressed by the Independent Auditors, we do not find any reason preventing the approval, by the shareholders, of the financial statements as of December 31, 2024 and for the year than ended, as prepared by the directors. The Management Control Committee agrees with the proposal to approve the positive net result of Euro 29,019,057, as formulated by the directors in the Notes to the financial statements.

Rome, March 31, 2025

The Management Control Committee

Signed by

Cristina Collura (President)

Signed by

Marco Tutino (Member)

Signed by

Lucia Foti Belligambi (Member)



Independent
auditors'
report

12.



**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

**To the Shareholders of
AMCO – Asset Management Company S.p.A.**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of AMCO – Asset Management Company S.p.A. (the “Company” or “AMCO”), which comprise the balance sheet as at December 31, 2024, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and the related notes to the accounts including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and to art. 43 of Italian Legislative Decree no. 136/15.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Valuation of ex-MPS non performing exposures portfolio

Description of the key audit matter

As highlighted in the notes to the financial statements Part C - Section 8 - “Net value adjustments/reversals for credit risk” and Part D - Section 3 - Paragraph 2 - “Credit risk management policies” and in the Report on Operations - paragraph “Operating performance”, the 2024 economic result of AMCO has been affected by the valuation of the loans measured at amortised cost, also with particular reference to the non-performing loans portfolio brought to AMCO through a non-proportional demerger, completed at the end of 2020, of a compendium of assets and liabilities of Banca Monte dei Paschi di Siena (hereinafter the “ex-MPS non performing exposures”). The valuation of this portfolio has been affected by (i) refinements in the valuation parameters of positions collectively valued to consider the review of the expected recovery time and (ii) regular updating of the exposures subject to analytical valuation, in accordance with AMCO valuation policy.

In total, net value adjustments on loans measured at amortised cost have been recorded for Euro 57.5 million.

As reported in the notes to the financial statements Part A - Section A.2 - Part relating to the main financial statements items, paragraph - “Financial assets measured at amortised cost” and Part D - Section 3 - Paragraph 2 - “Credit risk management policies”, the amount of loss to be recognised in the income statement is defined on the basis of a process of analytical valuation or collectively determined on the basis of a clusterisation in homogeneous categories and, therefore, analytically attributed to each position.

Given the relevance of the amount of ex-MPS non performing exposures portfolio (equal to a net value of Euro 1.5 billion as at December 31, 2024) and the related adjustments recorded to the profit and loss, as well as the complexity of the valuation processes adopted by the Company for the determination of the relative recoverable amount, we deem that the valuation of ex-MPS non performing exposures represents a key audit matter of the Company’s financial statements as at December 31, 2024.

Audit procedures performed

As part of the auditing activities, the following main audit procedures were carried out:

- analysis and understanding of the processes and methodologies for the evaluation (analytical valuation and collective valuation) of non performing exposures adopted by the Company;
- understanding and detection of relevant controls for the process of the evaluation of non performing exposures. This activity also involved the verification of the implementation of these controls in the corresponding business processes;

- checks on a sample of ex-MPS non performing exposures of the valuation in accordance with the methodologies and the credit valuation policy adopted by AMCO and, for those collectively valued, the reasonableness of the estimate of the parameters used also as a result of the refinements introduced during the year;
- checks on a sample of resolutions adopted by the Credit Committee and the Board of Directors during the year 2024 in order to verify the transposition in the general ledger of the valuation effect;
- verification of the adequacy and compliance of the disclosure provided in the notes to the accounts with respect to the requirements of the relevant regulatory framework and the applicable accounting standards.

Monitoring and evaluation of the purchased non performing exposures (“purchased or originated credit impaired – POCI”)

Description of the key audit matter

As indicated in the notes to the financial statements Part A - Section A.2 - Part relating to the main financial statements items, paragraph - “Financial assets measured at amortised cost” and in the Report on Operations - paragraph “Operating performance”, the loans acquired as credit impaired (“purchased or originated credit impaired - POCI”), classified as “Financial assets measured at amortised cost - loans and receivables with customers”, amount to a net value of Euro 2,015 million as at December 31, 2024, down by about 16% compared to the previous year due to the regular recovery activity and the impact of the review of valuations recorded during the year.

As indicated in the notes to the financial statements Part C - Section 8 - “Net value adjustments/reversals for credit risk” and Part D - Section 3 - Paragraph 2 - “Credit risk management policies”, the evaluation of POCI resulted in positive net value adjustments of Euro 41.1 million as a result of (i) the regular updating of the exposures subject to analytical valuation, ii) the positive effect resulting from the sale of a credit portfolio (s.c. re-performing) whose revaluation generated write-backs and (iii) the effect resulting from the verification of the adequacy of the recovery curves used (s.c. “backtesting”) for the exposures collectively valued.

Given the relevance of the credit impaired loans purchased by the Company (“purchased or originated credit impaired - POCI”), amount to a net value of about Euro 2 billion as at December 31, 2024, and taking into account the complexity of estimation processes for the determination of the recovery value adopted by the Company and characterized by a high judgment of the assumptions applied (e.g. the expected future cash flows derived from the loans and the related recovery time), we deem that the monitoring and evaluation of the purchased credit impaired exposures (“purchased or originated credit impaired – POCI”) represents a key audit matter of the Company’s financial statements as at December 31, 2024.

Audit procedures performed

As part of the auditing activities, the following main audit procedures were carried out:

- understanding of the structure and methods used for the purchase of portfolios of non performing exposures with customers through the acquisition and analysis of the Board of Directors’ meeting minutes and of the contractual arrangements concluded with the originators, as well as through Management’s enquiries;
- analysis and understanding of the estimation models used and verification of the reasonableness of the assumptions and key variables adopted for the determination of the recovery value for the purchased credit impaired exposures (“purchased or originated credit impaired – POCI”);
- understanding and detection of relevant controls of the process of monitoring and evaluation of the purchased credit impaired exposures (“purchased or originated credit impaired – POCI”). This activity also involved the verification of the implementation of these controls in the corresponding business processes;
- for the sale transaction defined during the year, analysis of the accounting treatment applied also with reference to classification in compliance with international financial reporting standard IFRS 5;
- analysis and understanding, for purchased credit impaired exposures (“purchased or originated credit impaired – POCI”) collectively valued, of the activities related to the verification of the adequacy of the recovery curves used (s.c. “backtesting”) and the resulting actions defined by the Company;
- checks, on a sample of purchased credit impaired exposures (“purchased or originated credit impaired - POCI”) analytically valued, of the valuation in accordance with the credit valuation policy adopted by the Company;

- verification of the adequacy and compliance of the disclosure provided in the notes to the accounts with respect to the requirements of the relevant regulatory framework and the applicable accounting standards.

Responsibilities of the Directors and the Management Control Committee for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and the requirements of national regulations issued pursuant to art. 43 of Italian Legislative Decree no. 136/15 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Management Control Committee is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of AMCO - Asset Management Company S.p.A. has appointed us on February 12, 2019 as auditors of the Company for the years from December 31, 2019 to December 31, 2027.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Management Control Committee, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of AMCO – Asset Management Company S.p.A. are responsible for the preparation of the report on operations and the information referred to in paragraph 2, letter (b) of the article 123-bis of Legislative Decree 58/98 contained in the specific section relating to the report on corporate governance and the ownership structure of AMCO – Asset Management Company S.p.A. as at December 31, 2024, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of information contained in the specific section relating to the report on corporate governance and the ownership structure set forth in art. 123-bis, paragraph 4 of Legislative Decree 58/98 with the financial statements;
- express an opinion on the compliance with the law of the report on operations and of the information contained in the specific section relating to the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and in the information contained in the specific section relating to the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the above-mentioned report on operations and the information referred to in paragraph 2, letter (b) of the article 123-bis of Legislative Decree 58/98 contained in the specific section relating to the report on corporate governance and the ownership structure are consistent with the financial statements of AMCO - Asset Management Company S.p.A. as at December 31, 2024.

In addition, in our opinion, the report on operations and the information contained in the specific section relating to the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Maurizio Ferrero
Partner

Milan, Italy
March 28, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



Annexes



13.



Attachments

Below are the reconciliation schedules used to prepare the reclassified balance sheet and income statement. See the previous sections for an explanation of the restatements for the comparative period.

| Euro/(000) - %. | 31.12.2024 | 31.12.2023 |
|---|------------------|------------------|
| Loans and receivables with banks | 336,712 | 155,918 |
| + 10. Cash and cash equivalents | 236,005 | 112,731 |
| + 40 (a). Loans and receivables with banks | 100,707 | 43,186 |
| Loans and receivables with customers | 3,508,636 | 4,246,538 |
| + 20 (c). Financial assets measured at fair value through profit or loss: other financial assets mandatorily measured at fair value | 418,968 | 463,092 |
| + 40 (b). Financial assets measured at amortised cost: loans and receivables with financial companies | 81,030 | 79,502 |
| + 40 (c). Financial assets measured at amortised cost: loans and receivables with customers | 3,008,638 | 3,703,944 |
| Financial assets | 1,222,573 | 927,521 |
| + 20 (a). Financial assets measured at fair value through profit or loss: financial assets held for trading | 6 | 6 |
| + 20 (c). Financial assets measured at fair value through profit or loss: other financial assets mandatorily measured at fair value | 389,872 | 440,123 |
| + 30. Financial assets measured at fair value through other comprehensive income | 832,702 | 488,187 |
| - 40 (b). Financial assets measured at amortised cost: loans and receivables with financial companies | (8) | (795) |
| Equity investments | 423 | 423 |
| + 70. Equity investments | 423 | 423 |
| Property, plant and equipment and intangible assets | 30,180 | 29,295 |
| + 80. Property, plant and equipment | 30,022 | 28,475 |
| + 90. Intangible assets | 159 | 820 |
| Tax assets | 108,197 | 154,120 |
| + 100 (a). Current tax assets | 22,677 | 9,136 |
| + 100 (b). Deferred tax assets | 85,520 | 144,984 |
| Other assets | 39,365 | 41,560 |
| + 120. Other assets | 39,365 | 41,560 |
| Non-current assets and groups of assets held for disposal | 140,224 | - |
| + 110. Non-current assets and groups of assets held for disposal | 140,224 | - |
| Total assets | 5,386,309 | 5,555,375 |

Table 7 - Reconciliation of the Reclassified Balance Sheet Assets as of December 31, 2024

2024 Financial Statements

| Euro/(000) - %. | 31.12.2024 | 31.12.2023 |
|---|------------------|------------------|
| Payables to third parties | 3,165,776 | 3,412,200 |
| + 10 (a). Financial liabilities measured at amortised cost: payables | 24,871 | 22,581 |
| + 10 (b). Financial liabilities measured at amortised cost: debt securities issued | 3,140,905 | 3,389,619 |
| Tax liabilities | - | - |
| + 60 (a). Current tax liabilities | - | - |
| + 60 (b). Deferred tax liabilities | - | - |
| Provisions for specific purposes | 26,732 | 25,254 |
| + 90. Staff severance indemnity | 464 | 472 |
| + 100 (b). Provisions for risks and charges: pensions and similar obligations | 201 | 169 |
| + 100 (c). Provisions for risks and charges: other provisions for risks and charges | 26,067 | 24,614 |
| Liabilities associated to assets held for disposal | 5,706 | - |
| + 70. Liabilities associated to assets held for disposal | 5,706 | - |
| Other liabilities | 128,417 | 103,016 |
| + 20. Financial liabilities held for trading | 11 | 20 |
| + 80. Other liabilities | 128,406 | 102,996 |
| Share capital | 655,081 | 655,081 |
| + 110. Share capital | 655,154 | 655,154 |
| + 120. Treasury shares | (72) | (72) |
| Share premiums | 604,552 | 604,552 |
| + 140. Share premiums | 604,552 | 604,552 |
| Reserves | 582,891 | 973,962 |
| + 150. Reserves | 582,891 | 973,962 |
| Reserves from FTA | 206,387 | 206,387 |
| + 160. Reserve from FTA | 206,387 | 206,387 |
| Valuation reserves | (18,253) | (34,006) |
| + 170. Valuation reserves | (18,253) | (34,006) |
| Profit (Loss) for the year | 29,019 | (391,071) |
| + 170. Profit (Loss) for the year | 29,019 | (391,071) |
| Total liabilities | 5,386,309 | 5,555,375 |

Table 8 - Reclassified Balance Sheet Liabilities as of December 31, 2024

Attachments

| Euro/(000) - %. | 31.12.2024 | 31.12.2023 |
|--|------------------|------------------|
| Servicing commissions | 46,946 | 41,363 |
| + 40. Fee and commission income (partial) | 37,238 | 40,865 |
| + Other operating income/expenses (partial) | 9,708 | 499 |
| Interest/commissions from business with customers | 253,834 | 306,550 |
| + 10. Interest income (partial) | 252,537 | 305,519 |
| + 40. Fee and commission income (partial) | 1,297 | 1,031 |
| Other income/expenses from ordinary operations | 85,233 | 77,396 |
| + 100 (a). Profit/loss from sale/repurchase of receivables | | |
| + 110 (b). Net result of financial assets and financial liabilities measured at fair value through profit or loss - mandatorily at fair value | 1,410 | 1,256 |
| + 130 (a). Net value adjustments/reversals for credit risk of: assets measured at fair value through OCI (partial) | 82,322 | 74,502 |
| + 180. Net value adjustments/reversals on property, plant and equipment | | 1,035 |
| + Other operating income/expenses (partial) | 1,502 | 603 |
| + Profits (Losses) on disposal of investments (partial) | | |
| +230. Net result of the measurement at fair value of property, plant and equipment and intangible assets | | |
| TOTAL REVENUES | 386,013 | 425,309 |
| Staff costs | (53,275) | (49,571) |
| + 160 (a). Staff costs | (53,275) | (49,571) |
| Operating costs | (122,334) | (110,353) |
| + 160 (b). Other administrative expenses | (126,451) | (112,907) |
| + Other operating income/expenses (partial) | 4,116 | |
| + Other operating income/expenses | | 2,554 |
| TOTAL COSTS | (175,609) | (159,924) |
| EBITDA | 210,404 | 265,386 |
| Reversals/value adjustments of receivables and securities from ordinary operations | (87,533) | (488,300) |
| + 110 (b). Net result of financial assets and financial liabilities measured at fair value through profit or loss - mandatorily at fair value | 1,766 | 23,423 |
| +100.a) financial assets measured at amortised cost | 9,960 | 29,501 |
| + 130 (a). Net value adjustments/reversals for credit risk of: assets measured at amortised cost | (99,259) | (541,225) |
| Value adjustments/reversals on property, plant and equipment and intangible assets | (4,306) | (6,641) |
| + 180. Net value adjustments/reversals on property, plant and equipment | (3,377) | (3,232) |
| + 190. Net value adjustments/reversals on intangible assets | (929) | (3,408) |
| Net provisions for risks and charges | (1,505) | (8,505) |
| Other operating income/expenses | (66) | (1,158) |
| + 80. Result from trading activities | 812 | (365) |
| + Other operating income/expenses | (1,927) | (759) |
| + 130 (a). Net value adjustments/reversals for credit risk of: assets measured at amortised cost | 131 | |
| + 180. Net value adjustments/reversals on property, plant and equipment | 918 | (35) |
| Financial activities result | 4,764 | (31,422) |
| + 70. Dividends | 537 | 2,542 |
| + 100 (b). Profit/loss from sale/repurchase of financial assets measured at fair value through other comprehensive income (partial) | 2 | (2,806) |
| + 110 (b). Net result of other financial assets and liabilities measured at fair value through profit or loss - other financial assets mandatorily measured at fair value through profit or loss (partial) | 4,614 | (31,516) |
| + 130 (b). Net value adjustments/reversals for credit risk of: assets measured at fair value through OCI (partial) | (389) | 358 |
| + 220 Profit/loss from equity investments | | - |
| EBIT | 121,757 | (270,640) |
| Interest and commissions from financial assets | (69,830) | (89,799) |
| + 10. Interest income (partial) | 12,377 | 8,828 |
| + 20. Interest expenses | (84,007) | (99,823) |
| + 40. Fee and commission income (partial) | 1,890 | 1,290 |
| + 50. Fee and commission expenses (partial) | (90) | (94) |
| PRE-TAX RESULT | 51,927 | (360,439) |
| Current taxes for the year | (22,908) | (30,631) |
| + 270. Current taxes for the year | (22,908) | (30,631) |
| RESULT FOR THE YEAR | 29,019 | (391,071) |

Table 9 - Reclassified Income Statement as of December 31, 2024



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