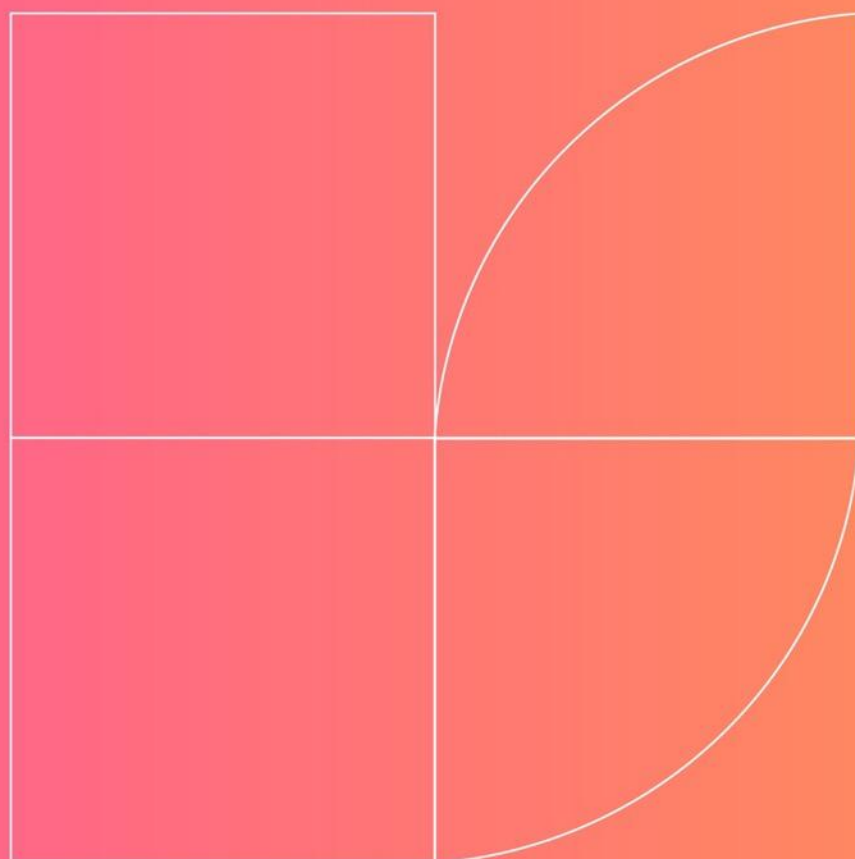


Consolidated Half-Yearly Financial Report

as of 30 June 2026



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Consolidated Half-Yearly Financial Report

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Composition of Corporate Bodies

illimity Bank S.p.A., a wholly-owned subsidiary of Banca Ifis S.p.A., belongs to the Banca Ifis Group and is subject to the management and coordination of Banca Ifis S.p.A. as of 4 July 2025.

The Shareholders' Meeting held on 25 September 2025 resolved to adopt the traditional management and control system, already adopted in Banca Ifis S.p.A. and in the Ifis Group, suitable for ensuring efficiency of management and effectiveness of the controls, and providing satisfactory results in terms of value creation for Shareholders, capital enhancement and financial balance.

Our constant goal is to ensure the adequate allocation of responsibilities and powers, through a correct balance between management and control functions.

The management and control system is "traditional" and assigns strategic management to the Board of Directors and supervisory and control functions to the Board of Statutory Auditors, both appointed by the Shareholders' Meeting. The official audit is entrusted to independent auditors enrolled in the appropriate register, appointed by the Shareholders' Meeting upon a reasoned proposal from the Board of Statutory Auditors.

illimity is also subject to the provisions contained in the Supervisory Instructions issued by the Bank of Italy and, in particular, to those concerning corporate governance for banks, remuneration policies and the system of internal controls (Circular No. 285/2013).

The governance system has also been implemented with the adoption of highly integrated internal rules (Regulations, Policies and Procedures), also with that of the Parent Company Banca Ifis S.p.A., which characterise the activities of all the organisational components of the Bank and which are constantly subject to verification and updating in order to respond effectively to the evolution of the regulatory context and the circumstances of the Company and the Group to which it belongs.

Board of Directors

Ernesto Fürstenberg Fassio	Chair
Rosalba Benedetto	Vice Chair
Luca Lo Giudice	Vice Chair
Raffaele Zingone	Chief Executive Officer
Frederik Geertman	Board Member
Clelia Leonello	Independent Board Member
Simona Heidempergher	Independent Board Member*
Cesare Stefano Ranieri	Independent Board Member**
Monica Regazzi	Independent Board Member
Francesca Di Dedda	Board Member
Giulia Ghione	Board Member
Giovanni Meruzzi	Independent Board Member
Raffaele Fiorella	Independent Board Member

* resigned as of 4 March 2026

** resigned as of 5 March 2026

The Board of Directors has a central role in the Company's organisation. The units all report to the Board and the Board is responsible for strategic and organisational guidelines as well as for ensuring the existence of the controls required to monitor the Company's operations. The Board of Directors is vested with all the powers for the ordinary and extraordinary management, with the exception of the matters expressly reserved by law and the Bylaws for the Shareholders' Meeting.

The Board of Directors must be made up of between 5 and 15 members.

The Directors fall from office on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their office.

The current Board of Directors was appointed by the ordinary Shareholders' Meeting on 25 September 2025 for the financial years 2025, 2026 and 2027 and will fall from office upon approval of the financial statements for the 2027 financial year. It should also be noted that the Board of Directors of illimity Bank, which met in Milan on Monday 9 February 2026, approved the appointment of Raffaele Zingone as the new Chief Executive Officer of the company (a position previously held by Frederik Geertman).

This Board envisages a wide representation of high standing profiles with significant and complementary expertise and experience.

Board of Statutory Auditors

Andrea Balelli	Chair
Annunziata Melaccio	Standing Auditor
Franco Olivetti	Standing Auditor
Marinella Monterumisi	Alternate Auditor
Di Lenardo Ferruccio	Alternate Auditor

The Board of Statutory Auditors performs the duties and exercises the control functions envisaged by the legislative, supervisory and regulatory provisions in force at the time and reports to the Supervisory Authorities in accordance with the regulations in force at the time.

The Board of Statutory Auditors is therefore responsible for monitoring and ensuring the adequate coordination of all units and structures involved in the internal control system, furthering appropriate corrective measures where necessary.

The Board of Statutory Auditors is made up of 3 standing members and 2 alternate members. Members of the Board shall remain in office for three financial years and fall from office on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their office.

The current Board of Statutory Auditors was appointed by the ordinary Shareholders' Meeting on 25 September 2025 for the financial years 2025, 2026 and 2027 and will fall from office upon approval of the financial statements for the 2027 financial year.

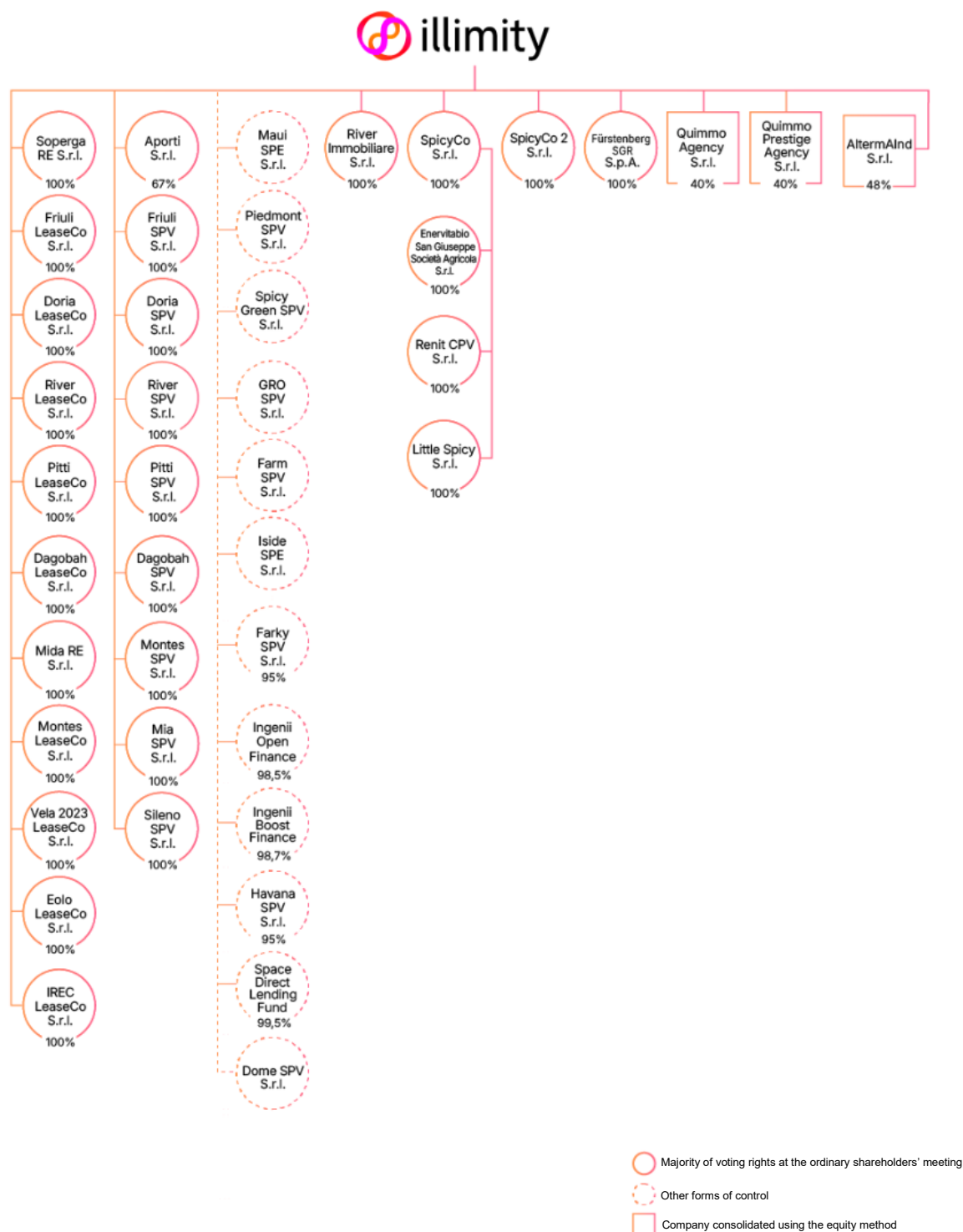
Financial Reporting Officer

Massimo Luigi Zanaboni

Independent Auditors

PricewaterhouseCoopers S.p.A.

This Interim Directors' Report illustrates the performance and the related data and results for the first half of the 2026 financial year of illimity Bank S.p.A. ("illimity" or the "Bank"), with registered offices at Via Soperga 9, Milan, Italy, and of the entities included in the scope of consolidation (together with the Bank, the "illimity Group" or the "Group"). As from 4 July 2025, the settlement date of the public purchase and exchange offer for illimity shares, the Bank and the entities of the Group related to it are subject to the management and coordination of Banca Ifis S.p.A..



The illimity Group is engaged in the disbursement and management of credit through its business functions, especially thanks to its operations in Corporate Banking, Turnaround, Investment Banking and Asset-Based Financing. Specifically, illimity provides credit to high-potential SMEs and offers direct digital banking services through illimitybank.com. Moreover, it is part of Group the Fürstenberg SGR, which sets up and manages Alternative Investment Funds.

illimity Bank's business also makes use of the operations of the other Group companies. The scope of the Group includes the LeaseCos, which support the bank in the management of lease operations, the ReoCos, which are active in the management of the properties linked to the acquired portfolios, and the Special Purpose Vehicles (SPVs) established to undertake securitisation transactions.

Alternative Performance Measures as of 30 June 2026

The Group's main consolidated measures are set out below.

Although not covered by IAS/IFRS, the figures presented are provided in compliance with the indications in CONSOB Communication No. 0092543 of 3 December 2015, and of the ESMA Recommendations on alternative performance measures (ESMA/2015/1415 Guidance).

(amounts in thousands of euros)

PERFORMANCE MEASURES	30/06/2026	30/06/2025	Chg.	Chg. %
Total net operating income	100,352	123,881	(23,529)	(19%)
Operating costs	(87,415)	(110,454)	23,039	(21%)
Operating profit (loss)	12,937	13,427	(490)	(4%)
Total net impairment losses/reversals	(21,425)	(121,816)	100,391	(82%)
Profit (loss) before tax	(26,847)	(117,122)	90,275	(77%)
Profit (Loss) for the year attributable to the parent company	(24,852)	(117,785)	92,933	(79%)

(amounts in thousands of euros)

BALANCE SHEET MEASURES	30/06/2026	31/12/2025	Chg.	Chg. %
Net - organic¹ non-performing loans and investments	910,426	871,175	39,251	5%
of which: Bad loans	136,180	92,060	44,120	48%
of which: Unlikely-to-pay	715,306	709,453	5,853	1%
of which: Past-due positions	58,940	69,662	(10,722)	(15%)
Net - inorganic non-performing loans and investments (POCI)²	267,244	330,202	(62,958)	(19%)
of which: Bad loans	53,862	93,372	(39,510)	(42%)
of which: Unlikely-to-pay	207,482	230,362	(22,880)	(10%)
of which: Past-due positions	5,900	6,468	(568)	(9%)
Performing loans – inorganic (Public Procurement Claims)	-	520	(520)	(100%)
Net performing HTC securities - Government Bonds	1,015,206	989,398	25,808	3%
Net performing securities and loans to customers	2,414,968	2,810,190	(395,222)	(14%)
Financial instruments (HTCS + FV)	926,801	1,058,051	(131,250)	(12%)
Direct customer funding	4,637,119	5,510,445	(873,326)	(16%)
Total Assets	6,236,340	7,056,197	(819,857)	(12%)
Consolidated Shareholders' Equity	565,260	590,457	(25,197)	(4%)

¹ The definition of organic receivables and securities (performing and non-performing) includes organic loans to customers on the factoring, structured finance and turnaround segments and receivables acquired in investing in portfolios of distressed loans, which underwent a change in accounting status following the purchase or disbursement (excluding receivables acquired as bad loans), the loan portfolio of the former Banca Interprovinciale and senior financing to non-financial investors in distressed loans and loans deriving from operations of b-ilty. Similarly, the inorganic loan and securities portfolio includes POCI positions that have not undergone a change in accounting status following the purchase or disbursement.

² POCI = Purchased or Originated Credit Impaired.

RISK RATIOS	30/06/2026	31/12/2025
Gross Organic NPE Ratio ³	33.5%	29.2%
Net Organic NPE Ratio ⁴	27.4%	23.7%
Coverage ratio for organic non-performing loans and investments ⁵	26.4%	25.9%
Coverage ratio - performing loans ⁶	1.66%	1.56%
Cost of organic credit risk (BPS) ⁷	125	511

STRUCTURAL RATIOS	30/06/2026	31/12/2025
Shareholders' Equity/Total Liability	9.1%	8.4%
Interbank Funding/Total Funding	15.9%	11.6%
Liquidity Coverage Ratio	~245%	~285%
Net Stable Funding Ratio	>100%	>100%
Net loans with Customers/Total Assets ⁸	73.9%	70.9%
Direct customer funding/Total Liability and total equity	74.4%	78.1%

PROFITABILITY INDICATORS	30/06/2026	30/06/2025
Cost/Income ratio (Operating expenses/Total net operating income)	87.1%	89.2%
ROAE ⁹ [Profit (Loss) for the period/Average Shareholders' equity]	(8.67%)	(28.2%)

³ Ratio of the gross value of organic non-performing exposures and the gross value of organic loans to customers on the factoring, structured finance and turnaround segments and receivables acquired in investing in portfolios of distressed loans, which underwent a change in accounting status following the purchase or disbursement (excluding receivables acquired as bad loans), the loan portfolio of the former Banca Interprovinciale and senior financing to non-financial investors in distressed loans, asset-based financing of the SC division and loans deriving from operations of b-ilty.

⁴ Ratio of the net value of organic non-performing exposures and the net value of organic loans to customers on the Factoring, Structured Finance and Turnaround segments and receivables acquired in investing in portfolios of distressed loans, which underwent a change in accounting status following the purchase or disbursement (excluding receivables acquired as bad loans), the loan portfolio of the former Banca Interprovinciale and Senior Financing to non-financial investors in distressed loans, asset-based financing of the SC division and receivables deriving from operations of b-ilty.

⁵ Ratio of impairment on organic non-performing loans and securities to the gross exposure of organic non-performing loans and securities.

⁶ Ratio between impairment losses on performing client loans and gross exposure of performing client loans.

⁷ Ratio of the sum of annualised impairment losses on performing customer loans (net of investments with financial entities and government bonds), organic non-performing loans and HTC securities to net exposures of same at the end of the period.

⁸ Ratio of customer loan, government bonds and Specialised Credit, Corporate Banking, Investment Banking and b-ilty securities at amortised cost to total assets.

⁹ The average shareholders' equity is calculated as the arithmetic average of the opening balance and the closing balance of the shareholders' equity attributable to the parent company.

Composition and Organisational Structure

illimity Bank operates in the banking sector and is authorised to provide carry out banking activities, offer investment services and conduct trading activities.

In 2025, illimity's Board of Directors approved an update of the Organisation Structure aimed at aligning it, where possible, with the organisational model of the parent company Banca Ifis. This evolution is an important step in fostering maximum synergy between the two entities and ensuring an effective and consistent integration path with shared strategies. illimity therefore appointed a Chief Commercial Officer (CCO) to supervise business, to whom the structures that handle origination report:

- Corporate Banking, with its two structures, Structured Finance and Factoring;
- Turnaround & Credit Opportunities;
- Investment Banking;
- ABF (Asset-Based Finance) - Investments;

The CCO is also responsible for the Digital Banking unit, in charge of Direct Banking management, and the Strategy, Projects & Business Monitoring unit, responsible for coordinating and supporting business activities, as well as the M&A Advisory & Syndication area.

Finally, the CCO also oversees the Lending Competence Line, with responsibility for credit analysis and resolution activities, in support of the *business*.

illimity Bank's *business* is also supported by the subsidiary Fürstenberg SGR (formerly illimity SGR), an Asset Management Company, whose purpose is the management of the assets of closed-end reserved collective alternative investment funds (AIFs) set up with its own funds and those of third-party institutional investors. illimity SGR, renamed Fürstenberg SGR in December, was set up with the aim of operating and developing activities in the strategic areas indicated by its parent company illimity Bank S.p.A.. The SGR shall be a professional operator in establishing, administering, managing, organising, promoting and selling AIFs;

The Bank's organisational structure is also comprised of "HQ Functions", i.e., transversal structures supporting the business and monitoring risks. In particular, it should be noted that the Chief Operating Officer (COO) also oversees the Portfolio & Business Transformation Division, responsible for managing specific assets considered "non core" and for which no *origination* is envisaged.

Corporate Banking Division

The Corporate Banking Division consists of two organisational units:

- Structured Finance, which is responsible for financing to high-potential businesses with a suboptimal financial structure and/or with a low rating or no rating; the crossover segment also includes financing solutions dedicated to acquisition activities (acquisition finance);
- Factoring, which is responsible for financing the supply chain of the operators of Italian chains and industrial districts through the activity of recourse and non-recourse purchasing of customers' trade receivables, through a dedicated digital channel.

Each unit is tasked with analysing the customers and sector within its portfolio to design the optimal financing solution, assess the risk level of each position, define product pricing or transaction specifications, interface with customers to monitor the risk profiles of counterparties and intervene promptly, where necessary, in the event of problems, in coordination with the Bank unit responsible for monitoring loans.

The objective of the Corporate Banking Division - which reports to the CCO - is to serve businesses, usually medium-sized, with a credit standing that is not necessarily high, but that have a good industrial potential and which, due to the complex nature of transactions to be financed, or their financial difficulties, require a specialist approach to supporting business development programmes or plans to rebalance and relaunch industrial activities.

Therefore the Division mainly focuses on structuring detailed financing transactions that meet the complex needs of its counterparties, directly supporting customer companies.

Turnaround & Credit Opportunities Division

The Turnaround & Credit Opportunities Division - which reports to the CCO - identifies business opportunities for companies in financial distress or facing situations of discontinuity, assessing the credit rating and defining strategies for restructuring, revitalisation or growth.

Specifically, the Division carries out transactions through various instruments (such as the purchase of loans) on Non-Performing positions, Special Situations, and Turnarounds, with the aim of implementing their rehabilitation and return to performing status. This is achieved through the identification of optimal financial solutions, which may include the disbursement of new loans or the takeover of existing ones. Additionally, the Division manages relations with shareholders, companies, creditors, and other investors, thereby creating profit plans and continuously monitoring customers' risk.

Investment Banking Division

The Investment Banking Division - which reports to the CCO - is responsible for defining and executing capital markets operations (both in the equity segment and the debt segment for corporate customers), for derivatives trading on own behalf and for third parties, for structuring structured finance transactions for funding and capital optimisation purposes to support the other units of the Bank.

The Division's Value Proposition provides for:

- alternative solutions for businesses, to provide new "finance" and/or improve their financial position, in addition to those already offered by the Bank, exploiting the synergies with the other Group divisions (i.e. Basket Bonds, Basket Loans, securitisations of trade receivables and inventories, securitisations of secured and unsecured loans, single-tranche structures, IPOs, derivative instruments to provide solutions for interest rate and exchange rate risk, etc.);
- structuring funding transactions and capital optimisation (i.e. SRTs), also supporting other Company Divisions and Functions.

The Division is divided into four organisational units, described below:

- Capital Markets, which provides strategic development solutions for businesses, also through access to capital markets;
- Investment & Hedging Solutions, which manages the "Corporate Bonds" and "Alternative Debt Securities" portfolio and offers solutions to SMEs and Mid Caps to hedge market risks;
- Securitisations & Funding Solutions, which is responsible for structuring financial optimisation solutions for corporate clients, as well as structuring funding solutions for the Bank and financial customers.
- Structured Products & Client Solutions, which scouts for customers in areas related to Investment Banking, leveraging existing relationships and collaborating with other business units within the Bank to ensure comprehensive customer coverage and identify cross-selling opportunities.

For the conduct its Investment Banking business, illimity also avails itself of the vehicles Piedmont SPV and Mia SPV.

ABF Investments Division

The ABF Investments Division, which reports to the CCO, operates in the area of asset-backed loans with the objective of returning value to the asset and maximising its production capacity. The Division is particularly focused on the investment/financing opportunities in so-called single name loans with underlying real estate, as well as *senior financing* opportunities aimed at *single name* third-party investors or the subscription of notes issued by SPVs that acquire asset-based NPEs.

Digital Banking Division

illimity, through its Digital Banking Division, offers digital banking products and services to retail customers and to business customers or to small- and medium-sized enterprises with turnover of EUR 2 million to EUR 10 million.

The Digital Banking Division, which reports to the CCO, is responsible for the management of the funding platform, i.e., the web and app channel for retail customers.

The Value Proposition for the Division's customers currently extends to the following categories of products and services:

- Current accounts, offered through an innovative, digital user experience, with associated credit, debit and prepaid cards managed in collaboration with nexi;
- Deposit accounts with competitive rates and a simple, customisable product structure;
- Spending Projects, to simply and automatically save to achieve one's goals – offered only to retail customers;
- Account Aggregator and Payment Initiation Service, i.e. features that enable the aggregation in each customer's home banking of accounts held with other banks, making it possible to perform transactions;
- Offer of a complete range of products (i.e. personal loans, American Express credit cards and insurance products) – offered only to retail customers.

Portfolio & Business Transformation Division

The Portfolio & Business Transformation Division manages the portfolio of positions related to the Distressed Credit business. In particular it manages the portfolio management & asset optimisation activities, for positions derived from businesses in the distressed/specialised credit sector.

To carry out its activities pertaining to the *non-core* ex-Specialised Credit perimeter, the Portfolio & Business Transformation Division uses the vehicles Aporti, Friuli SPV, Doria SPV, River SPV, Pitti SPV, Maui SPE, Dagobah SPV, Spicy Green SPV, Sileno SPV, Montes SPV, Iside SPE and the companies Soperga RE, Friuli LeaseCo, Doria LeaseCo, River LeaseCo, Pitti LeaseCo, Dagobah LeaseCo, Montes LeaseCo, Vela 2023 LeaseCo, Eolo LeaseCo, River Immobiliare, Mida RE, SpicyCo, SpicyCo 2, Enervitabio San Giuseppe Società Agricola, Renit CPV and Little Spicy.

To carry out the activities of the *b-ilty* business, the Division uses the funds INGENII Open Finance, Ingenii Boost Finance and Space Direct Lending Fund as well as the vehicles GRO SPV, Farky SPV, Farm SPV, Dome SPV and Havana SPV.

Transversal Structures – HQ Functions

Transversal operations and support activities are supervised by the following units reporting directly to the CEO:

- Financial, Administration & ALM, responsible for coordinating the overall strategic planning process, relations with the financial community, developing the Corporate Social Responsibility plan as well as the administrative, accounting and control activities;
- Human Resources, responsible for human resource management;
- Legal, responsible for legal support and relations with the Authorities;
- Corporate Affairs, responsible for managing the corporate secretariat as well as general affairs and corporate support;
- COO, who oversees the areas of privacy & security, the group's ICT, banking operations, the management of ICT third parties, procurement, as well as the management of the organisational activities for transversal supervision and coordination for the Bank.

In turn, the following units also fall within the scope of the HQ Functions, reporting directly to the CEO:

- Risk, responsible for guaranteeing the strategic oversight and definition of risk management policies;
- Compliance & AFC, responsible for compliance risk management and oversight of money laundering and terrorist financing risk.

Bank Branches and Offices

The Bank's branches and offices are as follows:

- Milan - Via Soperga, 9 (registered office);

- Modena – Via F. Lamborghini 88/90.

Human Resources

As at 30 June 2026 the Group's registered employees numbered 339 (672 as at 31 December 2025). A breakdown of the workforce is given below, divided by job level:

Job level	30/06/2026			31/12/2025			Changes	
	Number	in %	Average age	Number	in %	Average age	Number	in %
	employees			employees			employees	
Senior managers	42	12%	47	65	10%	48	(23)	(35%)
Middle managers	169	50%	40	282	42%	40	(113)	(40%)
Employees	128	38%	34	325	48%	33	(197)	(61%)
Employees	339	100%		672	100%		(333)	(50%)

The decline in the workforce, in addition to the turnover factor, is largely attributable to the sale of the companies ARECneprix (which had 117 employees at the date it exited from the scope of consolidation of the illimity Group), as well as the sub-Group Abilio (which had a total of 149 employees at the date it exited from the scope of consolidation of the illimity Group).

Significant Events in the First Half of 2026

The Impact of External Factors on the Strategic and Operational Context of illimity and Its Subsidiaries

During the first half of 2026, the international macroeconomic and financial environment is characterised by a high degree of uncertainty. Persistent geopolitical tensions, particularly in the Middle East, have continued to fuel the volatility of energy and financial markets, affecting economic growth expectations and inflationary dynamics.

In this scenario, the European Central Bank maintained a monetary policy approach geared to price stability, adjusting official interest rates in June in the light of renewed inflationary pressures linked to rising energy prices and confirming an approach dependent on developments in macroeconomic data. At the same time, the European banking sector continued to strengthen its operational resilience and risk management safeguards, also in consideration of the full application of Regulation (EU) 2022/2554 (Digital Operational Resilience Act - DORA), which required intermediaries to further consolidate the ICT governance, cybersecurity, critical supplier management and business continuity frameworks.

Climate change, artificial intelligence, automation and digitalisation remain the major challenges worldwide. COP29 has already confirmed how serious the damage caused by pollution and global warming is with extreme weather events that are and will become increasingly more frequent. Without adequate mitigating measures, there would be greater potential exposure to credit risk (recessive scenario), operational risks (extensive use of artificial intelligence in banking processes), and legal risks (cybersecurity and sensitive data breaches).

The integration process of illimity bank S.p.A. and its subsidiaries in the Banca Ifis Group and the associated risks related to the evolution of its business model are managed as part of the integration activities resulting from the Public Tender and Exchange Offer, which continued as planned during the half-year.

The initiatives of the second half of the year focused on the progress of the process of industrial, organisational and operational integration between companies, with particular reference to the harmonisation of governance systems, internal controls, risk management models and business processes, to realise the synergies envisaged and ensure business continuity in compliance with the applicable regulatory framework.

In light of the above-mentioned elements, it should be noted how illimity bank S.p.A. has hitherto defined its business model and developed and applied its risk management policies, ensuring that they are resilient in a context still characterised by significant risks, based on the following key elements:

- contained exposure to direct risks and a business mix in which lines of activity have limited correlation, in a context of restricted budget targets and tight control over the allocation of capital;
- a highly conservative approach to pricing investments and providing funding, consistent with the parent company's directives;
- a continuous monitoring and tight governance over exposure to the riskiest economic sectors or asset classes, through the definition of the Risk Appetite Framework and related risk limits, including the involvement of the parent company's bodies;
- evolution of RAF, ICAAP/ILAAP processes and internal control safeguards with respect to strategic business choices and integration into the parent company framework;
- climatic-environmental risk analyses and assessments of the related impact in relation to risk factors related to sustainability, the transition to an economy less dependent on hydrocarbons, and the intensification of physical risk linked to climate change;
- a governance structure that relies on the managerial committees and governing boards to carry out assessments at regular intervals on the actual and potential economic, financial and operational impacts of the current context on the strategic and operational choices of the various business lines;
- an impact assessment of macro scenarios that also take into account the evolution of the context and the responses of the Authorities, markets, companies and consumers. That assessment is also formalised in the prospective capital adequacy (ICAAP) and liquidity (ILAAP) assessments and in the preparation of the Recovery Plan, and used for the update of the Risk Appetite Framework and the sustainability assessment of the Strategic Plan.
- a monitoring of the evolution of the macroeconomic environment.

Significant Events During the Period

Sale of the equity investment held by illimity Bank in Hype to Sella at a price of EUR 85 million

Following the receipt of regulatory approvals in early 2026, on 6 February 2026 the equity investment held by illimity Bank in Hype and corresponding to 50% of the company's capital was sold to the Banca Sella Group at the agreed price of EUR 85 million. The transaction had a positive impact on the consolidated income statement of the illimity Group for EUR 3.7 million.

Sale by illimity Bank of loans for a value amounting to EUR 41 million

On 28 January 2026, illimity Bank completed a sale of loans recognised among assets held for sale for a value of EUR 41 million, in line with the carrying amount in the Financial Statements as at 31 December 2025.

Completed the sale of Abilio to Servizilegali.net, which will relaunch its development with a two-year plan, and transfer of control of Quimmo Agency and Quimmo Prestige Agency to COIMA

On 11 May 2026, illimity Bank completed the sale of Abilio S.p.A. to Servizilegali.net S.r.l., which took over 100% of the company. Previously, 82% of Abilio S.p.A. was owned by illimity Bank and 18% by COIMA.

The transaction is aimed at enabling the full relaunch of Abilio S.p.A. within a group entirely focused on the company's business activities. To facilitate this path, Banca Ifis has provided Abilio, through illimity Bank, with the economic funding necessary for the corporate turnaround, in line with the traditional focus of the Group on enhancing the professional qualities of people. With the acquisition by Servizilegali.net, a company attributable to Mr Claudio Palazzetti, a professional with over 25 years of consolidated experience in the field of judicial sales, Abilio will see the continuation of its activities with renewed energy and a turnaround plan with the objective of break-even in two years, whilst safeguarding employment levels.

The sale of Abilio S.p.A. to Servizilegali.net S.r.l. does not, however, include its subsidiaries: Quimmo Agency and Quimmo Prestige Agency. These were acquired by COIMA with a 60% share, and by illimity Bank with a 40% share. The transaction is aimed at securing the optimal growth strategy for both companies and forms part of the renewed partnership between Banca Ifis and the COIMA Group, which represents the natural best owner to steer the future of the two agencies.

The transaction as a whole had a negative effect on the consolidated income statement of the illimity Group for EUR 17.3 million, recorded under the item Profit (Loss) from disposal of investments.

It should also be noted that, on the basis of the recognition by illimity Bank of a 40% stake in the interest in Quimmo Agency and Quimmo Prestige Agency, equity investments of EUR 0.1 million were recorded in the consolidated balance sheet assets, valued using the equity method (as they were subject to significant influence).

Completed the sale of 100% of ARECneprix to Prelios for EUR 29.9 million

On 30 June 2026, Banca Ifis completed the sale of 100% of ARECneprix, an asset management company specialising in the management of non-performing loans, real estate assets and complex transactions, to Prelios S.p.A. Previously, ARECneprix was wholly owned by illimity Bank S.p.A.

At the same time as the completion of the transaction, ARECneprix and illimity Bank signed a multi-year servicing agreement aimed at ensuring continuity in managing the portfolios of the Banca Ifis Group.

The agreement is part of the strategy of the Banca Ifis Group to focus on core activities, while enhancing distinctive assets and expertise within specialised industrial companies. Moreover, thanks to the multi-year servicing agreement, the group has optimised its operational and equity profile, leveraging an industrial partnership with a leading long-standing operator and ensuring continuity in portfolio management.

The agreement provided for an economic consideration of EUR 29.9 million. The transaction had a negative effect on the consolidated income statement of the illimity Group for EUR 2.1 million, recorded under the item Profit (Loss) from disposal of investments.

Other Information

Transactions with group companies and related parties

In accordance with the provisions of Consob Resolution no. 17221 of 12 March 2010 and subsequent amendments, as well as the prudential supervision provisions for banks referred to in Circular no. 285 of Bank of Italy of 17 December 2013, Part Three, Chapter 11 (on the subject of "Risk activities and conflicts of interest with related parties"), any related party transactions are carried out in compliance with the procedure approved by the Board of Directors called "Group Policy on transactions with related parties, connected entities and corporate representatives pursuant to art. 136 of the Consolidated Law on Finance".

During the first half of 2026, no major transactions were carried out with related parties outside the scope of consolidation of the Banca Ifis Group.

For further details on the transactions of this type recorded in the half-year, please refer to the relevant section of the explanatory notes.

Atypical or non-ordinary transactions

In the first six months of 2026 the illimity Bank Group did not carry out any atypical or non-ordinary transactions as defined in the Consob Communication no. 6064293 of 28 July 2006.

Research and Development

In view of its activities, the Group did not implement any research and development programmes during the period.

Report on corporate governance and the ownership structure

With reference to the "Report on corporate governance and the ownership structures", please refer to the last one prepared in compliance with the third and fifth paragraph of art. 123 bis of Legislative Decree no. 58 of February 24, 1998 ("TUF"), i.e. the one prepared for the financial year 2025 in the form of a report separate from the Group Directors' Report and published together with the consolidated financial statements as at 31 December 2025.

Management and coordination

As previously mentioned in the section "The Group" of this report, please be reminded that as from 4 July 2025 (settlement date of the public tender and exchange offer for illimity shares), the Bank and the entities of the Group related to it are subject to the management and coordination of Banca IFIS S.p.A.

Statement of Financial Position as of 30 June 2026

The balance sheet and income statement formats, within the Group's Interim Directors' Report, are represented in a reclassified form, according to management criteria, in order to provide timely indications on the Group's general performance based on rapidly and easy to understand aggregated economic and financial data to allow more immediate reading of the results. A consolidated condensed reclassified income statement is included in the Group's Directors' Report.

The goal has been to simplify the use of these financial statements through the specific aggregations of line items and reclassifications detailed below. Therefore, this Interim Directors' Report includes a reconciliation between the financial statements presented and the mandatory financial reporting format laid down in Bank of Italy Circular No. 262, whose values converge in the items of the reclassified financial statements.

Reconciliation with the mandatory financial statements items aids in reclassification of the items in question, but above all facilitates the understanding of the criteria adopted in constructing the reclassified formats compared to those included in the consolidated condensed interim financial statements. Additional details useful to this end are provided below:

- recoveries of taxes recognised among other operating expenses/income are deducted directly from the indirect taxes included among other administrative expenses and therefore their amount has been set off against the relevant item of the mandatory financial statements;
- the cost components related to Raisin's operations are deducted from the net interest margin;
- dividends received from financial assets measured at fair value through profit or loss were included in the Net profit (loss) on financial assets trading;
- personnel expenses also include documented, itemised reimbursements of room, board and travel expenses incurred by employees on business trips and the costs of mandatory examinations;
- contributions and membership fees are excluded from other administrative expenses and recognised in a separate item, named "Contributions and other non-recurring expenses". Fair value adjustments and one-off components related to the integration of illimity in Banca Ifis were also classified in that item, as well as the economic effects linked to the disposal of assets and the sale of equity investments considered non-strategic by the parent company Banca IFIS;
- interest expense resulting from the lease liability (IFRS 16) is recognised under other administrative expenses;
- net profit (loss) on closed positions include profits and losses generated from the sale of property investments and *datio in solutum* transactions;
- write-backs and write-downs linked to transformations of capital assets, which are not loans, are reclassified to Other operating expenses and income (excluding taxes);
- net gains/losses on credit exposures to customers on closed positions are presented separately from net impairment losses/reversals for credit risk.

Some assets and liabilities in the balance sheet were grouped together, concerning:

- the inclusion of hedging derivative assets, property and equipment, tax assets and assets held for sale in the residual item other assets;
- the aggregation of loan and securities at amortised cost from banks and financial entities;
- the separate indication of government bonds at amortised cost and loans to customers and investments at amortised cost;
- the separate indication of goodwill and other intangible assets;
- the reclassification of Leasing agreement liabilities, recognised under payables to customers and payables to banks, based on IFRS 16, to other liabilities for operational purposes;
- the inclusion of hedging derivative liabilities, the Allowance for Risks and Charges and employee severance pay in residual items of other liabilities;
- the aggregate indication of items comprising shareholders' equity.

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(amounts in thousands of euros)

Components of official items of the Balance Sheet	Assets	30/06/2026	31/12/2025	Chg.	Chg. %
10	Cash and cash equivalents	245,253	229,715	15,538	7%
	Loans to banks, financial entities and other institutions	56,009	118,033	(62,024)	(53%)
40 a) + 40 b)					
40 b)	Loans to customers and investments	3,592,638	4,012,087	(419,449)	(10%)
40 b)	Government Bonds HTC	1,015,206	989,398	25,808	3%
30	HTCS Financial assets	434,308	544,166	(109,858)	(20%)
20 a) + 20 c)	FVTPL Financial assets	492,493	513,885	(21,392)	(4%)
70	Investments in Equity	31,096	32,056	(960)	(3%)
100	Goodwill	-	21,971	(21,971)	(100%)
100	Other intangible Assets	7,043	22,623	(15,580)	(69%)
50 + 90 + 110 + 120 + 130	Other assets	362,294	572,263	(209,969)	(37%)
	Total assets	6,236,340	7,056,197	(819,857)	(12%)

(amounts in thousands of euros)

Components of official items of the Balance Sheet	Liabilities	30/06/2026	31/12/2025	Chg.	Chg. %
10 a)	Due to banks	879,270	726,472	152,798	21%
10 b)	Due to customers	4,126,003	4,935,968	(809,965)	(16%)
10 c)	Securities issued	511,116	574,477	(63,361)	(11%)
20 + 40 + 50 + 60 + 80 + 90 + 100	Other liabilities	154,691	228,823	(74,132)	(32%)
(*)	Shareholders' equity	565,260	590,457	(25,197)	(4%)
	Total liabilities and shareholders' equity	6,236,340	7,056,197	(819,857)	(12%)

(*) 120 + 150 + 160 + 170 + 180 + 190 + 200

Summary of consolidated balance sheet data

The Group's total assets amounted to EUR 6,236.3 million as of 30 June 2026, down by 12% on 31 December 2025, when they amounted to EUR 7,056.2 million. The decrease recorded during the period, amounting to EUR 819.9 million, is mainly linked to the reduction in loans to customers, as a result of repayments on loans in the various business divisions, which were not offset by new business origination during the period, which remained at modest levels. In addition, the adjustments recorded during the half-year as well as the completed disposals affect the reduction of loans.

Loans to banks, financial entities and other institutions amounted to EUR 56 million, down compared to 31 December 2025, when they amounted to EUR 118 million, following the decrease in the component to financial entities and others for EUR 20 million and the decrease in loans to banks for EUR 42 million.

As at 30 June 2026, the Group's assets mainly consisted of financial assets measured at amortised cost deriving from loans to customers and investments totalling EUR 3,592.6 million, down from EUR 4,012.1 million as at 31 December 2025.

Government bonds HTC, whose book value as of 30 June 2026 was to EUR 1015.2 million, were up by EUR 25.8 million compared to 31 December 2025.

HTCS financial assets are mainly represented by government bonds, *Collateralised Loan Obligations* (“CLOs”) and equity instruments. This item totalled EUR 434.3 million and was down by EUR 109.9 million compared to 31 December 2025, mainly as a result of the sales, primarily of government bonds, carried out by Treasury and the Investment Banking Division.

As of 30 June 2026, the Group had a total negative net valuation reserve of EUR 12.1 million, due primarily to the negative contribution of the reserve on securities managed through the HTCS business model. The reserve showed an improvement of around EUR 0.5 million compared with the closing balance for the 2025 financial year.

FVTPL financial assets amount to EUR 492.5 million and consist of loans measured at fair value for EUR 3.5 million, which relate to the Turnaround division, financial assets held for trading for EUR 10.6 million and financial instruments totalling EUR 478.4 million (primarily relating to AIF units subscribed as part of contribution-in-kind transactions).

The latter increased from EUR 465.7 million as of 31 December 2025, mainly due to the subscription of fund units.

The item equity investments, which amounted to EUR 31.1 million as of 30 June 2026, consists predominantly of the value of the equity investment in the company AltermAInd, arising from the agreement with Apax Partners and subject to significant influence by illimity. The item decreased by an amount of EUR 1 million, mainly due to the negative result achieved by the company in the half-year. At 30 June 2026, the item also includes the equity investments in Quimmo Agency and Quimmo Prestige Agency, in relation to which the Group sold control during the half-year, but in which it retained a 40% shareholding, exercising significant influence.

As of 30 June 2026, the goodwill balance has been reduced to zero following disposal transactions completed during the half-year. Specifically, the sale of ARECneprix resulted in the derecognition of goodwill amounting to EUR 17.4 million, while the loss of control over Quimmo Prestige Agency (previously fully consolidated and indirectly controlled via Abilio S.p.A., but now subject to significant influence by illimity Bank) resulted in the derecognition of goodwill amounting to EUR 4.6 million.

As at 30 June 2026, intangible assets amounted to EUR 7 million, a decrease of about EUR 15.6 million compared to 31 December 2025. The reduction is due to multiple factors, and the main ones are: i) depreciation and amortisation for the period, ii) the derecognition (due to the sale of ARECneprix) of software attributable to the company, as well as specific intangible assets identified at the time of acquisition of the AREC business; iii) the derecognition of intangible assets recorded in the assets of Abilio, Quimmo Agency and Quimmo Prestige Agency, which were also sold during the half-year.

Other asset items, which as of 30 June 2026 amounted to EUR 362.3 million, were down compared to 31 December of the previous year for EUR 210 million. This reduction is mainly due to the completion of the sale of the equity investment in Hype (classified as at 31 December 2025 under assets held for sale for EUR 81.3 million), as well as some credit positions also previously classified as held for sale. There was also a reduction in other assets for EUR 70 million, related to a decrease in tax receivables and transit items (mainly composed of receivables for collections to be received).

Total consolidated liabilities and shareholders' equity as at 30 June 2026 amounted to EUR 6,236.3 million. Financial liabilities to customers measured at amortised cost, net of the lease liabilities related to IFRS 16, amounted to EUR 4,126 million and decreased compared to 31 December 2025, mainly due to lower funding from both retail and institutional counterparties, to be read together with the drop in loans.

Amounts due to banks – including the central banks component, and also net of the lease liabilities to banks relating to IFRS 16 – stood at EUR 879.3 million, up by EUR 152.8 million compared to 31 December 2025. The increase is mainly related to funding from the parent company Banca IFIS.

Securities issued amounted to EUR 511.1 million, down from the value at year-end 2025 mainly due to the maturity of one of the bond tranches issued by the Bank.

Consolidated shareholders' equity amounted to EUR 565.3 million, down from EUR 590.5 million at 31 December 2025, mainly as a result of the negative result for the year, amounting to EUR 24.9 million.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(amounts in thousands of euros)

Components of official items of the Income Statement	Income Statement items	30/06/2026	30/06/2025	Chg.	Chg. %
10 + 20 + 320	Net interest margin	53,985	58,264	(4,279)	(7%)
40 + 50 + 320	Net fees and commissions	28,809	30,937	(2,128)	(7%)
70 + 80 + 90 + 100 + 110	Net profit of trading, hedge accounting and financial assets trading	15,467	20,533	(5,066)	(25%)
130 a) + 130 b) + 200 a) + 280	Net profit (loss) on closed positions	(953)	10,049	(11,002)	N/A
140 + 110 + 230 + 320	Other operating expenses and income (excluding taxes)	3,044	4,098	(1,054)	(26%)
Total net operating income		100,352	123,881	(23,529)	(19%)
190 a) + 320	Personnel expenses	(32,790)	(40,540)	7,750	(19%)
190 b) + 320	Other administrative expenses	(47,369)	(61,815)	14,446	(23%)
210 + 220 + 320	Net impairment losses/reversals on property and equipment and intangible assets	(7,256)	(8,099)	843	(10%)
Operating costs		(87,415)	(110,454)	23,039	(21%)
Operating profit (loss)		12,937	13,427	(490)	(4%)
130 a)	Net impairment losses/reversals for credit risk - HTC Banks, Financial entities and Customers	(20,920)	(120,451)	99,531	(83%)
130 b)	Net impairment losses/reversals for credit risk - HTCS	(233)	(1,648)	1,415	(86%)
200 a)	Net impairment losses/reversals for commitments and guarantees	(272)	283	(555)	N/A
Total net impairment losses/reversals		(21,425)	(121,816)	100,391	(82%)
200 b)	Other net provisions	206	(586)	792	N/A
250	Other income (expenses) on equity investments	2,542	(2,532)	5,074	N/A
190 b) + 230	Contributions and other non-recurring expenses	(21,107)	(5,615)	(15,492)	>100%
Profit (loss) before tax		(26,847)	(117,122)	90,275	(77%)
300 + 320	Income tax for the period on continuing operations	1,830	(1,330)	3,160	N/A
Profit (Loss) for the period		(25,017)	(118,452)	93,435	(80%)
340	Profit (loss) for the period attributable to minority interests	165	667	(502)	(75%)
Profit (Loss) for the period attributable to the Parent Company		(24,852)	(117,785)	92,933	(80%)

Consolidated financial performance highlights

The Group's total net operating income for the period ended 30 June 2026 amounted to EUR 100.4 million, down on the same period of the previous year, when it amounted to EUR 123.9 million.

In particular, at the level of net interest income, there was a reduction of EUR 4.3 million, closely related to the sharp contraction in loans.

Net fees and commissions, amounting to EUR 28.8 million as at 30 June 2026, decreased by EUR 2.1 million with respect to the comparative figure. The decrease is linked to both a lower business origination and the divestment of control of the companies Abilio, Quimmo Agency and Quimmo Prestige Agency on 11 May, whose core revenues were recorded among the fees and commission income.

Net profit (loss) on financial asset trading decreased by EUR 5.1 million compared to the comparative figure, mainly due to negative fair value changes recorded on AIFs in the portfolio.

Total net operating income reflects a net loss on closed positions at 30 June 2026 for EUR 1 million. Likewise, the balance of other operating expenses and income decreased compared to the comparative period by EUR 1 million.

Operating expenses amounted to EUR 87.4 million as of 30 June 2026, down by around EUR 23 million compared to the previous financial year.

In particular, personnel expenses amounted to approximately EUR 32.8 million and consist mainly of employee wages and salaries and the related social security contributions. The amount decreased compared to the same period of the previous financial year, mainly due to the high turnover as well as disposals leading to the loss of control of certain companies.

Administrative expenses decreased by EUR 14.4 million with respect to the comparative figure. This change is primarily attributable to the costs incurred in the first half of 2025 in relation to Banca Ifis' Public Tender and Exchange Offer.

Depreciation, amortization and impairment losses on property, plant and equipment and intangible assets amounted to approximately EUR 7.3 million, down by EUR 0.8 million compared to 30 June 2025.

Overall net impairment losses/reversals on portfolio positions improved by EUR 100.4 million. It should be recalled that significant net impairment losses of EUR 121.8 million were recognised in the income statement in the first half of 2025, primarily concerning the measurement of certain credit portfolios and securitisation notes recognised following asset transformation transactions conducted in previous financial years (so-called Vela transactions).

Income from equity investments, relating to the results for the period and gains on disposal of companies consolidated using the equity method, was also recorded, amounting to EUR 2.5 million. This figure improved compared to the same period of the previous year, mainly due to the capital gain relating to the sale of the equity investment in Hype, amounting to EUR 3.7 million. This result was partially offset by the proportionate negative results generated primarily by the investee AltermAInd, amounting to EUR -1.1 million.

In addition, contributions and other non-recurring expenses and net provisions of approximately EUR 20.9 million were recognised. They are mainly related to integration charges and the result of the disposal of investments related to subsidiaries.

Based on the above, as of 30 June 2026, a loss before taxes was recorded for the period for EUR 26.8 million.

After income taxes on continuing operations of approximately EUR 1.8 million, the net loss attributable to the parent company as at 30 June 2026 was EUR 24.9 million – up compared to the loss of EUR 117.8 million recorded as at 30 June 2025. It is specified that the consolidated result includes the net gain attributable to minority interests of EUR 165 thousand.

Key Data on Capital

Financial Assets Measured at Amortised Cost

The table below provides an overview of the Group's main financing at amortised cost, compared with the relevant values as of 31 December 2025.

(amounts in thousands of euros)

FINANCIAL ASSETS AT AMORTISED COST	30/06/2026						31/12/2025					
	Gross Exposure	Inc. %	Impairment losses	Book Value	Inc. %	Coverage ratio (*)	Gross Exposure	Inc. %	Impairment losses	Book Value	Inc. %	Coverage ratio (*)
Due from banks	56,058	1.1%	(49)	56,009	1.2%	0.09%	98,106	1.7%	(83)	98,023	1.9%	0.08%
- Loans	56,058	1.1%	(49)	56,009	1.2%	0.09%	98,106	1.7%	(83)	98,023	1.9%	0.08%
- Stage 1-2	56,058	1.1%	(49)	56,009	1.2%	0.09%	98,106	1.7%	(83)	98,023	1.9%	0.08%
Loans to financial entities and other institutions	-	0.0%	-	-	0.0%	N/A	20,010	0.4%	-	20,010	0.4%	0.00%
- Loans	-	0.0%	-	-	0.0%	N/A	20,010	0.4%	-	20,010	0.4%	0.00%
- Stage 1-2	-	0.0%	-	-	0.0%	N/A	20,010	0.4%	-	20,010	0.4%	0.00%
Government Bonds	1,016,403	20.2%	(1,197)	1,015,206	21.8%	0.12%	990,540	17.5%	(1,142)	989,398	19.3%	0.12%
- Stage 1-2	1,016,403	20.2%	(1,197)	1,015,206	21.8%	0.12%	990,540	17.5%	(1,142)	989,398	19.3%	0.12%
Loans to customers and Investments	3,955,892	78.7%	(363,254)	3,592,638	77.0%	9.18%	4,553,072	80.4%	(540,985)	4,012,087	78.4%	11.88%
Loans	2,876,849	57.2%	(147,356)	2,729,493	58.5%	5.12%	3,211,136	56.7%	(135,326)	3,075,810	60.1%	4.21%
- Stage 1-2	2,075,394	41.3%	(34,397)	2,040,997	43.8%	1.66%	2,430,428	42.9%	(37,876)	2,392,552	46.7%	1.56%
- Stage 3	801,455	15.9%	(112,959)	688,496	14.8%	N/A	780,708	13.8%	(97,450)	683,258	13.3%	N/A
Securities	1,079,043	21.5%	(215,898)	863,145	18.5%	20.01%	1,145,360	20.2%	(209,603)	935,757	18.3%	18.30%
- Stage 1-2	375,825	7.5%	(1,854)	373,971	8.0%	0.49%	419,692	7.4%	(2,054)	417,638	8.2%	0.49%
- Stage 3	703,218	14.0%	(214,044)	489,174	10.5%	30.44%	725,668	12.8%	(207,549)	518,119	10.1%	28.60%
Public Procurement Claims	-	0.0%	-	-	0.0%	N/A	196,576	3.5%	(196,056)	520	0.0%	N/A
Total	5,028,353	100%	(364,500)	4,663,853	100.0%	N/A	5,661,728	100%	(542,210)	5,119,518	100%	N/A

(*) In the column "Coverage ratio", the value "n/a" was inserted as it refers to net impairment losses/reversals and therefore is not correlated to the gross exposure in terms of coverage representation.

Financial assets at amortised cost, equal to EUR 4,663.9 million as of 30 June 2026, were mainly composed of loans to customers and investments, which comprise 77% of the item total, in addition to government bonds, which comprise 21.8% of the total, and loans to banks, which comprise 1.2% of the total.

A breakdown of the quality of organic customer credit (loans and securities, net of loans to financial entities and other institutions) and a comparison to the previous year is provided below. For a definition of the organic loan perimeter, reference is made to the disclosures in the Alternative Performance Measures section as of 30 June 2026.

(amounts in thousands of euros)

LOANS TO CUSTOMERS - ORGANIC	30/06/2026						31/12/2025					
	Gross Exposure	Inc. %	Impairment losses	Book Value	Inc. %	Coverage ratio (*)	Gross Exposure	Inc. %	Impairment losses	Book Value	Inc. %	Coverage ratio (*)
Non-performing loans – Organic	577,403	15.7%	(112,959)	464,444	14.0%	19.56%	504,375	12.5%	(97,450)	406,925	11.1%	19.32%
- Bad loans	195,610	5.3%	(61,890)	133,720	4.0%	31.64%	135,977	3.4%	(46,377)	89,600	2.4%	34.11%
- Unlikely-to-pay positions	316,935	8.6%	(45,151)	271,784	8.2%	14.25%	292,150	7.3%	(44,487)	247,663	6.7%	15.23%
- Past-due positions	64,858	1.8%	(5,918)	58,940	1.8%	9.12%	76,248	1.9%	(6,586)	69,662	1.9%	8.64%
Non-performing securities - Organic	660,026	17.9%	(214,044)	445,982	13.41%	32.43%	671,528	16.7%	(207,278)	464,250	12.61%	30.87%
- Bad loans	3,000	0.1%	(540)	2,460	0.1%	18.00%	3,000	0.1%	(540)	2,460	0.1%	18.00%
- Unlikely-to-pay positions	657,026	17.8%	(213,504)	443,522	13.3%	32.50%	668,528	16.6%	(206,738)	461,790	12.5%	30.92%
Performing loans	2,451,219	66.5%	(36,251)	2,414,968	72.62%	1.48%	2,850,120	70.8%	(39,930)	2,810,190	76.34%	1.40%
- Loans	2,075,394	56.3%	(34,397)	2,040,997	61.4%	1.66%	2,430,428	60.4%	(37,876)	2,392,552	65.0%	1.56%
- Securities	375,825	10.2%	(1,854)	373,971	11.2%	0.49%	419,692	10.4%	(2,054)	417,638	11.3%	0.49%
Total	3,688,648	100.0%	(363,254)	3,325,394	100.0%	9.85%	4,026,023	100.0%	(344,658)	3,681,365	100.0%	8.56%

Organic non-performing loans amounted to EUR 464.4 million, an increase compared to 31 December 2025, mainly due to the deterioration of certain counterparties falling within the non-core and b-ilty business perimeter. As regards the coverage ratio of organic non-performing loans as of 30 June 2026, this stood at 19.6%, essentially stable compared to the figure as of 31 December 2025.

As at 30 June 2026, performing loans amounted to EUR 2,041 million, while performing securities amounted to EUR 374 million, both down from 31 December 2025 mainly due to collections made in the Factoring and Structured Finance segments.

The coverage ratio for the performing loans as of 30 June 2026 was equal to 1.7%, up compared to the figure as of 31 December 2025.

Below is a breakdown of the inorganic component of the portfolio, which comprises loans and securities. At 30 June 2026, the Group no longer has direct exposures in Public Procurement Claims.

(amounts in thousands of euros)

LOANS TO CUSTOMERS - INORGANIC & PPC	30/06/2026						31/12/2025					
	Gross Exposure	Inc. %	Impairment losses	Book Value	Inc. %	Coverage ratio (*)	Gross Exposure	Inc. %	Impairment losses	Book Value	Inc. %	Coverage ratio (*)
Non-performing loans - inorganic	224,052	83.8%	-	224,052	83.8%	N/A	276,333	52.4%	-	276,333	83.6%	N/A
- Bad loans	53,862	20.2%	-	53,862	20.2%	N/A	93,372	17.7%	-	93,372	28.2%	N/A
- Unlikely-to-pay positions	164,290	61.5%	-	164,290	61.5%	N/A	176,493	33.5%	-	176,493	53.4%	N/A
- Past-due positions	5,900	2.2%	-	5,900	2.2%	N/A	6,468	1.2%	-	6,468	2.0%	N/A
Non-performing securities - Inorganic	43,192	16.2%	-	43,192	16.2%	N/A	54,140	10.3%	(271)	53,869	16.3%	N/A
- Unlikely-to-pay positions	43,192	16.2%	-	43,192	16.2%	N/A	54,140	10.3%	(271)	53,869	16.3%	N/A
PPC	-	0.0%	-	-	0.0%	N/A	196,576	37.3%	(196,056)	520	0.2%	N/A
Total	267,244	100.0%	-	267,244	100.0%	N/A	527,049	100.0%	(196,327)	330,722	100.0%	N/A

(*) In the column "Coverage ratio", the value "n/a" was inserted as it refers to net impairment losses/reversals and therefore is not correlated to the gross exposure in terms of coverage representation.

Inorganic non-performing loans amounted to EUR 224.1 million, of which:

- EUR 53.9 million related to transactions classified as Bad loans mainly referred to the Non-Core segment, down from EUR 93.4 million as at 31 December 2025;
- EUR 164.3 million related to transactions classified as unlikely-to-pay positions mainly related to Turnaround, Non-Core and Asset-Based Financing segments, down from EUR 176.5 million as at 31 December 2025;
- EUR 5.9 million related to transactions classified as past due referring to the Non-Core segment, down from EUR 6.5 million as at 31 December 2025.

On the other hand, with regard to inorganic non-performing securities, amounting to EUR 43.2 million as at 30 June 2026, these decreased with respect to the comparative figure as at 31 December 2025 mainly due to the repayments referring to the Convivio transaction, in JV with Apollo Global Management.

Funding

(amounts in thousands of euros)

CUSTOMER FUNDING BY TECHNICAL FORM	30/06/2026		31/12/2025		Change	
	Book value	Inc. %	Book value	Inc. %	Absolute	Chg. %
Amounts due to customers (A)	4,126,003	74.8%	4,935,968	79.1%	(809,965)	(16.4%)
Securities issued (B)	511,116	9.3%	574,477	9.2%	(63,361)	(11.0%)
Total direct customer funding (A) + (B)	4,637,119	84.1%	5,510,445	88.4%	(873,326)	(15.8%)
Due to banks (C)	879,270	15.9%	726,472	11.6%	152,798	21.0%
Total debt (A) + (B) + (C)	5,516,389	100.0%	6,236,917	100.0%	(720,528)	(11.6%)

The Group's liabilities present total "direct funding" of EUR 5,516.4 million, broken down between customers for EUR 4,637.1 million and banks for EUR 879.3 million.

The reduction in amounts due to customers for EUR 810 million refers to both the retail term component and the institutional component. These changes are related to the reduction in lending volumes.

Amounts due to banks, including the central bank component, showed an increase compared to the comparative figure as at 31 December 2025, especially by way of the funding to the parent company Banca Ifis in repurchase agreement transactions.

Securities issued amounted to EUR 511.1 million, down from the value at year-end 2025, mainly due to the maturity of one of the bond tranches issued by the Bank in June.

Property and Equipment and Intangible Assets

Property and equipment amounted to approximately EUR 45.3 million as of 30 June 2026, down compared to EUR 50.9 million as of 31 December 2025. The reduction is mainly related to the transfer of control of the companies Arecneprix, Abilio, Quimmo Agency and Quimmo Prestige Agency, which involved the derecognition of the assets referring to them.

In accordance with IFRS 16, the item includes the Right of Use of assets acquired through lease agreements, of approximately EUR 23.2 million, net of accumulated depreciation. This balance also includes the values of Right of Use assets relating to photovoltaic plants recognised following the consolidation of SpicyCo and its subsidiaries as of 9 July 2024.

As of 30 June 2026, the goodwill balance has been reduced to zero following disposal transactions completed during the half-year. Specifically, the sale of Arecneprix resulted in the derecognition of goodwill amounting to EUR 17.4 million, while the loss of control over Quimmo Prestige Agency (previously fully consolidated and directly controlled via Abilio S.p.A., but now subject to significant influence by illimity Bank) resulted in the derecognition of goodwill amounting to EUR 4.6 million.

As of 30 June 2026, intangible assets, other than goodwill, amounted to EUR 7 million, a decrease of about EUR 15.6 million compared to 31 December 2025. The reduction is due to multiple factors, and the main ones are: i) depreciation and amortisation for the period, ii) the derecognition (due to the sale of ARECneprix) of software in the assets of the company, as well as specific intangible assets identified at the time of acquisition of the AREC business; iii) the derecognition of intangible assets recorded in the assets of Abilio, Quimmo Agency and Quimmo Prestige Agency, which were also sold during the half-year.

Tax Assets and Tax Liabilities

Tax assets amounted to approximately EUR 89.2 million as of 30 June 2026, down from the EUR 95.1 million recognised as of 31 December 2025. Details of the breakdown of tax assets are shown below.

(amounts in thousands of euros)

TAX ASSETS	30/06/2026	31/12/2025	Chg.	Chg. %
Current	31,069	29,234	1,835	6%
Deferred	58,141	65,871	(7,730)	(12%)
Total	89,210	95,105	(5,895)	(6%)

Deferred tax assets other than those convertible into tax credits (Article 2, paragraph 55 et seq. of Italian Legislative Decree no. 225/2010) are recognised on the basis of the assessments of their likelihood of being recovered. In this regard, it should be noted that no new deferred tax assets were recognised on the tax loss accrued for the 2025 tax period, amounting to approximately EUR 76.8 million. For further details, please refer to the Explanatory Notes.

Deferred tax assets primarily relate to the effects of the tax relief option on goodwill and other intangible assets recognised in the financial statements following extraordinary transactions and purchases of equity investments, the tax misalignments relating to the financial assets measured at fair value through other comprehensive income, and tax losses recognised with reference to the 2024 tax period. No deferred tax assets have been recognised in respect of tax losses arising in the 2025 financial year or the first half of 2026.

The main changes compared with the previous year refer to the reduction in the write-downs recorded on the securities portfolio measured at fair value through other comprehensive income and the progressive reversal of fiscally recognised portions relating to goodwill and other intangible assets.

With regard to tax liabilities as of 30 June 2026, these amounted to EUR 1.0 million, down from EUR 3.3 million as of 31 December 2025 due to the reversal of part of deferred taxes during the year and the derecognition of those recorded on the Balance Sheets liabilities of the companies for which the contract was transferred.

(amounts in thousands of euros)

TAX LIABILITIES	30/06/2026	31/12/2025	Chg.	Chg. %
Current	161	472	(311)	(66%)
Deferred	867	2,824	(1,957)	(69%)
Total	1,028	3,296	(2,268)	(69%)

Capital Adequacy

Changes in Shareholders' Equity

Consolidated shareholders' equity amounted to EUR 565.3 million, down compared to 31 December 2025 mainly as a result of the loss for the period. The decrease in Shareholders' equity attributable to minority interests is mainly attributable to the sale of the subsidiaries Abilio, Quimmo Agency and Quimmo Prestige Agency.

(amounts in thousands of euros)		
Items/Technical Forms	30/06/2026	31/12/2025
1. Share capital	54,789	54,789
2. Share premium reserve	624,922	624,922
3. Reserves	(76,017)	228,569
4. Equity instruments	-	-
5. (Treasury shares)	(5,070)	(5,070)
6. Valuation reserves	(12,101)	(12,627)
7. Profit (Loss) for the year attributable to the parent company	(24,852)	(305,053)
Total shareholders' equity attributable to the Group	561,671	585,530
Shareholders' equity attributable to minority interests	3,589	4,927
Total shareholders' equity	565,260	590,457

Share capital and ownership structure

As of 30 June 2026, the Bank's share capital amounted to EUR 54,789,379.31, fully subscribed and paid up, divided into 84,067,808 Ordinary Shares, without indication of the par value, wholly owned by the shareholder Banca IFIS S.p.A.

Treasury shares and shares of the parent company

As at 30 June 2026, the Bank held 998,182 treasury shares for an amount of EUR 5.1 million, in line with the figure as at 31 December 2025. The Bank's subsidiaries do not hold any of its shares. Similarly, illimity Bank does not hold any shares in the parent company, Banca IFIS.

Equity reconciliation of the parent company - consolidated

The table below gives a reconciliation of the shareholders' equity and the result of illimity Bank S.p.A. with the respective data for the Group as of 30 June 2026:

(amounts in thousands of euros)		
	Shareholders' equity	Profit/loss
illimity Bank S.p.A.	560,767	(15,528)
Effect of consolidation of subsidiaries	16,700	-
Result of subsidiaries	(843)	(843)
Consolidation adjustments	5,597	12,069
Dividends	(20,550)	(20,550)
Group	561,671	(24,852)

Financial Performance

Net Interest Margin

(amounts in thousands of euros)							
Items/Technical Forms	Loans / Payables	Debt securities	Other transactions	30/06/2026	30/06/2025	Absolute changes	Change %
Interest income							
1. Financial assets measured at fair value through profit or loss	-	2,137	-	2,137	3,670	(1,533)	(42%)
<i>Held for trading</i>	-	-	-	-	1	(1)	(100%)
<i>Designated at FV</i>	-	-	-	-	-	-	N/A
<i>Mandatorily measured at fair value</i>	-	2,137	-	2,137	3,669	(1,532)	(42%)
2. Financial assets at FV through other comprehensive income	-	4,471	-	4,471	9,382	(4,911)	(52%)
3. Financial assets at amortised cost	83,351	53,816	-	137,167	167,671	(30,504)	(18%)
<i>Due from banks</i>	2,293	1,032	-	3,325	5,927	(2,602)	(44%)
<i>Customer loans</i>	81,058	52,784	-	133,842	161,744	(27,902)	(17%)
4. Hedging derivatives	-	-	(718)	(718)	356	(1,074)	N/A
5. Other assets	-	-	1,853	1,853	3,630	(1,777)	(49%)
6. Financial liabilities	-	-	-	91	908	(817)	(90%)
Total interest income	83,351	60,424	1,135	145,001	185,617	(40,616)	(22%)
Interest expenses							
1. Financial liabilities at amortised cost	(73,020)	(15,366)	-	(88,386)	(121,369)	32,983	(27%)
<i>Due to central banks</i>	(19)	-	-	(19)	(20)	1	(5%)
<i>Due to banks</i>	(8,306)	-	-	(8,306)	(10,299)	1,993	(19%)
<i>Due to customers</i>	(64,695)	-	-	(64,695)	(82,691)	17,996	(22%)
<i>Securities issued</i>	-	(15,366)	-	(15,366)	(28,359)	12,993	(46%)
2. Financial liabilities held for trading	-	-	-	-	-	-	N/A
3. Financial liabilities designated at FV	-	-	-	-	-	-	N/A
4. Other liabilities and provisions	-	-	(1,863)	(1,863)	(2,559)	696	(27%)
5. Hedging derivatives	-	-	(753)	(753)	(3,250)	2,497	(77%)
6. Financial assets	-	-	-	(14)	(175)	161	(92%)
Total interest expenses	(73,020)	(15,366)	(2,616)	(91,016)	(127,353)	36,337	(29%)
Net interest margin	10,331	45,058	(1,481)	53,985	58,264	(4,279)	(7%)

As of 30 June 2026, the net interest margin amounted to approximately EUR 54 million, down on the comparative period, when it amounted to approximately EUR 58.3 million.

The change described above is essentially attributable to the drop in loan volumes observed as well as the reduction in market reference interest rates, which contributed more rapidly to the reduction in interest income with respect to the change in interest expense.

Interest on loans to customers decreased by EUR 27.9 million compared to the same period of the previous year.

Interest income on financial assets mandatorily measured at fair value was down by EUR 1.5 million compared to 30 June 2025.

The interest expenses component decreased by EUR 36.3 million compared to 30 June 2025, mainly due to the optimisation of funding to be interpreted in conjunction with the drop in loans.

In detail, interest expenses due to banks and customers decreased by EUR 1.9 million and EUR 18 million, respectively.

Interest on bonds decreased by EUR 13 million, attributable to the maturity of a EUR 300 million bond tranche in December 2025.

The negative contribution made by hedging differentials as at 30 June 2026 amounted to EUR 1.5 million.

Net Fees and Commissions

Items / Technical Forms	(amounts in thousands of euros)			
	30/06/2026	30/06/2025	Absolute changes	Change %
Fees and commission income				
b) Corporate Finance	3,720	1,677	2,043	>100%
e) Collective portfolio management	5,379	3,680	1,699	46%
i) Payment services	1,730	1,871	(141)	(8%)
j) Distribution of third party services	64	56	8	14%
l) Servicing activities for securitisation operations	9,944	9,019	925	10%
n) Financial guarantees issued	408	615	(207)	(34%)
o) Loan transactions	8,389	14,447	(6,058)	(42%)
p) Currency trading	13	14	(1)	(7%)
r) Other commission income	3,710	6,243	(2,533)	(41%)
Total	33,357	37,622	(4,265)	(11%)
Fees and commission expense				
d) Custody and administration	(332)	(504)	172	(34%)
e) Collection and payment services	(1,198)	(1,263)	65	(5%)
f) Servicing activities for securitisation operations	(75)	(63)	(12)	19%
h) Financial guarantees received	(123)	(179)	56	(31%)
k) Other fees and commission expense	(2,820)	(4,676)	1,856	(40%)
Total	(4,548)	(6,685)	2,137	(32%)
Net fees and commissions	28,809	30,937	(2,128)	(7%)

Net fees and commission amounted to EUR 28.8 million as of 30 June 2026, down compared to the period ended 30 June 2025, when it amounted to EUR 30.9 million.

The reduction in fees and commission income is mainly explained by the net effect of the decrease in revenue deriving from financing transactions and other fees and commission income, respectively down by EUR 6 million and EUR 2.5 million compared to the same period of the previous year. This trend is only partially offset by the increase in corporate finance revenue and portfolio management services for EUR 2 million and EUR 1.7 million.

Fees and commission expense decreased by approximately EUR 2.1 million.

Other Operating Expenses and Income

Items/Technical Forms	30/06/2026	30/06/2025	(amounts in thousands of euros)	
			Absolute changes	Change %
Other operating expenses				
Amortisation of expenses for improvements on third party assets	(98)	(190)	92	(48%)
Other operating expenses	(2,760)	(4,153)	1,393	(34%)
Total	(2,858)	(4,343)	1,485	(34%)
Other operating income				
Recoveries of expenses from other customers	2,943	4,014	(1,071)	(27%)
Other income	2,774	3,050	(276)	(9%)
Rental income	185	1,377	(1,192)	(87%)
Total	5,902	8,441	(2,539)	(30%)
Other operating income/expenses	3,044	4,098	(1,054)	(26%)

Other operating expenses and income decreased by EUR 1.1 million with respect to the comparative figure. The decrease in operating income related to rental income is related to the contraction in the Group's Real Estate portfolio. Furthermore, the effects of expenses and income from expenditure recovery recognised by the Group balance each other out.

Personnel Expenses

Items / Technical Forms	30/06/2026	30/06/2025	(amounts in thousands of euros)	
			Absolute changes	Change %
1. Employees	(30,174)	(37,136)	6,962	(19%)
2. Other personnel in service	(1,762)	(2,177)	415	(19%)
3. Directors and statutory auditors	(854)	(1,227)	373	(30%)
Personnel expenses	(32,790)	(40,540)	7,750	(19%)

Personnel expenses amounted to approximately EUR 32.8 million and consist mainly of employee wages and salaries and the related social security contributions. Group personnel expenses decreased by EUR 7.8 million, mainly due to the reduction in wage and salary costs attributable to higher turnover.

The Group headcount as of 30 June 2026 stood at 339 units, a decrease compared to the corresponding figure as of 30 June 2025, which amounted to 750 units.

The decline in the workforce, in addition to the turnover factor, is largely attributable to the sale of the companies ARECneprix (which had 117 employees at the date it exited from the scope of consolidation of the illimity Group), as well as the sub-Group Abilio (which had a total of 149 employees at the date it exited from the scope of consolidation of the illimity Group).

Other Administrative Expenses

Items / Technical Forms	(amounts in thousands of euros)			
	30/06/2026	30/06/2025	Absolute changes	Change %
Insurance	(2,606)	(2,302)	(304)	13%
Various consulting services	(1,151)	(13,084)	11,933	(91%)
Cost of services	(2,547)	(2,680)	133	(5%)
Financial information	(1,934)	(1,886)	(48)	3%
Adverts and advertising	(434)	(959)	525	(55%)
Financial statements audit	(658)	(665)	7	(1%)
IT and software expenses	(27,675)	(27,035)	(640)	2%
Legal and notary's fees	(1,811)	(2,505)	694	(28%)
Property management expenses	(3,425)	(3,801)	376	(10%)
Expenses for professional services	(1,926)	(3,237)	1,311	(41%)
Utilities and services	(113)	(131)	18	(14%)
Other indirect taxes and duties	(1,256)	(1,843)	587	(32%)
Others	(1,833)	(1,687)	(146)	9%
Total other administrative expenses	(47,369)	(61,815)	14,446	(23%)

Other administrative expenses amounted to approximately EUR 47.4 million, down by EUR 14.4 million compared to the figure recorded as at 30 June 2025, and refer primarily to IT and software expenses, expenses for real estate and insurance management.

This change is primarily attributable to the costs of the Public Tender and Exchange Offer expensed in the first half of 2025 attributable to the item Various consulting services.

Net Impairment Losses/Reversals on Property and Equipment and Intangible Assets

Items / Technical Forms	(amounts in thousands of euros)			
	30/06/2026	30/06/2025	Absolute changes	Change %
Net impairment losses/reversals on property and equipment				
Property and equipment with functional use				
<i>of which: Own property and equipment</i>	(214)	(156)	(58)	37%
<i>of which: Inventories</i>	-	(170)	170	(100%)
<i>of which: Rights of use acquired through lease agreements</i>	(2,659)	(2,622)	(37)	1%
Total	(2,873)	(2,948)	75	(3%)
Net impairment losses/reversals on intangible assets				
Finite useful life	(4,383)	(5,151)	768	(15%)
Indefinite useful life	-	-	-	-
Total	(4,383)	(5,151)	768	(15%)
Net impairment losses/reversals on property and equipment and intangible assets	(7,256)	(8,099)	843	(10%)

Net depreciation, amortization and impairment losses on property and equipment and intangible assets amounted to approximately EUR 7.3 million, slightly down compared to EUR 8.1 million as of 30 June of the previous year.

The decrease in depreciation and amortisation compared to 2025 is largely attributable to the deconsolidation of some companies in 2026.

Net Impairment Losses/Reversals and Profits on Closed Positions

(amounts in thousands of euros)									
Transaction/ Income item	Impairment losses (1)			Reversals (2)			Total (1)+(2)	of which Closed Positions (3)	LLPs (1)+(2)-(3)
	Stage one and Stage two	Stage three	Impaired	Stage one and Stage two	Stage three	Impaired			
Assets measured at Amortised Cost									
- Loans	(11,972)	(24,972)	(8,556)	11,764	11,516	8,124	(14,096)	(969)	(13,127)
- Debt securities	(910)	(13,770)	-	1,051	5,836	-	(7,793)	-	(7,793)
Amortised Cost Subtotal	(12,882)	(38,742)	(8,556)	12,815	17,352	8,124	(21,889)	(969)	(20,920)
HTCS Assets									
- Loans	-	-	-	-	-	-	-	-	-
- Debt securities	(185)	(442)	-	394	-	-	(233)	-	(233)
HTCS Subtotal	(185)	(442)	-	394	-	-	(233)	-	(233)
Guarantees given and Irrevocable commitments to disburse funds									
	(1,012)	-	(123)	756	-	121	(258)	14	(272)
Total	(14,079)	(39,184)	(8,679)	13,965	17,352	8,245	(22,380)	(955)	(21,425)

The result from closed positions achieved during the period, which was negative for EUR 1 million, is also detailed below.

(amounts in thousands of euros)

Recap Closed Positions	30/6/2026
<i>On HTC financial assets - POCI</i>	(574)
<i>On HTC financial assets - Other</i>	(395)
<i>On Guarantees given and Irrevocable commitments to disburse funds</i>	14
Closed Positions Loan Portfolios Subtotal	(955)
<i>On disposal of Repossessed Assets</i>	2
Closed Positions Real Estate Subtotal	2
Total	(953)

The contribution to the income statement made by closed positions (i.e. inorganic credit exposures transferred to third parties) derives from transactions to sell POCI positions for a negative EUR 0.6 million, and from disposals of other financial assets measured at amortised cost for a negative EUR 0.4 million.

Contributions and Other Non-Recurring Expenses

The item Contributions and other non-recurring expenses includes:

- The economic effects arising from the disposal of control of the companies Abilio, Quimmo Agency, Quimmo Prestige Agency and ARECneprix, considered non-strategic by the parent company;
- The operating costs incurred in connection with the integration process of illimity Bank into Banca IFIS, also with reference to the envisaged merger transaction;
- Contributions and membership fees mainly related to the banking system.

With regard to the economic effects deriving from the aforementioned disposal of control, the following is specified:

- The transfer of Abilio, Quimmo Agency and Quimmo Prestige Agency as a whole resulted in a negative effect on the consolidated income statement of the illimity Group of EUR 17.3 million, generated by a carrying amount of net assets and liabilities of EUR 11.8 million, plus EUR 5.8 million in funding provided to the companies to enable the seamless continuation of their operations, net of a transfer consideration of EUR 0.3 million.
- The transfer of ARECneprix resulted in a negative effect on the consolidated income statement of the illimity Group of EUR 2.1 million, determined by a transfer consideration of EUR 29.9 million (whose present value is EUR 29.3 million), net of the carrying amount of net assets and liabilities of EUR 31.4 million.

On the other hand, with regard to operating expenses incurred with the aim of facilitating the process of integrating illimity Bank into Banca IFIS, it should be noted that these refer to a positive effect in the item Personnel expenses for EUR 2.3 million (related to the release of *severance costs* previously set aside), net of a negative effect in the item Other administrative expenses for EUR 3.8 million and related to IT & Technology costs.

Finally, contributions and membership fees incurred in the first half of 2026 amounted to EUR 0.1 million.

Quarterly Trend

The quarterly trend of the reclassified consolidated balance sheet and consolidated income statement is presented below.

Reclassified Balance Sheet

(amounts in thousands of euros)					
Assets	30/06/2026	31/03/2026	31/12/2025	30/09/2025	30/06/2025
Cash and cash equivalents	245,253	168,866	229,715	243,992	355,932
Due from banks, financial entities and other institutions	56,009	133,846	118,033	212,078	129,982
Loans to customers and investments	3,592,638	3,736,496	4,012,087	4,228,151	4,418,930
Government Bonds	1,015,206	1,002,919	989,398	978,919	989,157
HTCS Financial assets	434,308	435,357	544,166	629,125	760,189
FVTPL Financial assets	492,493	510,806	513,885	555,849	566,950
Investments in Equity	31,096	31,458	32,056	58,576	139,632
Goodwill	-	21,971	21,971	33,731	33,731
Other intangible Assets	7,043	20,354	22,623	25,750	27,390
Other assets	362,294	379,993	572,263	487,517	432,939
Total Assets	6,236,340	6,442,066	7,056,197	7,453,688	7,854,832

(amounts in thousands of euros)					
Liabilities	30/06/2026	31/03/2026	31/12/2025	30/09/2025	30/06/2025
Due to banks	879,270	469,274	726,472	547,114	640,355
Due to customers	4,126,003	4,560,182	4,935,968	4,963,888	5,200,347
Securities issued	511,116	579,938	574,477	967,536	961,459
Other liabilities	154,691	222,373	228,823	230,216	268,178
Shareholders' equity	565,260	610,299	590,457	744,934	784,493
Total liabilities and shareholders' equity	6,236,340	6,442,066	7,056,197	7,453,688	7,854,832

Reclassified Income Statement

Income Statement items	(amounts in thousands of euros)				
	Q22026	Q12026	Q42025	Q32025	Q22025
Net interest margin	30,463	23,522	26,138	25,197	26,152
Net fees and commissions	13,399	15,410	16,341	16,876	14,960
Net profits (loss) on financial assets trading	(12,445)	27,912	(10,770)	(3,711)	3,823
Net profit (loss) on closed positions	(2,440)	1,487	1,025	3,972	9,170
Other operating expenses and income (excluding taxes)	1,946	1,098	456	2,117	1,575
Total net operating income	30,923	69,429	33,190	44,451	55,680
Personnel expenses	(15,074)	(17,716)	(15,022)	(17,641)	(20,074)
Other administrative expenses	(24,136)	(23,233)	(27,449)	(25,190)	(27,745)
Net impairment losses/reversals on property and equipment and intangible assets	(3,519)	(3,737)	(7,099)	(3,298)	(4,762)
Operating costs	(42,729)	(44,686)	(49,570)	(46,129)	(52,581)
Operating profit (loss)	(11,806)	24,743	(16,380)	(1,678)	3,099
Net impairment losses/reversals for credit risk - HTC Banks, financial entities and customers	(19,296)	(1,624)	(73,155)	(15,627)	(107,436)
Net impairment losses/reversals for credit risk - HTCS	29	(262)	(1,789)	2,229	(1,682)
Net impairment losses/reversals for commitments and guarantees	(102)	(170)	(579)	101	695
Total net impairment losses/reversals	(19,369)	(2,056)	(75,523)	(13,297)	(108,423)
Other net provisions	207	(1)	(596)	(3,165)	(355)
Other income (expenses) on equity investments	(491)	3,033	670	(408)	(669)
Contributions and other non-recurring expenses	(19,260)	(1,847)	(59,207)	(9,893)	(12,185)
Profit (loss) before tax	(50,719)	23,872	(151,036)	(28,441)	(118,533)
Income taxes for the year on continuing operations	3,829	(1,999)	1,727	(10,063)	2
Profit (loss) for the year	(46,890)	21,873	(149,309)	(38,504)	(118,531)
Profit (loss) for the financial year attributable to minority interests	(122)	287	473	72	485
Profit (Loss) for the year attributable to the Parent Company	(47,012)	22,160	(148,836)	(38,432)	(118,046)

The net interest margin in the second quarter of 2026 amounted to approximately EUR 30.5 million, up compared with the previous quarter. The increase is mainly attributable to the recognition of higher interest income in transformed securitisation transactions, as a result of their collections.

Total net operating income for the second quarter of 2026 amounted to EUR 30.9 million. In addition to the net interest margin, revenues for the quarter include net fees and commission of EUR 13.4 million, net loss on closed positions in the quarter of approximately EUR 2.4 million, other net income of EUR 1.9 million and a net loss of EUR 12.4 million from trading activities and measurement of the assets at fair value, mainly linked to the measurement of the AIFs.

Operating expenses in the second quarter of 2026, equal to approximately EUR 42.7 million, show a decrease on the previous quarter.

Personnel expenses decreased compared to the figure in the first quarter of 2026, mainly due to the lower number of employees in the workforce as well as for the releases that occurred during the quarter of components linked to the severance of a perimeter of senior management personnel.

Other administrative expenses amounting to EUR 24.1 million in the second quarter of 2026 increased by an amount of about EUR 0.9 million compared to the previous quarter, mainly due to seasonality factors related to IT consumption.

Net impairment losses/reversals on loans, negative for EUR 19.4 million, are mainly related to impairment/reversals recorded on securitisation notes relating to POCI assets as well as to the loans of the b-ilty business.

In addition, contributions and other non-recurring expenses of about EUR 19.3 million were recognised, up compared to the previous quarter as a result of extraordinary integration costs and the negative result from the disposal of control on equity investments considered non-strategic by the parent company.

In addition, net losses from equity investments were recognised, down compared with the previous quarter, driven by the results for the period of companies accounted for using the equity method.

Net, therefore, of income taxes on continuing operations, presenting a positive balance of around EUR 3.8 million, and the portion attributable to minorities, amounting to EUR 122 thousand, the consolidated net profit attributable to the parent company in the second quarter of 2026 presented a negative balance of EUR 47 million - down with respect to the profit recorded in the previous quarter.

Contribution of Operating Segments to the Group's Results

The illimity Group operates through an organisational structure comprising an operating segment known as “Business,” supported by corporate center “Central Functions” (hereinafter also “HQ Functions”).

The Business operating segment is composed of the following divisions/products:

- Corporate Banking;
- Turnaround & Credit Opportunities;
- Investment Banking;
- ABF-Investments;
- Digital Banking;
- B-ilty;
- Non-Core business;

to which are added the following legal entities:

- Fürstenberg SGR, focused on the management of reserved alternative investment funds;
- ARECneprix, engaged in the management and enhancement of distressed loans and real estate assets;
- Abilio S.p.A., which operates in the management and sale of assets from insolvency proceedings through online auctions and a nationwide network of professionals.

It should be noted that the financial contributions of ARECneprix and Abilio to the Business operating segment's results are included solely for the period during which illimity Bank exercised control over these entities (i.e. until the date of their disposal, an event that led to their deconsolidation from the illimity Group), which corresponds to 11 May 2026 for the companies Abilio, Quimmo Agency and Quimmo Prestige Agency, and 30 June 2026 for ARECneprix).

The “Central Functions” instead comprise cross-functional structures that support the business and manage risks. Also allocated to the HQ Functions are the results of equity investments held by the bank in Hype (until the date of its deconsolidation from the illimity Group's scope) and in AltermAInd, which are consolidated using the equity method.

The segment reporting is based on elements that management uses to make its operating decisions (“*management approach*”), in line with the reporting requirements of IFRS 8.

Please be reminded that during 2025, a change was made to the operating segment reporting following a reorganization that also impacted the way operating results are periodically reviewed at the highest operational decision-making level of the Bank.

More specifically, on 19 January 2025, the Bank announced the approval of a new internal organizational structure, appointing a Deputy CEO responsible for all business areas of the Bank and the illimity Group, and a Deputy CEO to oversee and coordinate the Group's central functions.

Consequently, the illimity Group's segment disclosure has been redefined by identifying the operating areas described above.

The following table presents key data summarising the performance of the illimity Group's business segments during the first half of 2026, along with comparative information as of 31 December 2025, for balance sheet data and for the first half of 2025 for income statement data.

Economic performance	Business	HQ Functions	Eliminations and Consolidation Adjustments	30/06/2026
Net interest margin	54.0	-	-	54.0
Net fees and commissions	28.8	-	-	28.8
Other income	17.3	0.6	(0.4)	17.5
Total net operating income	100.2	0.6	(0.4)	100.4
Personnel expenses	(24.3)	(8.5)	-	(32.8)
Other administrative expenses and net impairment losses/reversals on property and equipment and intangible assets	(26.7)	(28.4)	0.4	(54.7)
Operating costs	(51.0)	(36.9)	0.4	(87.4)
Operating profit (loss)	49.2	(36.3)	-	12.9
Net impairment losses/reversals and other provisions	(21.2)	-	-	(21.2)
Contributions and other non-recurring expenses	(19.4)	(1.7)	-	(21.1)
Other income (expenses) on equity investments	(0.1)	2.6	-	2.5
Profit (loss) before tax	8.5	(35.3)	-	(26.8)

Amounts in millions of euros. Any discrepancy between the figures shown is due exclusively to rounding.

The following are the main comparative economic data for the first half 2025.

Economic performance	Business	HQ Functions	Eliminations and Consolidation Adjustments	30/06/2025
Net interest margin	58.3	-	-	58.3
Net fees and commissions	30.9	-	-	30.9
Other income	32.9	2.1	(0.4)	34.6
Total net operating income	122.1	2.1	(0.4)	123.9
Personnel expenses	(28.5)	(12.0)	-	(40.5)
Other administrative expenses and net impairment losses/reversals on property and equipment and intangible assets	(31.9)	(38.4)	0.4	(69.9)
Operating costs	(60.4)	(50.4)	0.4	(110.5)
Operating profit (loss)	61.7	(48.3)	-	13.4
Net impairment losses/reversals and other provisions	(122.1)	(0.3)	-	(122.4)
Contributions and other non-recurring expenses	(0.1)	(5.5)	-	(5.6)
Other income (expenses) on equity investments	-	(2.5)	-	(2.5)
Profit (loss) before tax	(60.5)	(56.6)	-	(117.1)

Amounts in millions of euros. Any discrepancy between the figures shown is due exclusively to rounding.

Financial data	Business	HQ Functions	Eliminations and Consolidation Adjustments	30/06/2026
Financial assets measured at fair value through profit or loss	492.5	-	-	492.5
Financial assets at FV through other comprehensive income	429.3	5.0	-	434.3
Financial assets measured at amortised cost	4,607.9	56.0	-	4,663.9
Hedging derivatives	31.0	-	-	31.0
Equity investments	0.2	30.9	-	31.1
Property and Equipment	30.1	15.6	(0.4)	45.3
Intangible assets	-	7.0	-	7.0
Non-current assets held for sale and discontinued operations	24.4	0.5	-	24.9
Other assets	-	506.3	-	506.3
Total assets	5,615.4	621.3	(0.4)	6,236.3

Amounts in millions of euros. Any discrepancy between the figures shown is due exclusively to rounding.

Financial data	Business	HQ Functions	Eliminations and Consolidation Adjustments	31/12/2025
Financial assets measured at fair value through profit or loss	513.9	-	-	513.9
Financial assets at FV through other comprehensive income	538.8	5.4	-	544.2
Financial assets measured at amortised cost	5,001.5	118	-	5,119.5
Hedging derivatives	37.5	-	-	37.5
Equity investments	0.1	31.9	-	32.1
Property and Equipment	34.5	17	(0.6)	50.9
Intangible assets	34.6	10	-	44.6
Non-current assets held for sale and discontinued operations	65.5	81.3	-	146.8
Other assets	-	566.7	-	566.7
Total assets	6,226.4	830.3	(0.6)	7,056.2

Amounts in millions of euros. Any discrepancy between the figures shown is due exclusively to rounding.

The **Business** segment closed the first half of 2026 with a pre-tax profit of EUR 8.5 million (loss of EUR 60.5 million as at 30 June 2025). The “HQ Functions” segment closed the first half of 2026 with a pre-tax loss of EUR 35.3 million (pre-tax loss of EUR 56.6 million as at 30 June 2025).

The main highlights relating to the divisions included in the Business sector and the products it comprises are shown below. Further details on the result achieved by HQ Functions are given below.

The **Corporate Banking** Division is divided into two main areas, each of which responds to specific market and customer needs:

- Structured Finance, dedicated to the financing of high-potential enterprises with a sub-optimal financial structure or a low or absent credit rating. This also includes financing solutions dedicated to acquisition activities (so-called *acquisition finance*);

- Factoring, which supports the *supply chain* of operators in Italian industrial sectors and districts through the purchase of commercial receivables on a non-recourse and recourse purchasing, with the aid of a dedicated digital channel.

In the first half of 2026, the Division confirmed the good *origination* capacity, which saw, with the Structured Finance Area, the production of new loans in the amount of EUR 80.5 million and, with the Factoring Area, the generation of a turnover of EUR 1,147 million and loans in the amount of EUR 493 million.

The Corporate Banking Division recorded a pre-tax profit of EUR 5 million in the first half of 2026 (pre-tax profit of EUR 19.8 million as at 30 June 2025). The decrease compared to the previous year is mainly attributable to negative changes in financial assets measured at fair value. The division's operating expenses amounted to EUR 7 million, leading it to have a Cost/Income ratio of 44% as of 30 June 2026, up compared to the previous half-year mainly due to the reduction in revenue.

The **Turnaround & Credit Opportunities** Division identifies business opportunities for companies in financial distress or facing situations of discontinuity, assessing the credit rating and defining strategies for restructuring, revitalisation or growth. Specifically, the Division carries out transactions through various instruments (such as the purchase of loans) on *Non-Performing* positions, Special Situations, and Turnarounds, with the aim of implementing their rehabilitation and return to *performing* status. This is achieved through the identification of optimal financial solutions, which may include the disbursement of new loans or the takeover of existing ones. Additionally, the Division manages relations with shareholders, companies, creditors, and other investors, thereby creating profit plans and continuously monitoring customers' risk.

In the first half of 2026, the Division recorded the early closure of various positions (equal to approximately EUR 57 million) with consequent positive results in terms of revenue.

Thanks largely to the recoveries recorded at the close of a significant position, the division closed the half-year with a pre-tax profit of EUR 35.4 million (pre-tax profit of EUR 24.5 million as at 30 June 2025). The division's operating expenses are at a very low level, equal to EUR 3.7 million, leading it to have a Cost/Income ratio of 10% as at 30 June 2026.

The **Investment Banking** Division targets companies, financial companies and public institutions in order to support them in structuring market and private operations, to meet their needs for capital, debt and strategic growth, not only through IPOs, but also through *bond* issues and structuring securitisations. The Division's offering also includes derivatives trading on its own behalf and for third parties, in addition to consulting for transactions such as mergers, spin-offs, incorporations, acquisitions and corporate restructuring.

The Division consists of the following areas:

- Capital Markets, whose activities are aimed at developing strategic growth plans for small- and medium-sized enterprises, including through accessing the capital markets, defining organic and inorganic growth solutions, and optimising the financial structure.
During 2026, a placement of the "Borgosesia" bond loan (in which illimity Bank acted as *lead manager* and *bookrunner*) and 3 M&A advisory activities were finalised.
- Investment & Hedging Solutions manages the Division's investment portfolio. It also structures risk management and hedging solutions for corporate and institutional clients through the negotiation of derivative instruments to mitigate and limit risks related to their operations and balance sheet structure.
During 2026, the Area negotiated a total of 22 new interest rate risk hedging derivatives (with a nominal value of approximately EUR 153 million) and about EUR 10 million in notional value relating to foreign exchange risk hedging derivative transactions.
- Securitisations & Funding Solutions, responsible for structuring funding solutions for the Bank and corporate and financial customers through tailor-made, highly specialised financial expertise, aimed at achieving diversification of funding sources, improving companies' financial positions, and optimising customers' capital.

During 2026, the Area generated new production of approximately EUR 8.4 million.

The **Investment Banking** Division closed the first half of 2026 with a pre-tax profit of EUR 0.3 million, down from the previous half-year (pre-tax loss as at 30 June 2025 equal to a positive EUR 1.7 million), as a result of lower fee and commission income and lower business origination.

The **ABF Investments** Division operates in the area of asset-backed loans with the objective of returning value to the asset and maximising its production capacity. The Division is particularly focused on the investment/financing opportunities in so-called *single name* loans with underlying real estate, as well as *senior financing* opportunities aimed at single name third-party investors or the subscription of notes issued by SPVs that acquire *asset-based* NPEs. In the first half of 2026, the division generated new loans for a value amounting to EUR 30.8 million.

The **ABF Investments Division** ended the half-year with a pre-tax profit of EUR 4.2 million (pre-tax profit of EUR 2.4 million as at 30 June 2025), thanks mainly to the revenue generated in terms of net interest income.

The **b-ilty no core** business offers *digital banking* and *digital lending* products and services to Business customers or to small and medium-sized enterprises with turnover between EUR 2 million and EUR 10 million, with the goal of improving their financial management. This business closed the half-year with an operating profit of EUR 1 million, thanks mainly to the revenue from interest generated by the portfolios acquired through the AIF and SPV, which, however, were eroded by the division's cost of borrowing, which resulted in adjustments to the Income Statement for approximately EUR 10.8 million.

The b-ilty business closed the half-year with a pre-tax loss of EUR 9.6 million, compared to a pre-tax loss of EUR 10.9 million as at 30 June 2025.

The business of the **Ex-Specialised Credit** division closed the first half of 2026 with a pre-tax loss of EUR 12.2 million, compared to a loss of EUR 96.9 million as at 30 June 2025.

It should be noted that the result for the first half of 2025 was influenced by the impairment losses recorded on a perimeter of securitisation notes, the underlying assets of which were POCI and PPC portfolios.

The sub-group **Abilio** recorded a pre-tax loss of EUR 18.6 million, which includes both the income statement result up to the date of deconsolidation (11 May 2026), and the loss from the disposal of control in the companies Abilio, Quimmo Agency and Quimmo Prestige Agency (for a total of EUR 17.3 million).

The subsidiary **ARECneprix** closed the period with a pre-tax profit of EUR 1.9 million, which includes both the income statement result until the date of deconsolidation (30 June 2026), and the result from the sale of illimity's equity investment in the company (equal to a negative EUR 2.1 million).

The subsidiary **Fürstenberg SGR** contributed to consolidated results as at 30 June 2026 with a pre-tax profit of EUR 2.2 million (pre-tax profit of EUR 0.6 million in the first half of 2025). It is believed that the growing operations of Fürstenberg SGR will gradually bring greater benefits to the Group, especially in terms of improving the commission margin, partly by virtue of the recent rebranding and refocus of the company.

The central Corporate Center functions (**HQ Functions**) reported an operating loss of EUR 36.3 million in the half-year, consistent with its nature as a cost centre for all other functions of the Group.

The pre-tax result of HQ functions in the first half of 2026 was a loss of EUR 35.3 million (loss of EUR 56.6 million as at 30 June 2025).

It should be noted that the result for the first half of 2025 was particularly affected by non-recurring costs mainly related to the Public Tender and Exchange Offer.

Significant Events After the End of the Period

No further significant events occurred between the end of the period and the date of approval of the consolidated half-yearly financial report by the Board of Directors.

Business Outlook

In the current macroeconomic context, the Italian and European economies are experiencing moderate but stable growth, following the slowdown recorded in 2025. The latest forecasts for 2026 indicate, for Italy, an increase in GDP of around 1%, supported by improved business confidence, a gradual recovery in investment and recovering domestic demand, albeit in the presence of a still highly volatile international context.

After the peak observed in the previous two-year period, inflation is gradually returning to levels more consistent with the medium-term target of monetary policy, favouring a relaxation of financial conditions. This evolution supports loans and funding, but continues to exert downward pressure on the bank's net interest income, requiring careful management of liquidity, funding and pricing policies. In the last two months, this downward trend in interest rates has temporarily reversed, with an increase in interest rates, partly as a result of developments in the geopolitical context; however, it remains to be examined whether this is a structural change or a transitional trend, with a subsequent recovery in the long-term downward trend.

In fact, significant factors of uncertainty related to the geopolitical situation remain, including the conflict involving Iran, which has increased volatility in energy markets and could have effects on inflation, growth and cost of risk if the conflict continues. Overall, the macroeconomic conditions envisaged for the second half of 2026 remain consistent with the maintenance of a stability framework for the Italian banking system, even in a more uncertain scenario that requires particular attention to the evolution of geopolitical, regulatory and credit risks.

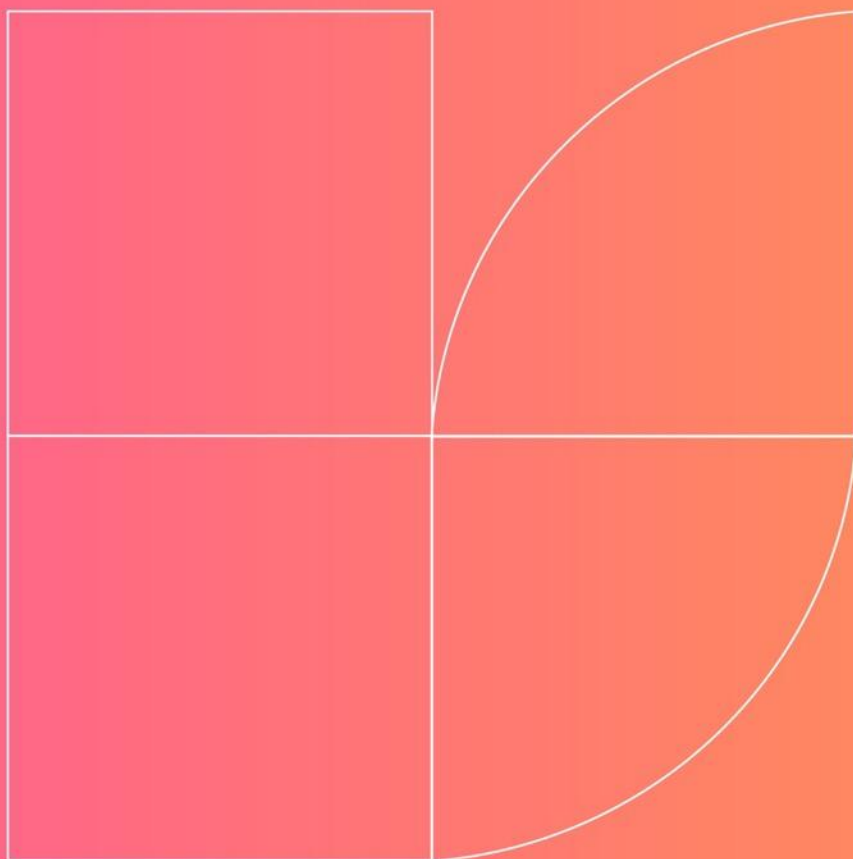
It should also be noted that the parent company has announced the review of the net profit guidance for the 2026 financial year, mainly as a result of an expected total cost of borrowing review.

Of this review, EUR 40 million resulted from the updated recovery expectations for the illimity Group's non-core NPL portfolio. Of this amount, the most significant part is expected for the second half of 2026 based on the forward-looking estimates of the cost of borrowing made for the purpose of the updated guidance for 2026.

Moreover, the process of integrating illimity with Banca Ifis will continue, which is expected to be fully completed in the fourth quarter of the year with the completion of the envisaged merger.

Consolidated Condensed Interim Financial Statements

as of 30 June 2026



CONSOLIDATED BALANCE SHEET

Assets		30/06/2026	31/12/2025
10.	Cash and cash equivalents	245,253	229,715
20.	Financial assets measured at fair value through profit or loss	492,493	513,885
	a) financial assets held for trading	10,607	12,519
	c) other financial assets mandatorily measured at fair value	481,886	501,366
30.	Financial assets measured at fair value through other comprehensive income	434,308	544,166
40.	Financial assets measured at amortised cost	4,663,853	5,119,518
	a) loans to banks	56,009	98,023
	b) loans to customers	4,607,844	5,021,495
50.	Hedging derivatives	31,027	37,482
70.	Equity investments	31,096	32,056
90.	Property and equipment	45,282	50,912
100.	Intangible assets	7,043	44,594
	of which:		
	- goodwill	-	21,971
110.	Tax assets	89,210	95,105
	a) current	31,069	29,234
	b) deferred	58,141	65,871
120.	Non-current assets held for sale and discontinued operations	24,860	146,843
130.	Other assets	171,915	241,921
	Total Assets	6,236,340	7,056,197

CONTINUED: CONSOLIDATED BALANCE SHEET

Liabilities and shareholders' equity		30/06/2026	31/12/2025
10.	Financial liabilities measured at amortised cost	5,535,743	6,260,487
	a) due to banks	879,407	726,634
	b) due to customers	4,145,220	4,959,376
	c) securities issued	511,116	574,477
20.	Financial liabilities held for trading	10,821	12,742
40.	Hedging derivatives	16,608	16,556
50.	Fair value change of financial liabilities in generic hedged portfolio (+/-)	(5,167)	(2,861)
60.	Tax liabilities	1,028	3,296
	a) current	161	472
	b) deferred	867	2,824
80.	Other liabilities	99,072	154,183
90.	Employee severance pay	2,150	4,289
100.	Provisions for risks and charges	10,825	17,048
	a) commitments and guarantees issued	2,504	2,223
	b) post-employment benefits and similar obligations	-	61
	c) other provisions for risks and charges	8,321	14,764
120.	Valuation reserves	(12,101)	(12,627)
150.	Reserves	(76,017)	228,569
160.	Share premium reserve	624,922	624,922
170.	Share capital	54,789	54,789
180.	Treasury shares (-)	(5,070)	(5,070)
190.	Equity attributable to minority interests (+/-)	3,589	4,927
200.	Profit (Loss) for the period (+/-)	(24,852)	(305,053)
Total liabilities and shareholders' equity		6,236,340	7,056,197

CONSOLIDATED INCOME STATEMENT

Items	30/06/2026	30/06/2025
10. Interest income and similar income	145,001	186,405
of which: interest income calculated according to the effective interest method	141,638	174,656
20. Interest expenses and similar charges	(90,026)	(125,852)
30. Net interest income	54,975	60,553
40. Fees and commission income	33,357	37,622
50. Fees and commission expense	(5,522)	(8,008)
60. Net fees and commissions	27,835	29,614
70. Dividends and similar income	647	1,750
80. Net profit (loss) on trading	1,478	1,785
90. Net profit (loss) in hedge accounting	6	183
100. Profits (losses) on disposal or repurchase of:	(658)	8,698
a) financial assets measured at amortised cost	(122)	6,959
b) financial assets measured at fair value through other comprehensive income	(536)	1,739
Net profit (loss) on other financial assets and liabilities measured at fair value through profit or loss	13,994	8,117
b) other financial assets mandatorily measured at fair value	13,994	8,117
120. Operating income	98,277	110,700
130. Net impairment losses/reversals for credit risks associated with:	(22,122)	(112,739)
a) financial assets measured at amortised cost	(21,889)	(111,091)
b) financial assets measured at fair value through other comprehensive income	(233)	(1,648)
140. Profits/losses on changes in contracts without derecognition	-	(788)
150. Net profit (loss) from banking activities	76,155	(2,827)
180. Net profit (loss) of banking and insurance management	76,155	(2,827)
190. Administrative expenses:	(84,640)	(106,252)
a) personnel expenses	(30,402)	(40,414)
b) other administrative expenses	(54,238)	(65,838)
200. Net allocations to provisions for risks and charges	(52)	(5,470)
a) commitments and guarantees issued	(258)	350
b) other net provisions	206	(5,820)
210. Net impairment losses/reversals on property and equipment	(2,873)	(2,948)
220. Net impairment losses/reversals on intangible assets	(4,383)	(5,151)
230. Net other income/expenses	5,776	7,436
240. Operating costs	(86,172)	(112,385)
250. Profit (losses) on equity investments	2,542	(2,532)
280. Profits (losses) on disposal of investments	(19,372)	622
290. Profit (loss) from continuing operations before tax	(26,847)	(117,122)
300. Income taxes for the year on continuing operations	1,830	(1,330)
310. Profit (loss) from continuing operations after tax	(25,017)	(118,452)
330. Profit (Loss) for the period	(25,017)	(118,452)
340. Profit (loss) for the period attributable to minority interests	165	667
350. Profit (Loss) for the period attributable to the parent company	(24,852)	(117,785)

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Items	30/06/2026	30/06/2025
10. Profit (Loss) for the period	(25,017)	(118,452)
Other income components, after tax, that may not be reclassified to the income statement		
20. Equity instruments measured at fair value through other comprehensive income	-	(1)
70. Defined-benefit plans	136	87
90. Share of valuation reserves for equity investments measured at shareholders' equity:	50	5
Other income components, after taxes, that may be reclassified to the income statement		
150. Financial assets (other than equities) measured at fair value through other comprehensive income	807	4,073
200. Total other income components after tax	993	4,164
210. Comprehensive income (Item 10+200)	(24,024)	(114,288)
220. Consolidated comprehensive income attributable to minority interests	165	662
230. Consolidated comprehensive income attributable to the parent company	(23,859)	(113,626)

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AS OF 30 JUNE 2026

	Balance on 31 December 2025	Change to opening balances	Balance on 1 January 2026	Allocation of result for the previous year		Changes in the period										Consolidated shareholders ' equity as of 30/6/2026	Group shareholders' equity as of 30/6/2026	Shareholders' equity attributable to minority interests as of 30/6/2026
				Reserves	Dividends and other allocations	Change in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Derivatives on treasury shares	Stock options	Changes in equity interests	Comprehensive income for the period				
Share capital:																		
a) ordinary shares	54,803	-	54,803	-	-	-	-	-	-	-	-	-	(11)	-	54,792	54,789	3	
b) other shares	4,126	-	4,126	-	-	-	-	-	-	-	-	-	(188)	-	3,938	-	3,938	
Share premium reserve	629,911	-	629,911	-	-	-	-	-	-	-	-	-	(4,989)	-	624,922	624,922	-	
Reserves:																		
a) of profits	194,485	-	194,485	(306,265)	-	(7,054)	-	-	-	-	-	-	4,019	-	(114,815)	(114,628)	(187)	
b) other	31,090	-	31,090	-	-	7,521	-	-	-	-	-	-	-	-	38,611	38,611	-	
Valuation reserves	(12,623)	-	(12,623)	-	-	(467)	-	-	-	-	-	-	(4)	993	(12,101)	(12,101)	-	
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Minority interests	(5,070)	-	(5,070)	-	-	-	-	-	-	-	-	-	-	-	(5,070)	(5,070)	-	
Profit (Loss) for the period	(306,265)	-	(306,265)	306,265	-	-	-	-	-	-	-	-	-	(25,017)	(25,017)	(24,852)	(165)	
Consolidated Shareholders' Equity	590,457	-	590,457	-	-	-	-	-	-	-	-	-	(1,173)	(24,024)	565,260	X	X	
Group shareholders' equity	585,530	-	585,530	-	-	-	-	-	-	-	-	-	-	(23,859)	X	561,671	X	
Shareholders' equity attributable to minority interests	4,927	-	4,927	-	-	-	-	-	-	-	-	-	(1,173)	(165)	X	X	3,589	

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AS OF 30 JUNE 2025

	Balance on 31 December 2024	Change to opening balances	Balance on 1 January 2025	Allocation of result for the previous year		Changes in the period										Consolidated shareholders' equity as of 30/6/2025	Group shareholders' equity as of 30/6/2025	Shareholders' equity attributable to minority interests as of 30/6/2025
				Reserves	Dividends and other allocations	Change in reserves	Shareholders' equity transactions											
							Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Derivatives on treasury shares	Stock options	Changes in equity interests	Comprehensive income for the period				
Share capital:																		
a) ordinary shares	54,803	-	54,803	-	-	-	-	-	-	-	-	-	-	-	-	54,803	54,789	14
b) other shares	3,284	-	3,284	-	-	-	-	-	-	-	-	-	1,059	-	-	4,343	-	4,343
Share premium reserve	629,926	-	629,926	-	-	-	-	-	-	-	-	-	(15)	-	-	629,911	624,922	4,989
Reserves:																		
a) of profits	237,277	-	237,277	(40,755)	-	-	-	-	-	-	-	(2,037)	-	-	-	194,485	197,479	(2,994)
b) other	38,611	-	38,611	-	-	-	-	-	-	-	-	-	-	-	-	38,611	38,611	-
Valuation reserves	(18,302)	-	(18,302)	-	-	-	-	-	-	-	-	-	-	4,164	-	(14,138)	(14,139)	1
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minority interests	(5,354)	-	(5,354)	-	-	-	-	-	-	-	-	-	284	-	-	(5,070)	(5,070)	-
Profit (Loss) for the period	(40,755)	-	(40,755)	40,755	-	-	-	-	-	-	-	-	-	(118,452)	-	(118,452)	(117,785)	(667)
Consolidated Shareholders' Equity	899,490	-	899,490	-	-	-	-	-	-	-	-	-	(1,768)	1,059	(114,288)	784,493	X	X
Group shareholders' equity	894,201	-	894,201	-	-	-	-	-	-	-	-	-	(1,768)	-	(113,626)	X	778,807	X
Shareholders' equity attributable to minority interests	5,289	-	5,289	-	-	-	-	-	-	-	-	-	-	1,059	(662)	X	X	5,686

CONSOLIDATED CASH FLOW STATEMENT

A. OPERATING ACTIVITIES	Amount	
	30/06/2026	30/06/2025
1. Operations	35,485	66,476
Net profit/loss for the period (+/-)	(23,372)	(118,452)
Gains/losses on financial assets held for trading and other financial assets/liabilities measured at fair value through profit or loss (-/+)	12,749	3,791
Gains/losses on hedging activities (-/+)	6	(183)
Net impairment losses/reversals for credit risk (+/-)	8,299	109,862
Net impairment losses/reversals on property and equipment and intangible assets (+/-)	7,256	8,099
Net allocations to provisions for risks and charges and other costs/income (+/-)	2,504	8,669
Net revenues and costs relating to insurance policies issued and disposals in reinsurance (-/+)	-	-
Taxes, duties and unpaid tax credits (+)	5,542	7,077
Net impairment losses/reversals on discontinued operations, net of the tax effect (+/-)	-	-
Other adjustments (+/-)	22,501	47,613
2. Cash flow generated/absorbed by financial assets	735,009	438,729
Financial assets held for trading	2,542	2,870
Financial assets designated at fair value	-	-
Other financial assets mandatorily measured at fair value	47,101	(7,810)
Financial assets measured at fair value through other comprehensive income	110,179	(3,940)
Financial assets measured at amortised cost	452,093	367,136
Other assets	123,094	80,473
3. Cash flow generated/absorbed by financial liabilities	(769,359)	(545,623)
Financial liabilities measured at amortised cost	(738,699)	(519,070)
Financial liabilities held for trading	(1,921)	(8,838)
Financial liabilities designated at fair value	-	-
Other liabilities	(28,739)	(17,715)
Cash generated/absorbed by insurance contracts issued and disposals in reinsurance	-	-
Insurance policies issued that constitute liabilities/assets (+/-)	-	-
Disposals in reinsurance that constitute assets/liabilities (+/-)	-	-
Net cash generated/absorbed by operating activities	1,135	(40,418)

B. INVESTING ACTIVITIES	Amount	
	30/06/2026	30/06/2025
1. Cash flows from	14,536	13,340
Sales of equity investments	-	-
Dividends received on equity investments	-	-
Sales of property and equipment	-	13,340
Sales of intangible assets	-	-
Sales of subsidiaries and business units	14,536	-
2. Cash flows used in	(133)	(4,254)
Purchases of equity investments	(133)	(2,000)
Purchases of property and equipment	-	(263)
Purchases of intangible assets	-	(1,991)
Purchases of subsidiaries and business units	-	-
Net cash generated/absorbed by investing activities	14,403	9,086

C. FINANCING ACTIVITIES	Amount	
	30/06/2026	30/06/2025
Issues / Purchases of treasury shares	-	-
Issues/purchases of equity instruments	-	-
Distribution of dividends and other purposes	-	-
Sale/purchase of third-party control	-	-
Net cash generated/absorbed by financing activities	-	-
NET CASH GENERATED / ABSORBED DURING THE PERIOD	15,538	(31,332)

KEY:

(+) generated

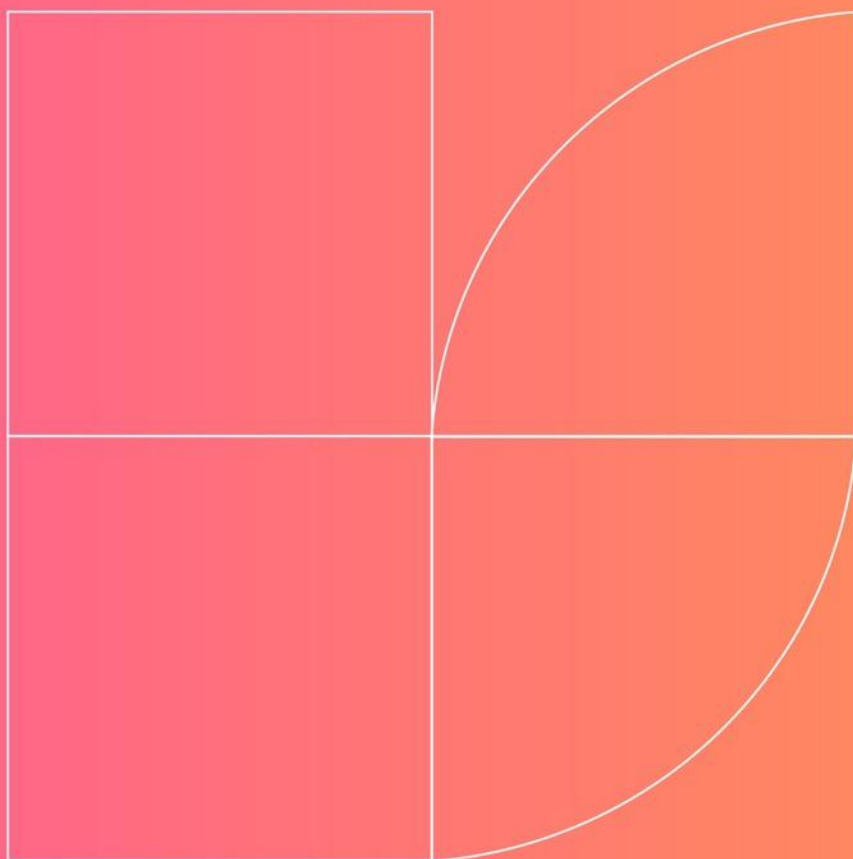
(-) absorbed

Reconciliation

FINANCIAL STATEMENT ITEMS	Amount	
	30/06/2026	30/06/2025
Cash and cash equivalents at the beginning of the period	229,715	387,264
Total net cash generated / absorbed in the period	15,538	(31,332)
Cash and cash equivalents: foreign exchange effect	-	-
Cash and cash equivalents at the end of the period	245,253	355,932

Consolidated Explanatory Notes

as of 30 June 2026



Explanatory Notes

A.1 General Information

The consolidated condensed interim financial statements have been drawn up in accordance with the requirements of Article 154-ter of the TUF, since they are issuers of financial instruments listed on regulated European markets and having established Italy as a Member State of origin.

These "Explanatory Notes" have been prepared by referring to the structure of the explanatory notes provided for in Bank of Italy Circular 262 for consolidated financial statements, although with a limited information content since they are a interim financial statements prepared in condensed form. For ease of reading, the numbering provided for by the aforementioned Circular has been maintained, although some parts, sections or tables may be omitted for the reasons illustrated above.

Section 1 - Statement of Compliance with International Accounting Standards

The consolidated condensed interim financial statements have been prepared in accordance with the IAS/IFRS international accounting standards issued by the International Accounting Standards Board (IASB) and the related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), adopted by the European Union, as established by Community Regulation no. 1606 of 19 July 2002.

For the interpretation and application of international accounting standards, reference was made to the following documents, although not endorsed by the European Union:

- Conceptual Framework for Financial Reporting ("Conceptual Framework");
- Implementation Guidance, Basis for Conclusions and any other documents prepared by IASB or IFRIC to complete the accounting standards issued.

The accounting standards applied for the preparation of the consolidated condensed interim financial statements are those in force as of 30 June 2026 (including the SIC and IFRIC interpretations).

For an overview of the accounting standards and related interpretations endorsed by the European Commission, whose mandatory application starts after the reporting date of these consolidated condensed interim financial statements, please refer to what is illustrated below.

The communications of the Supervisory Bodies (Bank of Italy, ECB, Consob and ESMA) were also considered, to the extent applicable, the recommendations of which were provided on the disclosure to be reported in the consolidated condensed interim financial statements, regarding certain aspects of greater relevance in the accounting field or concerning the accounting treatment of particular transactions.

The accounting standards used for the preparation of these consolidated condensed interim financial statements are those adopted for the preparation of the consolidated financial statements as of 31 December 2025, to which reference is made for the illustration of the criteria for the recognition, classification, valuation, cancellation and recognition of the income components relating to financial statements items.

With reference to the information provided, it should be noted that the consolidated condensed interim financial statements as at 30 June 2026 are prepared in condensed form, in accordance with IAS 34 "Interim financial reporting".

The consolidated condensed interim financial statements are subject to a limited audit by the auditing firm PricewaterhouseCoopers S.p.A.

Section 2 - Basis of Preparation

The consolidated condensed interim financial statements consist of:

- The Consolidated Financial Statements (comprising the Consolidated Balance Sheet, the Consolidated Income Statement, the Statement of Consolidated Comprehensive Income, the Statement of Changes in Shareholders' Equity and the Consolidated Cash Flow Statement);
- specific explanatory notes,

and are also accompanied by the Interim Directors' Report.

The consolidated condensed interim financial statements have been drafted with the application of the general principles set out in IAS 1, also referring to the "Conceptual Framework for Financial Reporting" (the "Framework" implemented by the IASB) with particular regard to the fundamental preparation principles concerning substance over form, materiality, the accrual basis of accounting, and the going concern assumption.

For the compilation of the consolidated condensed interim financial statements, reference was made to the financial statements issued by the Bank of Italy with Circular no. 262 of 22 December 2005, 8th update of 17 November 2022. In line with the aforementioned Circular, the financial statements do not include items that do not present amounts for the reporting period and for the period used for comparative data.

In addition to the accounting figures as at 30 June 2026, the financial statements provide the comparative disclosure relating, for Balance Sheet balances, to the last approved consolidated financial statements as at 31 December 2025 and, for balances relating to the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement, those of the Consolidated Half-Yearly Financial Report as at 30 June 2025.

The account currency is the euro and the values are expressed in thousands of euro, unless otherwise indicated. The tables in the Explanatory Notes may contain rounded-off amounts; any inconsistencies and/or discrepancies between the figures presented in the different tables are a consequence of these rounding offs.

Offsetting between assets and liabilities or between revenue and expenses is performed only if required or permitted by an accounting standard or an interpretation thereof.

The criteria for the recognition, valuation and cancellation of asset and liability items, and the methods for recognising revenue and costs, adopted in the consolidated condensed interim financial statements as at 30 June 2026 remained substantially unchanged from those adopted for the preparation of the 2025 financial statements of the illimity Group, to which reference should be made.

The accounting figures used for the preparation of the consolidated condensed interim financial statements are those prepared by the subsidiaries with reference to 30 June 2026, adjusted, where necessary, to adapt them to the accounting standards used by the Group.

If the information required by the international accounting standards and by the provisions contained in the aforementioned Circular is considered insufficient to give a true and fair representation, the Explanatory Notes provide the additional information necessary for this purpose.

The consolidated condensed interim financial statements are prepared in accordance with the following general principles:

- going concern basis: the condensed interim consolidated financial statements have been prepared on a going concern basis for the Group, as described in detail below;
- recognition on an accrual basis: the consolidated condensed interim financial statements are drafted in accordance with the principle of accrual-based accounting;
- consistency of presentation: the presentation and classification of items in the consolidated condensed interim financial statements are kept constant from one period to the other unless a principle or interpretation requires a change in the presentation or another presentation or classification is no longer appropriate. In the latter case, the explanatory notes provide information on the changes made compared to the previous period;
- materiality and aggregation: balance sheet and income statement formats consist of items (marked by Arabic numerals), sub-items (marked by letters) and additional information details (the "of

which” of the items and sub-items). The items, sub-items and related information details constitute the consolidated condensed interim financial statements. New items may be added to the previously described consolidated condensed interim financial statements tables if they are significant should their content not be attributable to any of the items already described in the financial statements. Sub-items in the tables may be grouped together when one of the following two conditions applies:

- the amount of the sub-items is immaterial;
- the combination promotes the clarity of the consolidated condensed interim financial statements;
- substance over form: transactions and other events are recognised and represented in accordance with their substance and economic reality and not only in accordance with their legal form;
- offsetting: assets and liabilities, income and costs are not offset unless this is permitted or required by an international accounting standard or its interpretation, or by the provisions of the aforementioned Circular no. 262 of the Bank of Italy;
- comparative information: comparative information relating to the previous period is provided for each account of the balance sheet and income statement, unless an accounting standard or interpretation allows or provides otherwise. Data relating to the previous period may be appropriately adapted, where necessary, in order to ensure the comparability of information relating to the reference period. Any non-comparability, adaptation, or inability of the latter are reported and commented on in the Explanatory Notes.

Information on the going concern assumption

In Document No. 2 of 6 February 2009 (“Information to be disclosed in financial reports concerning going concern, financial risks, impairment tests on assets, and uncertainties in the use of estimates”) and subsequent Document No. 4 of 4 March 2010, the Bank of Italy, Consob, and ISVAP requested Directors to carry out particularly rigorous assessments as to the existence of the going concern assumption, as required by IAS 1.

The uncertainties of the current economic context also linked to geopolitical tensions and related potential repercussions on financial markets and the real economy require particularly accurate assessments of the existence of the going concern assumption, as the Group's profitability history and easy access to financial resources could no longer be sufficient in the current context.

In this regard, in light of the capital and financial situation of the parent company illimity, as well as its group and, having examined the risks deriving from the current macroeconomic context, also as a result of the current situation, geopolitical tensions and the related possible macroeconomic implications, including those deriving from the international tensions related to the Middle East, the Directors believe that the illimity Group has the reasonable expectation of continuing to operate in the foreseeable future. Indeed, the Directors identified no risks or uncertainties such as to give rise to doubts regarding going concern; accordingly, the condensed interim consolidated financial statements as at 30 June 2026 have been prepared on a going concern basis.

For further details on the analyses conducted with reference to international tensions, please refer to the specific paragraph of the Group's Interim Directors' Report entitled "Disclosure of main risks and uncertainties and international tensions".

Section 3 – Consolidation Scope and Methods

The following are the consolidation criteria and principles used to prepare the consolidated condensed interim financial statements for the period ended 30 June 2026.

The consolidated condensed interim financial statements include the accounting values of illimity Bank and of the companies over which it directly or indirectly exercises control as of 30 June 2026, encompassing within the scope of consolidation, as specifically required by the international accounting standard IFRS 10, the financial statements or reports of companies operating in business segments dissimilar to that of illimity Bank.

It should be noted that during the first half of 2026, the illimity Group completed some significant transactions for the sale of controlling equity investments considered non-strategic by the parent company Banca Ifis.

In this regard, it should be noted that the companies Abilio, Quimmo Agency and Quimmo Prestige Agency contributed to the results of the consolidated income statement (through their consolidation with a line-by-line method) until the date of loss of control, i.e. 11 May 2026.

It should also be noted that the sale of the net assets and liabilities underlying these equity investments had a negative economic effect of EUR -17.3 million, recognised under the item Profit (Loss) from disposal of investments.

Furthermore, with reference to ARECneprix, it should be noted that it contributed to the results of the consolidated income statement (through their consolidation with a line-by-line method) until the date of loss of control, i.e. 30 June 2026. The sale of the net assets and liabilities attributable to ARECneprix resulted in a negative economic effect of Euro -2.1 million, recognised under the item Profit (Loss) from disposal of investments.

The consolidated condensed interim financial statements of the illimity Group were prepared on the basis of the financial positions as at 30 June 2026 drafted by the directors of the companies included in the scope of consolidation on the basis of uniform accounting standards.

The scope of consolidation of the consolidated condensed interim financial statements as of 30 June 2026 includes the following entities:

- **Aporti S.r.l.** ("Aporti"), in which the Bank holds a 66.7% stake, established to undertake the securitisation of Non-Performing Loans (hereinafter "NPLs"), through the subscription by the Bank of the notes issued by the securitisation vehicle established in accordance with Italian Law no. 130/1999;
- **Soperga RE S.r.l.** (REOCO) ("Soperga RE") a wholly-owned subsidiary of the Bank, established to manage the real estate assets associated with the portfolios of acquired NPLs pursuant to Article 7.1 of Italian Law no. 130/1999 on securitisation;
- **Doria LeaseCo S.r.l.** ("Doria LeaseCo"), a wholly-owned subsidiary of the Bank, established to service the lease transactions included in the portfolios of acquired NPLs, operating in accordance with Article 7.1 of Italian Law no. 130/1999 on securitisations;
- **Doria SPV S.r.l.** ("Doria SPV"), a wholly-owned subsidiary of the Bank, established to undertake the NPL lease securitisation transactions, through the subscription by the Bank of the notes issued by the securitisation vehicle established in accordance with Italian Law no. 130/1999;
- **Friuli LeaseCo S.r.l.** ("Friuli LeaseCo"), a wholly-owned subsidiary of the Bank, established to service the lease transactions included in the portfolios of acquired NPLs, operating in accordance with Article 7.1 of Italian Law no. 130/1999 on securitisations;
- **Friuli SPV S.r.l.** ("Friuli SPV"), a wholly-owned subsidiary of the Bank, established to undertake the NPL lease securitisation transactions, through the subscription by the Bank of the notes issued by the securitisation vehicle established in accordance with Italian Law no. 130/1999;
- **Pitti LeaseCo S.r.l.** ("Pitti LeaseCo"), a wholly-owned subsidiary of the Bank, established to service the lease transactions included in the portfolios of acquired NPLs, operating in accordance with Article 7.1 of Italian Law no. 130/1999 on securitisations;
- **Pitti SPV S.r.l.** ("Doria SPV"), a wholly-owned subsidiary of the Bank, established to undertake the NPL lease securitisation transactions, through the subscription by the Bank of the notes issued by the securitisation vehicle established in accordance with Italian Law no. 130/1999;
- **River Immobiliare S.r.l.** ("River Immobiliare"), a wholly-owned subsidiary of the Bank, set up for the purchase, the sale and management – aimed at the disposal – of the properties owned by the company.
- **Fürstenberg SGR S.p.A.** ("Fürstenberg SGR", formerly illimity SGR), a wholly-owned subsidiary of the Bank, which manages the assets of closed-end alternative investment funds (AIFs), established with own funds and the funds of third-party institutional investors;
- **MAUI SPE S.r.l.** ("MAUI SPE"), established to undertake the NPL lease securitisation transactions, through the subscription by the Bank of the notes issued by the securitisation vehicle established in accordance with Italian Law no. 130/1999;
- **Piedmont SPV S.r.l.** ("Piedmont SPV"), established to undertake the securitisation of receivables, through the subscription by the Bank of the notes issued by the securitisation vehicle established in accordance with Italian Law no. 130/1999;

- **Dagobah LeaseCo S.r.l.** ("Dagobah LeaseCo"), a wholly-owned subsidiary of the Bank, established to service the lease transactions included in the portfolios of acquired NPLs, operating in accordance with Article 7.1 of Italian Law no. 130/1999 on securitisations;
- **Dagobah SPV S.r.l.** ("Dagobah SPV"), a wholly-owned subsidiary of the Bank, established to undertake the NPL lease securitisation transactions, through the subscription by the Bank of the notes issued by the securitisation vehicle established in accordance with Italian Law no. 130/1999;
- **Spicy Green SPV S.r.l.** ("Spicy Green SPV"), established to undertake the securitisation of receivables in the energy sector, through the subscription by the Bank of the notes issued by the securitisation vehicle established in accordance with Italian Law no. 130/1999;
- **SpicyCo 2 S.r.l.** ("SpicyCo 2"), which is responsible for the acquisition, management and sale of equity investments;
- **INGENII Open Finance** ("INGENII Open Finance Fund") in which the Bank subscribed 98.52% of the UCIT units, set up as an closed-end reserved alternative investment fund, established and managed by INGENII SGR S.p.A.;
- **Sileno SPV S.r.l.** ("Sileno SPV"), a wholly-owned subsidiary of the Bank, established to undertake the securitisation of Non-Performing Loans (hereinafter "NPLs"), through the subscription by the Bank of the notes issued by the securitisation vehicle established in accordance with Italian Law no. 130/1999;
- **MIDA RE S.r.l.** ("Mida RE"), a wholly-owned subsidiary of the Bank, established to implement the management of real estate associated with the portfolios of acquired NPLs pursuant to Article 7.1 of Italian Law no. 130/1999;
- **GRO SPV S.r.l.** ("GRO SPV"), established to undertake the securitisation of receivables, through the subscription by the Bank of the notes issued by the securitisation vehicle established in accordance with Italian Law no. 130/1999;
- **Montes LeaseCo S.r.l.** ("Montes LeaseCo"), a wholly-owned subsidiary of the Bank, established to service the lease transactions included in the portfolios of acquired NPLs, operating in accordance with Article 7.1 of Italian Law no. 130/1999 on securitisations;
- **Montes SPV S.r.l.** ("Montes SPV"), a wholly-owned subsidiary of the Bank, established to undertake the securitisation of NPL leases, through the subscription by the Bank of the notes issued by the securitisation vehicle established in accordance with Italian Law no. 130/1999;
- **Mia SPV S.r.l.** ("Mia SPV"), a wholly-owned subsidiary of the Bank, established to undertake securitisation transactions.
- **Farky SPV S.r.l.** ("Farky SPV"), established to undertake the securitisation of receivables, through the subscription by the Bank of 95% of the notes issued by the securitisation vehicle established in accordance with Italian Law no. 130/1999;
- **Space Direct Lending Fund** ("Space Fund") in which the Bank subscribed 99.5% of the UCIT units, set up as an closed-end reserved alternative investment fund, established and managed by TeamSystem Capital at Work SGR S.p.A.;
- **Iside SPE S.r.l.** ("Iside SPE"), established to undertake the securitisation of receivables, through the subscription by the Bank of the notes issued by the securitisation vehicle established in accordance with Italian Law no. 130/1999;
- **Farm SPV S.r.l.** ("Farm SPV"), established to undertake the securitisation of receivables, through the subscription by the Bank of the notes issued by the securitisation vehicle established in accordance with Italian Law no. 130/1999;
- **Dome SPV S.r.l.** ("Dome SPV"), established to undertake the securitisation of receivables, through the future subscription by the Bank of the notes issued by the securitisation vehicle established in accordance with Italian Law No. 130/1999;
- **SpicyCo S.r.l.** ("SpicyCo"), of which the Bank holds 100% of the share capital, which is responsible for the acquisition, management and sale of equity investments;
- **Enervitabio San Giuseppe Società Agricola S.r.l.** (Enervitabio), a wholly-owned subsidiary of SpicyCo, a company producing electricity from renewable sources;
- **Renit CPV S.r.l.** (Renit), a wholly-owned subsidiary of SpicyCo, a company producing electricity from renewable sources;
- **Little Spicy S.r.l.** (Little Spicy), a wholly-owned subsidiary of SpicyCo, a company producing electricity from renewable sources;
- **Vela 2023 LeaseCo S.r.l.** ("Vela 2023 LeaseCo"), a wholly-owned subsidiary of the Bank, which was established to manage lease transactions included in the securitised NPL portfolios;
- **Eolo LeaseCo S.r.l.** ("Eolo LeaseCo"), a wholly-owned subsidiary of the Bank, which was established to manage lease transactions included in the securitised NPL portfolios;

- **INGENII Boost Finance** (“INGENII Boost Finance Fund”), in which the Bank subscribed 98.7% of the UCIT units, set up as an closed-end reserved alternative investment fund, established and managed by INGENII SGR S.p.A.;
- **Havana SPV S.r.l.** (“Havana SPV”), established to carry out receivables securitisation transactions through the Bank’s future subscription to notes issued by the vehicle set up pursuant to Italian Law no. 130/1999;
- **River LeaseCo S.r.l.** (“River LeaseCo”), a wholly-owned subsidiary of the Bank, established to manage lease transactions. It is noted that the transaction’s segregated pool of assets has been repaid;
- **River SPV S.r.l.** (“River SPV”), a wholly-owned subsidiary of the Bank, established to carry out NPL lease securitisation transactions. It is noted that the transaction’s segregated pool of assets has been repaid;
- **iREC Leaseco S.r.l.** (“iREC Leaseco”), a wholly owned subsidiary of the Bank, established to manage lease transactions included in the securitised NPL portfolios;
- **AltermAlnd S.r.l.** (“AltermAlnd”), in which illimity holds 48% of the share capital, a company active in the creation and development of IT products and in the field of artificial intelligence;
- **Quimmo Agency S.r.l.** (“Quimmo Agency”), in which illimity Bank holds 40% of the share capital; a brokerage company operating in the sale, lease and valuation of properties and businesses on behalf of third parties;
- **Quimmo Prestige Agency S.r.l.** (“Quimmo Prestige Agency”), in which illimity Bank holds 40% of the share capital; a brokerage company operating in the sale, lease and valuation of properties and businesses on behalf of third parties;

This scope has changed with respect to the Consolidated Financial Statements for the year ended 31 December 2025. Below is a summary of the transactions that led to the change in the scope of consolidation.

Increases

- Acquisition on 11 May 2026 of a 40% equity interest in Quimmo Agency S.r.l. by illimity Bank S.p.A., as part of the disposal of said company by its previous parent company, Abilio S.p.A.. Accordingly, this company is consolidated in the illimity Group’s financial statements using the full consolidation method for the period from 1 January 2026 to 11 May 2026, and using the equity method from 12 May 2026 to the reporting date of this financial disclosure.
- Acquisition on 11 May 2026 of a 40% equity interest in Quimmo Prestige Agency S.r.l. by illimity Bank S.p.A., as part of the disposal of said company by its previous parent company, Abilio S.p.A.. Accordingly, this company is consolidated in the illimity Group’s financial statements using the full consolidation method for the period from 1 January 2026 to 11 May 2026, and using the equity method from 12 May 2026 to the reporting date of this financial disclosure.

Decreases

- Repayment of the River SPV securitisation transaction and the related LeaseCo. It is noted that illimity Bank continues to hold the share capital of River SPV and River LeaseCo, even though the segregated assets have been repaid;
- Closure via repayment of the CR Please Real Estate S.r.l. securitisation transaction;
- Loss of control over Quimmo Agency S.r.l. and Quimmo Prestige Agency S.r.l. following the disposal carried out by the direct parent company, Abilio S.p.A.. As previously mentioned, this transaction involved illimity Bank acquiring a 40% equity investment in both companies. Consequently, these companies - previously consolidated using the full consolidation method as they were controlled entities under IFRS 10 - are consolidated using the equity method starting from 12 May 2026;
- Disposal to third parties of the equity interest previously held by illimity in Abilio. It is noted that the Bank held an 82% equity investment in Abilio’s share capital and that the company was consolidated using the full consolidation method. The company contributed to the illimity Group’s consolidated figures until 11 May 2026, the date of disposal;
- Disposal to third parties of the equity interest previously held by illimity in ARECneprix. It is noted that the Bank held the entire share capital of ARECneprix and that the company was consolidated using

the full consolidation method. The company contributed to the illimity Group's consolidated figures until 30 June 2026, the date of disposal;

- Disposal to third parties of the equity interest previously held by ARECneprix S.p.A. in LAISA STA. It is noted that the company held a 9.99% equity investment in LAISA, which was consolidated using the equity method as it was subject to significant influence;
- Disposal to third parties of the equity interest previously held by illimity in Hype. It is noted that the Bank held a 50% equity investment in Hype's share capital and that the company was consolidated using the equity method. It is specified that the company contributes to the illimity Group's consolidated figures up to 6 February 2026, the date of disposal.

For further information regarding changes to the scope of consolidation during the first half of 2026, see Section 5 – Other Aspects.

For further details on the disposals concerning Abilio, Quimmo Agency, Quimmo Prestige Agency and ARECneprix, see the information provided above, as well as the "Significant Events During the Period" and "Financial Performance" sections in the Group's Interim Directors' Report.

Equity investments in subsidiaries, subject to joint control and significant influence

Details of the type of control and consolidation method for the scope of consolidated entities as of 30 June 2026 are given below:

Name	Operational headquarters	Registered office	Type of relationship	Ownership relationship		
			(*)	Held by	% Held (**) % of consolidation attributable to the parent company	
Parent Company						
A.0	illimity Bank S.p.A.	Milan	Milan			
Companies consolidated on a line-by-line basis						
A.1	Aporti S.r.l. (SPV)	Milan	Milan	1-4	A.0 66.7%	100%
A.2	Soperga RE S.r.l.	Milan	Milan	1	A.0 100.0%	100%
A.3	Doria LeaseCo S.r.l.	Milan	Milan	1	A.0 100.0%	100%
A.4	Doria SPV S.r.l. (SPV)	Milan	Milan	1-4	A.0 100.0%	100%
A.5	Friuli LeaseCo. S.r.l.	Milan	Milan	1	A.0 100.0%	100%
A.6	Friuli SPV S.r.l. (SPV)	Milan	Milan	1-4	A.0 100.0%	100%
A.7	Pitti LeaseCo S.r.l.	Milan	Milan	1	A.0 100.0%	100%
A.8	Pitti SPV S.r.l. (SPV)	Milan	Milan	1-4	A.0 100.0%	100%
A.9	River Immobiliare S.r.l.	Milan	Milan	1	A.0 100.0%	100%
A.10	Fürstenberg SGR	Milan	Milan	1	A.0 100.0%	100%
A.11	MAUI SPE S.r.l.	Milan	Milan	4	A.0	100%
A.12	Piedmont SPV S.r.l.	Milan	Milan	4	A.0	100%
A.13	Dagobah LeaseCo S.r.l.	Milan	Milan	1	A.0 100.0%	100%
A.14	Dagobah SPV S.r.l.	Milan	Milan	1-4	A.0 100.0%	100%
A.15	Spicy Green SPV S.r.l.	Milan	Milan	4	A.0	100%
A.16	SpicyCo2 S.r.l.	Milan	Milan	1	A.0 100.0%	100%
A.17	INGENII Open Finance	Milan	Milan	4	A.0	98.52%
A.18	Sileno SPV S.r.l.	Milan	Milan	1-4	A.0 100.0%	100.0%
A.19	Mida RE S.r.l.	Milan	Milan	1	A.0 100.0%	100.0%
A.20	GRO SPV S.r.l.	Milan	Milan	4	A.0	100.0%
A.21	Montes LeaseCo S.r.l.	Milan	Milan	1	A.0 100.0%	100.0%
A.22	Montes S.P.V. S.r.l.	Milan	Milan	1-4	A.0 100.0%	100.0%
A.23	Mia SPV S.r.l.	Milan	Milan	1	A.0 100.0%	100.0%
A.24	Farky SPV S.r.l.	Milan	Milan	4	A.0	95%
A.25	Space Direct Lending Fund	Milan	Milan	4	A.0	99.5%
A.26	Iside Spe S.r.l.	Milan	Milan	4	A.0	100.0%
A.27	Farm SPV S.r.l.	Milan	Milan	4	A.0	100.0%
A.28	Dome SPV S.r.l.	Milan	Milan	4	A.0	100.0%
A.29	SpicyCo S.r.l.	Milan	Milan	1	A.0 100.0%	100.0%
	Enervitabio San Giuseppe Società Agricola S.r.l.	Milan	Milan	1	A.38 100.0%	100.0%
A.30	Renit CPV S.r.l.	Milan	Milan	1	A.38 100.0%	100.0%
A.32	Little Spicy S.r.l.	Milan	Milan	1	A.38 100.0%	100.0%
A.33	Vela 2023 LeaseCo S.r.l.	Milan	Milan	1	A.0 100.0%	100.0%
A.34	Eolo LeaseCo S.r.l.	Milan	Milan	1	A.0 100.0%	100.0%
A.35	INGENII Boost Finance	Milan	Milan	4	A.0	98.7%
A.36	Havana SPV S.r.l.	Milan	Milan	4	A.0	95%
A.37	iREC Leaseco S.r.l.	Milan	Milan	1	A.0 100.0%	100.0%
A.38	River Leaseco S.r.l.	Milan	Milan	1	A.0 100.0%	100.0%
A.39	River SPV S.r.l.	Milan	Milan	1	A.0 100.0%	100.0%
Companies Consolidated using the Equity Method						
A.40	AltermaInd S.r.l.	Milan	Milan	6	A.0 48.0%	N/A
A.41	Quimmo Prestige Agency S.r.l.	Milan	Milan	6	A.0 40.0%	40.0%
A.42	Quimmo Agency S.r.l.	Faenza	Faenza	6	A.0 40.0%	40.0%

(*) Type of relationship:

1 = majority of voting rights at the ordinary shareholders' meeting (pursuant to Article 2359 paragraph 1(1))

2 = dominant influence at the ordinary shareholders' meeting

3 = arrangements with other shareholders

4 = other forms of control

5 = joint control

6 = significant influence

(**) Availability of votes in the ordinary shareholders' meeting: the equity investment held represents voting rights in the shareholders' meeting.

With regard to the effects of such changes in the scope of consolidation on the financial position and financial performance of the illimity Group as of 30 June 2026:

- the impact of the deconsolidations relating to securitisation vehicles is not significant;
- regarding the disposals of Abilio, Quimmo Agency, Quimmo Prestige Agency and ARECneprix:
 - o the financial effects as of 30 June 2026 of the disposal of the controlling stakes in these entities are reported under the income statement item "Profit (loss) from disposal of investments"; reference is therefore made to the detailed commentary on this item in these Explanatory Notes, as well as to the "Significant Events During the Period" and "Financial Performance" sections of the Interim Directors' Report. It is further noted that, with regard to Quimmo Agency and Quimmo Prestige Agency, the financial effects of measuring the retained equity investments using the equity method (limited to the period following the disposal of control and the consequent retention of significant influence over them) are reported under the income statement item "Profit (losses) on equity investments"; in this case, too, reference is made to the subsequent detailed commentary on this item
 - o at the balance sheet level, the overall impact in terms of the reduction in total consolidated assets is not significant when compared to the illimity Group's total assets. With regard to the impact on individual balance sheet items, the magnitude of such impacts is reported in the commentary on these items within these Notes, where deemed significant for understanding the variations relative to the comparative figures as of 31 December 2025.

2. Significant assessments and assumptions to determine the scope of consolidation

2.1 Subsidiaries

To determine the scope of consolidation, illimity assessed whether the requirements set out in IFRS 10 for exercising control over investees or other entities with which it maintains contractual relationships of any nature were met.

The definition of control stipulates that an entity controls another entity when the following conditions are met simultaneously:

- decision-making power over the subsidiary's main activities;
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of the investor's returns

More specifically, IFRS 10 establishes that, to hold control, an investor must have the ability to direct the relevant activities of the entity - whether by virtue of a legal right or a mere factual situation - and must also be exposed to the variability of results arising from that power.

Generally, there is a presumption that a majority of voting rights entails control. The Group reassesses whether or not it controls an investee if facts and circumstances indicate changes in one or more of the three elements relevant to the definition of control. In light of the foregoing, the Group must therefore consolidate all types of entities whenever all three control criteria are met.

In other cases, determining the scope of consolidation requires considering all factors and circumstances that give the investor the practical ability to unilaterally direct the entity's relevant activities (*de facto* control). To this end, it is necessary to consider a range of factors, such as, by way of example:

- the purpose and design of the entity;
- the identification of the relevant activities and how they are managed;
- any rights held through contractual arrangements that confer the power to govern relevant activities, such as the power to determine the entity's financial and operating policies, the power to exercise a majority of voting rights in the decision-making body, or the power to appoint or remove the majority of the members of the decision-making body;
- any potential voting rights that are exercisable and considered substantive;
- involvement with the entity in the capacity of agent or principal;
- the nature and dispersion of any rights held by other investors.

For structured entities - that is, entities where voting rights are not considered relevant for establishing control - control is deemed to exist when the Group holds contractual rights to manage the entity's relevant activities and is exposed to variable returns from those activities.

In particular, the structured entities requiring consolidation for the purposes of the consolidated condensed interim financial statements as of 30 June 2026, consist of certain special purpose vehicles used for securitisation transactions originated by Group companies. For these vehicles, the factors considered relevant for identifying control - and the resulting consolidation - include the entities' purpose, exposure to the transaction's results, the capacity to structure transactions and direct relevant activities, the ability to make critical decisions via servicing agreements, and the power to determine their liquidation.

The analysis conducted led to the inclusion in the consolidation scope, as of the reporting date, of Special Purpose Vehicles (SPVs) established for securitisation transactions where a control relationship was deemed to exist under IFRS 10. These SPVs are not legal entities forming part of the illimity Group, with the exception of the following vehicles in which the Group holds a majority interest:

- Aporti S.r.l. (SPV);
- Doria SPV S.r.l. (SPV);
- Friuli SPV S.r.l. (SPV);
- Pitti SPV S.r.l. (SPV);
- Dagobah SPV S.r.l.;
- River SPV S.r.l.;
- Sileno SPV S.r.l.;
- Montes S.P.V. S.r.l.;
- Mia SPV S.r.l..

Profit (loss) for the period and each component of other comprehensive income are attributed to the shareholders of the parent company and to minority interests. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure conformity with the Group's accounting policies. All intra-group assets, liabilities, shareholders' equity, revenue, expenses and cash flows relating to transactions between Group entities are eliminated in full upon consolidation.

Changes in the Group's equity investment in a subsidiary that do not result in a loss of control are accounted for as "equity transactions" in accordance with paragraph 23 of IFRS 10 and are therefore recognised directly in shareholders' equity.

Full consolidation method

Subsidiaries are consolidated using the full consolidation method. The consolidated financial statements prepared under the full method represent the Group's financial situation as a single economic entity.

Subsidiaries are consolidated from the date on which control is effectively acquired by the Group and cease to be fully consolidated from the date on which control is lost.

The full consolidation method involves the "line-by-line" aggregation of the balance sheet and income statement items of the subsidiaries. For consolidation purposes, the carrying amount of the equity

investments held by the Parent Company or other Group companies is eliminated against the assets and liabilities of the subsidiaries, with a corresponding entry for the portion of shareholders' equity attributable to the Group and the portion attributable to non-controlling interests.

The costs and revenue, other comprehensive income components and cash flows of the subsidiary are included in the consolidated financial statements from the date control is acquired. The costs and revenues, other comprehensive income components and cash flows of a disposed subsidiary are included in the consolidated income statement up to the date of disposal, that is, until the moment control over the investee ceases.

In the event of the disposal of a subsidiary, the difference between the disposal proceeds and the carrying amount of its net assets is recognised in the income statement under the item "Profit (loss) from disposal of investments". In the case of a partial disposal of a subsidiary that does not result in a loss of control, the difference between the disposal proceeds and the corresponding carrying amount is recognised directly in shareholders' equity.

Assets, liabilities, off-balance sheet items, income, expenses and cash flows relating to transactions between consolidated entities are eliminated in full.

2.2 Joint Arrangements

A joint arrangement is a contractual arrangement whereby two or more counterparties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

According to IFRS 11, joint arrangements shall be classified as joint operation or joint venture depending on the contractual rights and obligations held by the Group:

- a joint operation is a joint arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement;
- a joint venture is a joint arrangement whereby the parties have the rights to the net assets of the arrangement.

Equity investments in jointly controlled entities that qualify as joint ventures are measured using the equity method, based on the most recently available financial statements of the jointly controlled entity, appropriately adjusted to reflect any significant events or transactions.

As of 30 June 2026, there are no jointly controlled entities. It should be noted that Hype S.p.A. - in which illimity held a 50% interest - was the subject of a disposal transaction that became effective on 6 February 2026 (for further details, see the specific paragraph in the "Significant Events During the Period" section of the Group's Interim Directors' Report).

2.3 Associates

An associate is an entity over which a parent company has significant influence, and which is neither a subsidiary nor a joint venture.

Significant influence is presumed to exist whenever the company holds 20% or more of the voting rights. It is also presumed to exist, regardless of the percentage held, where there is the power to participate in the management and financial decisions of the investee by virtue of specific legal arrangements (such as shareholders' agreements) intended to ensure representation on management bodies and safeguard a unified management approach among the parties to the agreement, without, however, exercising control. Investments in associates - which as of 30 June 2026 comprise AltermAlnd, Quimmo Agency and Quimmo Prestige Agency - are measured using the equity method.

Equity method

Equity investments in associates and jointly controlled entities are measured using the equity method, based on the most recently available financial statements of the associate, appropriately adjusted to reflect any significant events or transactions. Post-acquisition profits and losses are recognised in the Income

Statement under the line item Profit (losses) on equity investments. Any distribution of dividends is recognised minus the goodwill of the equity investment.

3. Investments in subsidiaries under sole control with a material non-controlling interest

As required by paragraph 12 of IFRS 12, it is noted that as of 30 June 2026, there are no significant non-controlling interests in subsidiaries.

4. Significant restrictions

The Group operates in a regulated sector and is subject to the restrictions under paragraph 13 of IFRS 12 concerning significant statutory, contractual or regulatory restrictions that could restrict the swift transfer of cash or other assets within the Group.

5. Other information

No financial statements of subsidiaries with a reporting date different from that of the condensed interim consolidated financial statements were used in the preparation of the latter.

Section 4 - Events After the Reporting Date of the Consolidated condensed interim financial statements

No significant events occurred between the reporting date of the consolidated condensed interim financial statements (30 June 2026) and the date of their approval by the Board of Directors (3 August 2026) that qualify as “adjusting events” under IAS 10, i.e. events requiring an adjustment to the financial position and results as of the reporting date of the consolidated condensed interim financial statements.

For other subsequent events of a “non-adjusting” nature, see the information provided in the “Significant Events After the End of the Period” section of the Group’s Interim Directors’ Report.

Section 5 – Other Matters

5.1 – Transactions involving the disposal of control over Group companies carried out during the period

During the first half of 2026, as part of the streamlining and non-core business divestment process initiated by the Group, the following transactions involving the disposal of control (and joint control) over Group companies were carried out:

- disposal, for a price of EUR 85.0 million, of a 50% equity investment in Hype S.p.A. As of 31 December 2025, this investment had already been classified under the balance sheet item “assets held for sale,” following the acceptance on 3 November 2025 of an EUR 85 million offer received from the Banca Sella Group. Following the receipt of regulatory approvals in early 2026, the equity investment was sold at the agreed price on 6 February 2026;
- disposal of the 82% stake in Abilio S.p.A., previously held by illimity Bank, to Serviziolegali.net in early May 2026;
- disposal in early May 2026 of the controlling stakes in Quimmo Agency S.r.l. and Quimmo Prestige Agency S.r.l. (shares of which were previously 100% held by the aforementioned Abilio) to COIMA, which acquired a 60% interest in each, while the remaining 40% was subscribed by illimity Bank (thereby changing the classification of the related equity investments within the illimity Group from “investments in subsidiaries” to “investments in associates”);
- full disposal of the equity investment in ARECneprix S.p.A. to Prelios at the end of June 2026.

The costs, revenue, other comprehensive income components and cash flows of the aforementioned subsidiaries subject to disposal were included in the consolidated condensed interim financial statements as at 30 June 2026 up to the date of each disposal (with the exception of Hype, as it is a jointly controlled entity). For the sold companies that were previously subject to full consolidation, the difference between the consideration and the carrying amount of their net assets was recognised in the income statement item “Profit (loss) from disposal of investments”. In particular:

- with regard to the equity interests in Abilio, Quimmo Agency and Quimmo Prestige Agency being sold, their carrying amount at the date of sale totalled EUR 17.6 million; consequently, against a consideration of EUR 0.3 million, the transaction generated a loss on disposal of EUR 17.3 million for the illimity Group, recorded under the item “Profit (loss) from disposal of investments”;
- regarding the 100% stake in ARECneprix being sold, its carrying amount at the date of sale was EUR 31.4 million; against a consideration of EUR 29.3 million, the transaction generated a loss on disposal of EUR 2.1 million for the Group, recorded under the item “Profit (loss) from disposal of investments”.

For further details on the disposal transactions concerning Hype, Abilio, Quimmo Agency, Quimmo Prestige Agency and ARECneprix, see the information provided in the “Significant Events During the Period” section of the Group’s Interim Directors’ Report and in the “Scope and Methods of Consolidation” paragraph above of this “Accounting Policies” section.

5.2 – National tax consolidation: extension of participation in the tax consolidation arrangement with Banca IFIS to certain illimity Group companies

On 26 February 2026, the Board of Directors of the Parent Company Banca IFIS approved the extension of the tax consolidation scope, exercising the option for the national tax consolidation regime, with Banca IFIS acting as the consolidating entity and illimity bank, Furstenberg SGR (formerly illimity SGR S.p.A.), ARECneprix, Abilio, Quimmo Agency and Quimmo Prestige Agency acting as consolidated entities.

The relationships between these companies were governed by a private agreement signed by the parties, providing for a three-year term subject to automatic renewal.

Participation in the tax consolidation regime allows for the offsetting of the participating companies’ taxable income (utilising losses incurred during the period of participation).

In accordance with applicable regulations, the participating companies elected to establish their legal domicile at Banca IFIS’ headquarters for the purpose of receiving notifications of acts and measures relating to the tax periods for which the option is exercised.

By virtue of the application of this mechanism, advance tax payments made, as well as the tax losses and profits realised by each company during the first half of 2026, are transferred to the consolidating entity, Banca Ifis.

Following the disposal of control over ARECneprix, Abilio, Quimmo Agency and Quimmo Prestige Agency during the first half of 2026, the national tax consolidation regime with Banca Ifis ceased to apply to these companies.

Key aspects for the assessment of the consolidated condensed interim financial statements as of 30 June 2026

On 14 October 2025, ESMA published a call for information (“European common enforcement priorities for 2025 corporate reading”) containing certain topics and recommendations with reference to:

- preparation of financial reporting for 2025, relating to:
 - geopolitical risks and uncertainties;
 - segment reporting;
- preparation of the Sustainability Statement for the year 2025, with regard to:
 - materiality considerations in reporting according to the ESRS;
 - scope and structure of the Sustainability Statement;
- priorities related to ESEF (European Single Electronic Format) reporting, regarding common errors detected in the cash flow statement;
- some general considerations, of which the connectivity between financial and sustainability reporting is particularly important.

The following section outlines the aspects considered priorities for the assessments conducted to prepare the financial information contained in the consolidated condensed interim financial statements as of 30 June 2026 and the related disclosures. This is in line with the recommendations provided by ESMA in its communication dated 14 October 2025 entitled “European common enforcement priorities for 2025 corporate reporting” and is limited to matters applicable to consolidated condensed interim financial statements prepared in accordance with IAS 34. Regarding the recommendations on sustainability reporting, these pertain to a document prepared on an annual basis and are therefore not applicable to this document (reference is instead made to the “Sustainability Statement” section of the illimity Group’s consolidated financial statements as of 31 December 2025).

Notes on geopolitical risks and uncertainties

In this regard, ESMA highlights how the Russia-Ukraine conflict and tensions in the Middle East and in international trade relations have continued to generate high volatility in energy and commodity prices, supply chain disruptions and shifts in global trade balances. Given these dynamics, ESMA considers geopolitical risks and uncertainties to be highly significant for financial reporting, in light of their potential impact on business performance, financial position and financial statement disclosures. According to ESMA, such risks can have significant implications for various areas requiring valuation.

In order to ensure transparency and consistency of disclosure, ESMA shall invite issuers to:

- provide clear, specific and detailed disclosure on the effects that geopolitical uncertainties may have on the financial situation and company performance;
- update sensitivity analyses, explaining how reasonably possible changes in the main valuation assumptions could affect accounting values;
- assess, using judgement, the inclusion of additional information, beyond that required by IFRS, where useful to improve the understanding of the effects on the financial position, cash flows and performance.

In light of the above, the uncertainties attributable to the geopolitical context and, more generally, the evolution of the macroeconomic scenario have been duly taken into account in the relevant estimation processes as well as in risk monitoring activities. In particular, the Group closely monitors country risk in countries involved in conflicts. This ongoing monitoring has highlighted a limited number of counterparties located in the areas affected by current international tensions, with corresponding modest direct credit exposures. Similarly, no specific critical issues were identified with reference to the trade receivables portfolio.

Furthermore, the Risk Management function, in addition to the risk factors usually considered, continues to consider it reasonable to include the current situation of geopolitical tension as an additional risk factor.

Given the need to appropriately factor in these elements of uncertainty into the main estimation processes, the maximum possible consistency has been ensured between the hypotheses used and the related underlying assumptions applied across the various models.

For further details, reference is made to the information provided below for the main financial statement items, specifically the following paragraph “Risks and Uncertainties Related to the Use of Estimates” in this “Accounting Policies” section and the subsection “Methods for Measuring Expected Losses” in the “Credit Risk” section of the “Risks of Prudential Consolidation” section of the “Information on Risks and Related Hedging Policies” section of these Explanatory Notes.

Notes on segment reporting

ESMA highlights the need to ensure consistency between the information on operating segments provided in the financial statements, the directors’ report, and the management reporting used by the company’s management (Chief Operating Decision Maker - CODM).

ESMA also highlights that paragraph 80 of IAS 36 provides that the Cash Generating Units (CGUs) to which goodwill is allocated for impairment testing purposes cannot be larger in scope than the individual operating segments identified pursuant to IFRS 8.

Furthermore, it is noted that the aggregation criteria provided for in paragraph 12 of IFRS 8 may only be applied to operating segments that exhibit similar economic characteristics. Issuers are therefore required to provide adequate disclosure regarding the judgements made in applying the aforementioned criteria, including a description of the aggregated segments and, where relevant, the indicators supporting the existence of the same economic characteristics.

ESMA also emphasises the need to provide timely disclosure on the revenues and costs of the operating segments, to the extent that these are highlighted in the management reporting used by the company's management, highlighting any unusual or non-recurring components.

Finally, ESMA draws attention to the disclosure requirements contained in paragraphs 33 and 34 of IFRS 8, relating to the breakdown of revenues by geographical area and by major customers.

Specifically, in identifying the Group's operating segments, appropriate consideration was given to the methods adopted by illimity's Management for making operational decisions and the procedures for preparing internal reporting, used for the purpose of allocating resources to the various segments and analysing their respective performance.

The allocation of income statement and balance sheet figures to the Segments is carried out based on consistent allocation criteria, in order to take into account both the specific nature of the various segments and the need to ensure effective monitoring of corporate performance over time.

With reference to ESMA's emphasis on the relevance – in the current context of geopolitical uncertainty and trade barriers – of the disclosure on geographical areas and major customers required by paragraphs 33 and 34 of IFRS 8, it is specified that for the illimity Group revenues from abroad are very limited. It should also be noted that for the illimity Group there are no instances falling within the definition of "revenues from major customers" pursuant to paragraph 34 of IFRS 8, i.e. revenues from individual external customers accounting for more than 10% of total revenues.

For further details on segment reporting for the illimity Group, the rationale for identifying the segments and the allocation of balance sheet and income statement data, see the section "Contribution of business segments to Group results" of the Group Directors' Report and "Part L - Segment Reporting" of these consolidated Explanatory Notes.

Risks and uncertainties associated with the use of estimates

The application of accounting standards sometimes requires the use of estimates and assumptions that affect the values recognised in the financial statements and the disclosures provided regarding contingent assets and liabilities. In formulating these estimates, the Group considers all information available at the date of preparation of this Consolidated Half-Yearly Financial Report, as well as hypotheses and other factors deemed reasonable in light of historical experience and foreseeable future developments.

By their very nature, it is impossible to rule out that the assumptions made - however reasonable - may not be confirmed in the future scenarios in which the Group will operate. Consequently, actual future results could differ from the estimates made, potentially necessitating adjustments to the carrying amounts of assets and liabilities recognised in the financial statements - adjustments that cannot be foreseen or estimated at the date of this document. In this regard, it should be noted that adjustments to accounting estimates may become necessary due to changes in the underlying circumstances, the availability of new information or increased experience.

The following section outlines the accounting policies considered most critical for a true and fair view of the Group's financial position and results of operations. This assessment is based on both the materiality of the financial statement items affected by these policies and the high degree of judgement required in the valuations, which entails the use of estimates and assumptions by management. In particular, the areas requiring complex estimates and involving significant assumptions are:

- determination of other entities included in the scope of consolidation pursuant to IFRS 10;

- determination of the fair value relating to receivables and financial instruments not listed on active markets;
- measurement of the Expected Credit Loss of receivables;
- estimates of provisions for risks and charges;
- assessment of the recoverability of deferred tax assets (DTA).

For the cases listed above, the following paragraphs present the main topics of risks and uncertainties related to estimates.

Determination of other entities included in the scope of consolidation pursuant to IFRS 10

The Group operates through entities that have diversified structures and which include, in addition to the traditional subsidiaries, securitisation vehicles, investment funds and other structured entities. The assessment of the existence of control for the purpose of consolidation in accordance with IFRS 10 requires a significant level of judgement in certain circumstances.

In particular, control exists when the Group has:

- the power to govern the significant activities of the entities;
- exposure to variability in results;
- the ability to influence its results.

In order to assess the conditions for control, all relevant information is taken into account, including therein the purpose and design of the entity, how decision-making rights, contractual agreements and current and potential voting rights are exercised. These assessments can be particularly complex for so-called structured entities, for which control does not derive from voting rights but from other contractual mechanisms.

For further information, see the matters indicated above in “Section 3 - Consolidation scope and methods”, subsection “Subsidiaries”.

Determination of the fair value relating to receivables and financial instruments not listed on active markets

In the presence of receivables and financial instruments not listed in active markets, or illiquid and complex instruments, it is necessary to activate appropriate measurement processes characterised by a certain component of judgement regarding the choice of valuation models and the relevant input parameters, which may sometimes not be observable in the market. Margins of subjectivity exist in the assessment of the observability or otherwise of certain parameters and in the subsequent classification within the fair value hierarchy levels. For qualitative and quantitative disclosure on the methods for determining the fair value of instruments measured at fair value, see paragraph “A.2 - Part relating to the main financial statement items” of the consolidated financial statements as of 31 December 2025.

Measurement of the Expected Credit Loss of receivables

In accordance with IFRS 9, the following assets are subject to impairment provisions:

- financial assets measured at amortised cost;
- financial assets measured at fair value through other comprehensive income other than equity instruments;
- commitments to disburse funds and guarantees issued that are not measured at fair value through profit or loss;
- contractual activities resulting from operations covered by the scope of application of IFRS 15.

The quantification of “Expected Credit Losses” (ECL), which are expected losses to be recognized in the income statement as impairment losses, is determined according to whether or not there is a significant

increase in the credit risk of a financial instrument compared to the risk determined on the date of initial recognition.

To this end, instruments subject to impairment rules are conventionally classified into different stages, each characterized by distinct measurement logics for impairment losses:

- if there is no significant increase in the credit risk compared to the initial recognition, the financial instrument is kept in stage 1 and an impairment loss equal to the 12-month expected credit losses is recognized (i.e., the expected loss resulting from a default on the financial assets considered possible within 12 months from the date of the reference period);
- if there is a significant increase in the credit risk compared to the initial recognition, the financial instrument is classified in stage 2 or in stage 3 if the instrument is non-performing, and an impairment loss equal to the amount of the expected lifetime loss is recognized (i.e., the expected loss resulting from a default on the financial assets considered possible during its life cycle).

An exception to this are the “Purchased or originated credit impaired financial assets”, known as POCI, dealt with in the next point of this paragraph.

Any significant increase in credit risk is identified on a case by case basis, using quali-quantitative criteria.

The criteria adopted by the Bank to understand the significant increase in credit risk are shown below.

Quantitative criteria

- Negative change in the rating class (known as delta notch).

Qualitative criteria

- Rebuttable presumption - 30 days past due;
- Forbearance;
- Watchlist.

For more detailed information regarding the criteria adopted by the Bank to identify a significant increase in credit risk, see the section “expected loss measurement methods”.

Once the financial assets have been classified in the different Stages, for each exposure, it is necessary to determine the relative impairment losses following the Expected Credit Loss (“ECL”) logic, using appropriate calculation models. The principle on which the ECL is based is to create a connection between improvement or worsening of the risk profile of the exposure compared to the date of initial recognition in the financial statements, respectively with the increase or decrease in the provision funds.

For more detailed information on the criteria adopted by the Bank for the calculation of expected losses on loans classified in stage 1 and stage 2, refer to Part E of the Explanatory Notes to these Financial Statements.

Estimate of expected losses on non-performing positions (stage 3)

Non-performing positions are usually evaluated using analytical techniques. The criteria for estimating the adjustments to be made to non-performing receivables are based on the discounting of expected cash flows taking into account any supporting guarantees, and any advances received. The fundamental elements in determining the current value of the cash flows are the identification of the estimated receipts, the related due dates, and the discounting rate to be applied. The amount of the impairment loss is equal to the difference between the carrying value of the asset and the current value of the expected future cash flows, discounted at the original effective interest rate, which is updated as necessary in the case of a variable-rate instrument or, for positions classified as non performing, at the effective interest rate in force on the date of transition to bad loan status.

Depending on the seriousness of the impairment and the materiality of the exposure, estimates of the collection value will be based on a going concern approach which assumes that the counterparty's business will continue and will continue to generate cash flows, or alternatively on a going-concern approach. The going-concern approach is based on the assumption that the business that leads to the

only source of cash available to recover the debt, will cease trading and that the underlying guarantees will be called on.

With particular regard to non-performing positions, the analytical assessment rules include forward-looking elements:

- in estimating the percentage of reduction in value of the property given as collateral (estimated on the basis of the updated valuation reports or the report of the Court-appointed Expert);
- by introducing recovery scenarios for specific exposures, considering that they are expected to be sold within a reasonable period of time to a third party in order to maximise the cash flow and also based on a specific strategy for managing non-performing loans. Therefore, the estimated expected losses of such positions reflects not only collection through ordinary management of the receivable but also the presence of a suitably adjusted sale scenario and therefore, of the cash flows arising from this operation.

For more information on the criteria adopted by the Bank for the calculation of expected losses on positions classified in stage 3, refer to the contents of Part E of the Explanatory Notes.

Purchased or originated credit impaired financial assets (POCI)

Under IFRS 9, loans considered to be non-performing right from initial recognition due to the high level of associated credit risk, are termed Purchased or Originated Credit Impaired Assets (POCI). POCI also include receivables acquired as part of sale operations (individual or portfolio sales) and business combinations.

Such receivables, when included in the impairment perimeter for the purposes of IFRS 9, are valued by allocating, from the initial recognition date, provisions to cover the losses along the entire lifetime of the receivable (Expected Credit Loss lifetime). As these are non-performing receivables, the initial recognition takes place at Stage 3. A subsequent improvement in the counterparty's credit rating, which may be reflected in the current value of cash flows, may involve the classification within Stage 2. The expected credit loss must always be calculated considering a time horizon of the residual duration (i.e. "lifetime").

These assets are not identified under a specific financial statement item but are classified according to the business model in which the asset is managed, under the following headings:

- "Financial assets measured at fair value through other comprehensive income";
- "Financial assets measured at amortised cost".

In terms of the initial recognition, measurement and derecognition criteria, please refer to the criteria mentioned in the respective items.

Interest income must be calculated by applying the effective interest rate on the net value of the instrument (therefore also considering expected losses on loans) for POCI.

As for POCI, in some cases the financial asset is considered to be non-performing at the time of initial recognition because the credit risk is very high and in the case of acquisition, it has been acquired at a significant discount. In this case it is necessary to include in the cash flow estimates the expected losses on initial receivables for the purpose of calculating the credit-adjusted effective interest rate (also called credit adjusted") for financial assets that are considered non-performing financial assets purchased or originated at the time of initial recognition.

For further information regarding the methods and models for determining the ECL, reference is made to the disclosure in the paragraph "Methods for measuring expected losses" contained in the "Credit Risk" section.

Estimates of provisions for risks and charges

The companies belonging to the Group are defendants in certain types of litigation and are also exposed to numerous instances of contingent liabilities. The complexity of the specific situations underlying the outstanding litigation, together with potential interpretative issues, requires significant elements of

judgement in some circumstances when estimating the liabilities that may arise upon the settlement of pending disputes. The difficulties in assessment concern both the an (whether a liability exists) and the quantum (the amount), and are particularly evident when the proceedings are in their early stages. These circumstances make it difficult to assess contingent liabilities; as a result, the classification of contingent liabilities and the subsequent assessment of the necessary provisions are sometimes based on non-objective elements of judgement, requiring the use of complex estimation procedures.

Specifically, the Group recognises a liability when:

- there is a present obligation (legal or constructive) as a result of a past event;
- it is likely that an outlay of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate of the amount of the obligation can be made.

If all these conditions are not met, no liabilities are recognised.

The amount recognised as a provision represents the best estimate of the expenditure required to settle the obligation and reflects the risks and uncertainties that relate to the facts and circumstances under review.

Where the effect of the time value of money is material, the amount of the provision is determined as the present value of the best estimate of the cost required to settle the obligation. In such cases, a discount rate is used that reflects current market assessments.

The provisions are periodically reviewed and, where necessary, adjusted to reflect the current best estimate. When, following a review, the expenditure is no longer probable, the provision is reversed.

Provisions for risks and charges for commitments and guarantees given include the credit risk provisions recognised for commitments to disburse funds and for guarantees given that fall within the scope of the impairment rules pursuant to IFRS 9. For these cases, in principle, the same allocation methods are adopted between the three stages (credit risk stages) as well as the same calculation methods of the expected losses shown with reference to financial assets measured at amortised cost or the fair value through other comprehensive income.

Assessment of the recoverability of deferred tax assets (DTA)

Recognised assets include deferred tax assets (DTAs) primarily arising from temporary differences between the date certain corporate costs are recognised in the income statement and the date they become deductible, rather than from tax losses carried forward.

In accordance with IAS 12 - as referenced in the "Group Impairment Policy" - a deferred tax asset may be recognised only to the extent that it is probable that future taxable income will be available against which the asset can be utilised.

Consequently, the recognition and subsequent retention of these assets require an assessment of the probability of their recovery. This assessment is not performed for deferred tax assets governed by Italian Law no. 214 of 22 December 2011; these assets are convertible into tax credits in the event of a "statutory accounting loss", a "tax loss" for IRES purposes or a "negative net value of production" for IRAP purposes, and their recovery is therefore certain regardless of the ability to generate future income.

For remaining deferred tax assets that are not convertible into tax credits, the assessment of probability is supported by a recoverability evaluation (a so-called "probability test"). Based on IAS 12 and the considerations set out by ESMA in its document dated 15 July 2019, this recoverability assessment requires a careful review of all evidence supporting the likelihood of having sufficient future taxable income. This review must also take into account the circumstances that gave rise to the tax losses, which should be attributable to clearly identified causes deemed unlikely to recur on a regular basis in the future.

The overall total of DTAs as at 30 June 2026 amounts to EUR 58.1 million, including the portion attributable to Italian Law 214/2011 amounting to EUR 0.3 million, which will reverse by 2029 by express statutory

provision. It should be noted that such deferred tax assets meeting the requirements of the aforementioned Law are convertible into tax credits in the event of a “statutory loss”, a “tax loss” for IRES purposes, and a “negative net production value” for IRAP purposes; their recovery is therefore certain, as it is independent of the ability to generate future profitability. The maintenance of convertibility into tax credits is subject to the exercise of the option provided for by Italian Decree Law no. 59 of 3 May 2016, converted with amendments by Italian Law no. 119 of 30 June 2016, of which the Group decided to avail itself within the terms and in the manner provided.

Based on the assessment carried out by the parent company Banca Ifis on the residual amount, and also taking into account the planned merger, its recovery was assessed as probable, albeit over a medium-to-long-term time horizon.

Given the uncertainty regarding the recoverability of DTAs on tax losses within the relevant timeframe, no deferred tax assets were recognised for an amount of EUR 76.8 million concerning illimity Bank in relation to tax losses incurred prior to its inclusion in Banca Ifis tax consolidation group.

Deadline for Approval and Publication of the Consolidated Half-Yearly Financial Report

Article 154-ter of Italian Legislative Decree 59/98 (Consolidated Law on Finance – TUF) requires the publication - as soon as possible and in any event within three months of the end of the first half of the financial year - of the consolidated half-yearly financial report, comprising the consolidated condensed interim financial statements, the Interim Group Directors' Report, and the statement required by Article 154-bis, paragraph 5. The illimity Group's consolidated half-yearly financial report as of 30 June 2026 is submitted to the Bank's Board of Directors for approval on 3 August 2026.

Entry Into Force of New Accounting Standards

The consolidated condensed interim financial statements as of 30 June 2026, have been prepared in accordance with IAS 34 (Interim Financial Reporting) and in compliance with the recognition and measurement criteria of the IAS/IFRS international accounting standards in force at the reporting date. For further details, see the matters reported below.

The following section outlines new IAS/IFRS accounting standards or amendments to existing standards issued by the IASB, as well as new interpretations or amendments to existing ones published by the IFRIC, highlighting separately those that become mandatory as of the reporting date of these consolidated condensed interim financial statements.

New documents issued by the IASB and endorsed by the EU applicable as of the reporting date of these consolidated condensed interim financial statements

“Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7”

Regulation (EU) 2025/1047 of 28 May 2025 endorsed the amendments to IFRS 9 and IFRS 7 entitled “Amendments to the Classification and Measurement of Financial Instruments”. The amendments to these two standards clarify certain critical aspects regarding the classification and measurement of financial instruments under IFRS 9 - aspects that emerged from the post-implementation review of the standard - specifically concerning instruments featuring contingent contractual clauses, including those linked to the achievement of sustainability targets (Sustainability-Linked features). The amendments introduce clarifications regarding the assessment of the SPPI (“solely payments of principal and interest”) requirement and specific disclosure obligations for certain categories of financial instruments.

In particular, the amendments reinforce the need to assess - in cases involving contingent events that alter future cash flows - whether the contractual cash flows that could arise over the instrument's life due to such a clause represent solely payments of principal and interest on the outstanding principal amount. When assessing whether a financial asset's contractual cash flows are consistent with a basic lending arrangement, the entity must evaluate whether, across all contractually possible scenarios, the contractual

cash flows would not differ significantly from those of a financial instrument with identical contractual terms but lacking such a contingent clause.

In some circumstances, the entity may perform this assessment using a qualitative analysis; in others, a quantitative analysis may be required. If it is evident - based on minimal or no analysis - that the contractual cash flows do not differ significantly, the entity is not required to perform a detailed assessment.

Following the analyses performed, the implementation of the amendments resulted in no changes to the classification and measurement of existing financial instruments, nor did it have a significant impact on opening shareholders' equity or the result for the period.

Analyses of the Banca Ifis Group's product range identified instruments and services with ESG characteristics falling into various categories, such as use-of-proceeds loans and sustainability-linked loans.

For the purposes of the IFRS 9/IFRS 7 amendments, accounting materiality was assessed by distinguishing between products where the ESG element relates solely to the use of proceeds or the nature of the underlying asset, and those that may incorporate contractual clauses capable of altering future cash flows upon the occurrence of specific ESG KPIs or triggers.

The analysis determined that the products falling within the scope of the IFRS 9/IFRS 7 amendments are the sustainability-linked loans offered by the Parent Company, Banca Ifis, and the subsidiary illimity Bank; these loans may feature step-up, step-down, bonus/malus mechanisms, or other variations in contractual cash flows linked to the achievement - or failure to achieve - ESG KPIs.

All other products with ESG characteristics are classified as out of scope where the ESG element does not affect the financial instrument's contractual cash flows.

For "in-scope" products (i.e. the sustainability-linked loans of Banca Ifis and illimity Bank), the Banca Ifis Group assessed that the Sustainability-Linked clauses in the contracts under review are consistent with the amendment's requirements for maintaining amortised cost classification, as they do not result in material changes to terms (± 10 bps).

A summary follows of the analyses performed regarding contingent events currently applicable to products issued by the illimity Group. In particular, the table below highlights the products currently in the portfolio that feature ESG characteristics.

Company	Product / contract	Product classification	IFRS 9/7 scope	Rationales and checks required
illimity Bank	Sustainability-linked loans	Loans to companies	In scope	Economic conditions may vary based on measurable ESG KPIs; it is necessary to verify rate deltas, triggers, materiality and IFRS 7 disclosures.

The illimity Group also assessed the effects of the changes introduced by the amendments regarding financial assets characterised by so-called "non-recourse" elements and instruments falling within the scope of "contractually linked arrangements". Following analyses of such transactions - specifically the securitisation transactions held by the Group - no impacts emerged regarding the classification and measurement of financial assets previously recognised under IFRS 9. Consequently, the application of the amendments resulted in no adjustments to carrying amounts or effects on opening shareholders' equity.

"Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7"

On 18 December 2024, the IASB published a number of amendments aimed at better representing the effects of nature-dependent electricity supply contracts, often structured in the form of energy purchase agreements (PPA). The amount of electricity generated under these contracts may vary depending on uncontrollable factors, such as weather conditions. The current accounting requirements may not

adequately understand the ways in which these contracts affect a company's performance. The amendments include:

- clarifications on the application of the requirements for own use;
- the possibility of using hedge accounting if such contracts are used as hedging instruments;
- the addition of new disclosure requirements to allow investors to understand the effect of these contracts on a company's financial performance and cash flows.

With regard to the aforementioned amendments, no areas of concern have emerged from an accounting perspective, as such operations are not present within the Group.

“Annual Improvements Volume 11”

On 18 July 2024, the IASB issued its customary annual amendments to the IFRS “Annual Improvements to IFRS Accounting Standards - Volume 11”. The document contains clarifications, simplifications, corrections and amendments aimed at improving the effectiveness of the existing principles. Specifically, these improvements concern IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The amendments became effective for financial statements starting from 1 January 2026. No significant impacts on the Group's financial position or results of operations were identified, given the limited scope of these amendments.

New IFRS accounting standards or amendments to IFRS standards applicable after the reporting date of these consolidated condensed interim financial statements

A - Documents endorsed by the EU

“IFRS 18 “Presentation and Disclosure in Financial Statements”

On 9 April 2024, the IASB published the new accounting standard IFRS 18 “Presentation and Disclosure in Financial Statements” which will replace IAS 1 “Presentation of financial statements”. First-time application of the new standard is expected as from 1 January 2027, with the requirement to present comparative disclosure for the previous financial year. Early application is permitted, provided that this is disclosed.

The new standard aims to improve the comparability, transparency, and understandability of financial statements disclosure by introducing new requirements for the presentation of the income statement and by strengthening the rules for the aggregation and disaggregation of financial disclosure.

In particular, IFRS 18:

- introduces new mandatory categories for the classification of income and expenses (operating, investing, and financing), providing for new mandatory subtotals, including operating profit;
- requires greater transparency regarding the use of Management Performance Measures (MPMs), through reconciliation with IFRS subtotals and an explanation of the underlying reasons;
- strengthens the criteria for the aggregation and disaggregation of information in the primary financial statements and in the notes, in order to ensure a clearer and more consistent presentation.

IFRS 18, like IAS 1, does not introduce mandatory financial statement templates, nor does it provide a predefined structure for the Explanatory Notes; however, it defines a minimum set of information to be presented, leaving the redactor of the financial statements an adequate margin of discretion in order to ensure the best representation of the entity's economic and financial position.

The innovations introduced will mainly concern the presentation of the income statement and the structure of the disclosure; therefore, it will be necessary to ensure coordination with Bank of Italy Circular no. 262/2005, whose updates have been published during 2026 in order to adapt the financial statement

templates to the new requirements of the new standard. Given that the new standard will primarily affect presentation methods and not measurement criteria, no impacts are expected on the Group's economic and financial position.

B - Standards and documents issued but not yet endorsed

Below are the new international accounting standards or amendments to them not yet endorsed by the European Commission, whose mandatory application starts after the reference date of these consolidated condensed interim financial statements. The Group does not expect significant impacts from the adoption of the following interpretations and amendments to existing international accounting standards.

IFRS 19 "Subsidiaries without Public Accountability: Disclosures"

On 9 May 2024, the IASB published the new accounting standard IFRS 19 "Subsidiaries without Public Accountability: Disclosures" that will be applicable for financial statement periods beginning on or after 1 January 2027, with the option for early adoption.

IFRS 19 allows entities that meet certain requirements to opt for a reduced set of disclosure requirements, while continuing to apply the full recognition, measurement, and presentation criteria provided for by the other international accounting standards.

In order to apply IFRS 19, at the reporting date the entity must:

- be a subsidiary, in accordance with the definition of IFRS 10;
- have no public accountability;
- have a parent company (ultimate or intermediate) that prepares consolidated financial statements, available for public use, prepared in accordance with IFRS Accounting Standards.

The new standard will be applicable:

- to subsidiaries that use the IFRS for SMEs or national accounting standards ("local GAAP") for their financial statements and which are often required to have a double-track approach for their financial statements given the diversity of the provisions contained in those standards compared to those of IFRS accounting standards;
- to subsidiaries that use the IFRS accounting standards for their financial statements and are required to provide supplementary information that may be disproportionate to the information needs of their users.

This concession is applicable only to subsidiaries that do not have "public accountability".

A subsidiary has public accountability if:

- its debt or capital instruments are traded on a public market or it is in the process of issuing such instruments for trading on a public market (a national or foreign stock exchange or an OTC market, including local and regional markets), or
- one of its main activities is to hold assets as a fiduciary for a large group of people (e.g., banks, credit cooperatives, insurance companies, securities brokers, mutual open-end investment funds and investment banks).

Entities meeting the above characteristics may, but are not obliged to, apply IFRS 19 in their consolidated, separate, or individual financial statements, also taking into account the necessary coordination with the Bank of Italy's instructions for the preparation of financial statements.

Due to the nature of its structure, Banca Ifis, as the parent company, prepares both the separate Financial Statements and the Group's Consolidated Financial Statements. Consequently, the Bank does not meet the eligibility requirements set out in IFRS 19 to be able to apply the reduced disclosure regime.

Therefore, neither Banca Ifis Separate Financial Statements nor its Consolidated Financial Statements will be able to benefit from the provisions introduced by the new standard.

Amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

The amendments to IFRS 19, published by the IASB on 21 August 2025, introduce the possibility for eligible subsidiaries to elect not to provide certain disclosures relating to standards issued between February 2021 and May 2024. In relation to the operations carried out by the Group and its composition, no impacts are expected from the introduction of the standard under review.

Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency”

The amendments under review, published on 13 November 2025 and effective from 1 January 2027, clarify the procedures for translating financial statements from a non-hyperinflationary currency to a hyperinflationary one. No impacts are expected for the Group, as it does not carry out any operations in hyperinflated contexts.

A.2 Section on the Main Financial Statement Items

With regard to the classification and measurement criteria for the main financial statement items, reference is made to the information provided in Part A.2 of the Explanatory Notes to the Group’s consolidated financial statements as at 31 December 2025.

A.3 Disclosure on Transfers Between Portfolios of Financial Assets

No transfers of financial assets between portfolios took place during the first half of the 2026 financial year.

A.4 Disclosure on Fair Value**Qualitative Disclosure**

The fair value is the price that would be received for the sale of an asset or that would be paid for the transfer of a liability in a regular transaction on the main (or most advantageous) market on the valuation date, at current market conditions (i.e. at closing price), regardless of whether that price is directly observable or is estimated using another valuation method.

The fair value of an asset or liability is assessed by adopting the assumptions that the market operators would use when determining the price of the asset or liability, assuming that the market operators act to satisfy their own economic interests in the best possible way.

IFRS 13 establishes a fair value hierarchy based on the degree of observability of inputs from valuation techniques adopted for the measurements of underlying assets/liabilities; in particular, the hierarchy consists of three Levels.

- Level 1: the fair value of the instrument is determined on the basis of listing prices (not adjusted) observed on active markets;
- Level 2: the fair value of the instrument is determined on the basis of measurement models that use observable inputs on active markets, such as:
 - listed prices for similar assets or liabilities;
 - listed prices for identical or similar assets or liabilities on inactive markets;
 - observable parameters such as interest rates or yield curves, implied volatility, default rates and illiquidity factors;
 - parameters that are not observable but supported and confirmed by market data;
- Level 3: the fair value of the instrument is determined on the basis of measurement models that mainly use inputs not observable on active markets.

Each Group financial asset or liability is alternatively traced back to one of the previous Levels, whose assessments may be recurring or non-recurring (see IFRS 13, paragraph 93, letter a). The fair value valuation is classified entirely at the same level of the fair value hierarchy in which the lowest input level is classified.

The choice of evaluation techniques is not optional, the following are applied in hierarchical order: in fact, the fair value hierarchy gives the highest priority to (unadjusted) listed prices on active markets for identical assets or liabilities (Level 1 data) and the minimum priority to non-observable inputs (Level 3 data).

The measurement techniques used to measure fair value are applied uniformly and continuously over time, as described below.

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

In the absence of a listing on an active market, the measurement of the fair value of a financial instrument takes place using measurement techniques that maximise the use of observable market inputs.

The use of a valuation technique aims to estimate the price at which a regular transaction would take place for the sale of an asset or the transfer of a liability between market operators at the valuation date, under current market conditions. In this case, the measurement of the fair value may be Level 2 or Level 3 depending on the degree of observability of the input parameters considered in the pricing model.

In the absence of observable prices on active markets for the financial asset or liability to be measured, the fair value of the financial instruments is determined through the “comparable approach” (Level 2), which assumes the use of valuation models relying on market parameters.

In this case the measurement is not based on prices of the same financial instrument being measured (identical asset), but on prices, credit spreads or other factors deriving from the official prices of substantially similar instruments, in terms of risk factors and durability/return characteristics, using a given calculation methodology (pricing model).

In cases where the listing of a similar instrument on an active market or the characteristics of the instrument to be assessed are not available, it is necessary to use valuation models that presuppose the use of parameters that are not directly observable on the market and which, therefore, involve estimates and assumptions by the evaluator (non-observable input - Level 3). In these cases, the valuation of the financial instrument is carried out using a given calculation methodology based on specific assumptions concerning:

- the development of future cash flows, possibly conditioned by future events to which probabilities may be attributed which derive from historical experience or on the basis of conduct assumptions;
- the Level of certain input parameters not listed on active markets, for whose estimation the information acquired from prices and spreads observed on the market is still preferred. If these are not available, historical data for the specific risk factor underlying them or specialised research in the field is used (e.g. rating agencies or leading market players reports).

In the cases described, the opportunity to use valuation adjustments that take into account the risk premium that operators typically evaluate when pricing instruments is always taken into account. Valuation adjustment, if not explicitly considered in the valuation model, may include:

- model adjustment: adjustments that take into account any weaknesses in the valuation models highlighted during the calibration phases;
- liquidity adjustment: adjustments to take into account the bid-ask spread if the model estimates a mid price;
- credit risk adjustment: adjustments related to counterparty risk or its own issuer risk;
- other risk adjustment: adjustments related to a market-based risk premium (e.g. related to the complexity of assessing the instrument).

With regard to fair value measurement, the Group adopts various methods tailored to the specific characteristics of the products being valued.

For the valuation of receivables mandatorily measured at fair value, the method used is mainly the Discounted Cash Flow Model (DCF Model), expressed by discounting the expected cash flows of each loan at a market rate established taking into account elements such as the risk free rate for equal maturities and the counterparty credit risk. This technique is supplemented with the enterprise value measurement method of the debtor (e.g. multiples and comparable transactions) when the loan characteristics mean that its value depends on the value of the company. This dependence is normally due to the convertibility of the loan into equity or its degree of subordination.

For the valuation of structured loan products, these are attributable to two groups. The first concerns the subordinated tranches of securitisations of NPL portfolios, while the second concerns securitisations of performing underlying assets structured by illimity and held with the eventual intention to sell, in line with an HTCS business model. In the first case the exposures are part of an investment strategy that involves the subscription of the senior quota by the bank and, as promoter, also the subscription of part of the subordinate (mezzanine or junior) tranches. The starting point for the valuation is the purchase transaction, in which the price is determined by analysing the debtor's capacity to repay firstly the senior portion and thereafter the subordinate tranches, according to a waterfall mechanism. This capacity is therefore monitored during payments in order to confirm expectations of recovery predicted during the origination stage. In the second case, as these are floating-rate senior securitisation notes, the performance of the collateral is periodically assessed and the strength of the structure checked to confirm the initial recognition price or applying a write down where necessary. The measurement includes prudent assumptions on the capacity of the underlying to generate cash flows, preferring an inclusion of expected cash flows when there is a high probability of their occurrence.

For the valuation of non-listed equity instruments, the "comparable transactions method" is mainly used. This method applies to transactions that have economic and equity characteristics similar to that subject to valuation and adjustment for the income statement and equity figures of the asset assessed.

With specific reference to the measurement of UCI units, these instruments are periodically measured at *fair value* in accordance with the rules expressed in IFRS 13, based on specific methodologies that take into account the nature and type of the assets underlying assets the Funds.

The valuation may also include a dedicated liquidity discount, depending primarily on the characteristics of the assets invested by the fund itself, in order to align the fair value of the instruments recognised in the financial statements with the price at which a potential third-party investor would be prepared to buy units of the fund (i.e. the "*exit price*").

Over The Counter (OTC) derivatives, whose value cannot be directly observed on the market, are valued using specific models and inputs pursuant to the asset class and the characteristics of the specific financial product. The valuation of OTC derivatives takes into consideration, as well as the market variables to which the instruments are sensitive, the specific risks pertaining to the counterparties with which they are traded, in particular:

- for transactions negotiated within a netting and margining agreement (CSA), the counterparty risk is considered non-material and the valuation of the instruments is based exclusively on the underlying risk factors, in accordance with the principle of non-arbitrage;
- for transactions negotiated without a netting and margining agreement, the valuation is carried out by adding the valuation of the instrument, as if it were subject to netting and margining, to the adjustments associated with the counterparty risk (i.e. Credit Valuation Adjustment and Debt Valuation Adjustment).

Derivatives in place at the end of the financial year are primarily allocated, on the underlying basis, to the interest rate and foreign exchange rate classes. For both classes, the prevalent model adopted is the discounting cash flow model, with the addition of the Black & Scholes model for the valuation of caps and floors.

With regard to the measurement of financial assets and liabilities measured at fair value on a non-recurring basis, and in particular the loan portfolio, fair value is conventionally taken to be equal to the carrying

amount for all exposures classified as impaired and for exposures with a remaining maturity of less than one year, as it is considered that fair value can be regarded as equivalent to the carrying amount.

For the fair value measurement of performing loans, given the absence of prices directly observable on active and liquid markets, measurement techniques are used based on a theoretical model that meets the IAS/IFRS requirements (Level 3). The approach used to determine the fair value of performing receivables is the DCF Model applied to receivables with a residual life exceeding one year, while for other receivables with short-term maturity or without maturity, the nominal value is considered. Future cash flows are composed of the sum of the principal and interest portions, discounted at a market rate that reflects the characteristics of the underlying.

With regard to financial liabilities at amortised cost, the fair value calculated for reporting purposes is determined by applying the following methodologies:

- for medium- and long-term liabilities, the measurement is carried out considering the values of the prices of liabilities issued on active markets or by discounting future cash flows using an interest rate that incorporates the component relating to own credit risk for unlisted issues;
- for on-demand liabilities with short-term or indefinite maturities, the carrying amount is a good approximation of the fair value.

A.4.2 Processes and sensitivity of valuations

As required by IFRS 13, the Group carries out sensitivity tests for financial assets and financial liabilities measured at Level 3 fair value with reference to the change in one or more of the non-observable parameters used in the valuation techniques used to determine the fair value, such as, but not limited to, the elements that make up the cash flow discount curve or expected cash flows.

For Level 3 equity securities and units of UCIs - valued at EUR 15.2 million and EUR 431.6 million, respectively, as of 30 June 2026 - it is generally not possible to conduct a quantitative sensitivity analysis of fair value regarding changes in unobservable inputs. This is because the fair value is either obtained from third-party sources or derived from a model based on inputs specific to the entity being valued (e.g. the company's net asset values) for which the information required for a sensitivity analysis is unavailable.

A.4.3 Fair value hierarchy

With reference to financial assets and liabilities measured at fair value on a recurring basis, the illimity Group carries out transitions between Levels on the basis of the following guidelines:

- for debt securities and loans:
 - the transition from Level 3 to Level 2 takes place if the relevant parameters used as input in the measurement technique are, at the reference date, observable on the market;
 - the transition from Level 3 to Level 1 takes place when, on the reporting date, the presence of an active market has been successfully verified;
 - the transition from Level 2 to Level 3 occurs when, on the reporting date, some of the significant parameters in determining the fair value are not directly observable on the market;
- for equity instruments, the Level transfer takes place:
 - when observable market inputs were made available during the period (e.g. prices defined in comparable transactions on the same instrument between independent and knowledgeable counterparties). In this case, the reclassification is carried out from Level 3 to Level 2;
 - when the directly or indirectly observable elements taken as the basis for the valuation no longer exist or are no longer updated (for example, comparable transactions that are no longer recent or multiples that are no longer applicable). In this case, valuation techniques are used that use non-observable inputs.

A.4.4 Other information

As of the reporting date of the consolidated condensed interim financial statements, there is no information to report pursuant to IFRS 13, paragraphs 51, 93(i), and 96, because:

- there are no assets measured at fair value on the basis of “highest and best use”;
- there was no measurement of fair value at the level of total portfolio exposure to take into account the set-off of credit risk and market risk for a certain group of financial assets or liabilities (an exception ex IFRS 13, para. 48).

Quantitative Disclosure

A.4.5 Fair value hierarchy

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

Below is the disclosure required by IFRS 7, for portfolios of financial assets and liabilities measured at fair value based on the three-level hierarchy illustrated above.

Financial assets / liabilities measured at fair value	30/06/2026			31/12/2025		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	-	10,582	481,911	-	12,494	501,391
a) financial assets held for trading	-	10,582	25	-	12,494	25
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	481,886	-	-	501,366
2. Financial assets measured at fair value through other comprehensive income	278,186	151,101	5,021	374,513	164,185	5,468
3. Hedging derivatives	-	31,027	-	-	37,482	-
4. Property and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	278,186	192,710	486,932	374,513	214,161	506,859
1. Financial liabilities held for trading	-	10,821	-	-	12,742	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	16,608	-	-	16,556	-
Total	-	27,429	-	-	29,298	-

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

Instruments that are measured to a significant extent on the basis of unobservable parameters (Level 3) amount to 50.8% of the total financial assets measured at fair value, and on the reporting data are mainly represented by investments classified in the portfolio of “Financial assets mandatorily measured at FV”.

As of 30 June 2026, financial assets and financial liabilities held for trading consist almost exclusively of trading derivatives, all classified as Level 2.

Financial assets measured at fair value through other comprehensive income consist primarily of listed securities (Level 1).

A.4.5.3 Annual changes in liabilities measured at fair value on a recurring basis (level 3)

There are no liabilities measured at fair value on a recurring basis (level 3).

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

Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis	30/06/2026				31/12/2025			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortised cost	4,663,853	1,031,790	21,615	3,637,033	5,119,518	1,004,068	22,334	4,117,314
2. Property and equipment held for investment	-	-	-	-	-	-	-	-
3. Non-current assets held for sale and discontinued operations	24,860	-	-	24,860	146,843	-	-	150,530
Total	4,688,713	1,031,790	21,615	3,661,893	5,266,361	1,004,068	22,334	4,267,844
1. Financial liabilities measured at amortised cost	5,535,743	507,676	-	5,049,952	6,260,487	573,734	-	5,817,839
2. Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-
Total	5,535,743	507,676	-	5,049,952	6,260,487	573,734	-	5,817,839

Key:

BV = Book Value

L1 = Level 1

L2 = Level 2

L3 = Level 3

For other financial instruments recognised in the financial statements at amortised cost - classified under loans and receivables with banks or customers and under financial liabilities - a fair value has been determined for disclosure purposes in the Explanatory Notes to the Financial Statements, as required by the applicable accounting standard, IFRS 7.

The item “financial assets measured at amortised cost” includes debt securities issued by banks and customers measured at amortised cost, with a book value of EUR 1.9 billion in total as of 30 June 2026. This scope includes government securities measured at amortised cost with a book value of EUR 1,015 million at the end of June 2026, corresponding to a Level 1 fair value of EUR 1,025 million. The balance reported under Level 3 includes debt securities issued by customers within the illimity Group’s scope (primarily senior tranches of securitisation notes), with a total fair value of EUR 860 million. Excluding this component, the remaining balance of Level 3 financial assets measured at amortised cost consists primarily of credit exposures.

The item “non-current assets and assets held for sale” relates to Group loan portfolios (EUR 24.4 million) and HTCS equity instruments (EUR 0.5 million).

Level 1 financial liabilities measured at amortised cost relate to bonds issued by the Bank.

A.5 Disclosure on “Day One Profit/Loss”

Pursuant to IFRS 7, paragraph 28, a financial instrument must be initially recognised at an amount equal to its fair value, which - absent evidence to the contrary - corresponds to the price paid or received in the transaction. The aforementioned principle governs such situations by establishing that recording a financial instrument at a fair value other than the amount paid or received is permissible only if that fair value is determined:

- by reference to current, observable market transactions involving the same instrument;
- using valuation techniques that rely exclusively on data derived from observable markets as inputs.

In other words, the IFRS 9 presumption - that fair value equals the price paid or received - may be rebutted only if there is objective evidence that the price paid or received does not reflect the true market value of the financial instrument being traded.

Such evidence must be derived solely from objective and irrefutable parameters, thereby eliminating any scope for the valuer to exercise discretion.

The difference between the fair value and the transaction price - provided the aforementioned conditions are met - represents the so-called “day one profit” and is recognised immediately in the income statement.

No transactions falling within this category were identified in the Group's activities during the first half of 2026.

Part B – Information on the Consolidated Balance Sheet

Assets

Section 1 - Cash and Cash Equivalents – Item 10

1.1 Cash and cash equivalents: breakdown

	Total	Total
	30/06/2026	31/12/2025
a) Cash and cash equivalents	1	3
b) Current accounts and on-demand deposits with Central Banks	148,491	153,514
c) Current accounts and on-demand deposits with banks	96,761	76,198
Total	245,253	229,715

The sub-item "b) On-demand deposits with Central Banks" records the liquidity deposited with the Bank of Italy.

Section 2 - Financial Assets Measured at Fair Value Through Profit or Loss – Item 20

2.1 Financial assets held for trading: breakdown by product type

Items/Values	Total 30/06/2026			Total 31/12/2025		
	L1	L2	L3	L1	L2	L3
A. Cash assets						
1. Debt securities	-	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equity securities	-	-	-	-	-	-
3. Units of UCIs	-	-	25	-	-	25
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total (A)	-	-	25	-	-	25
B. Derivatives						
1. Financial derivatives	-	10,582	-	-	12,494	-
1.1 held for trading	-	10,852	-	-	12,494	-
1.2 connected to the fair value option	-	-	-	-	-	-
1.3 others	-	-	-	-	-	-
2. Credit derivatives	-	-	-	-	-	-
2.1 held for trading	-	-	-	-	-	-
2.2 connected to the fair value option	-	-	-	-	-	-
2.3 others	-	-	-	-	-	-
Total (B)	-	10,582	-	-	12,494	-
Total (A+B)	-	10,852	25	-	12,494	25

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

2.5 Other financial assets mandatorily measured at fair value: breakdown by product type

Items/Values	Total 30/06/2026			Total 31/12/2025		
	L1	L2	L3	L1	L2	L3
1. Debt securities	-	-	36,684	-	-	37,798
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	36,684	-	-	37,798
2. Equity securities	-	-	10,220	-	-	10,221
3. Units of UCIs	-	-	431,525	-	-	417,711
4. Loans	-	-	3,457	-	-	35,636
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Others	-	-	3,457	-	-	35,636
Total	-	-	481,886	-	-	501,366

Key:
L1 = Level 1
L2 = Level 2
L3 = Level 3

Financial assets mandatorily measured at fair value through profit or loss amounted to EUR 481.9 million as of 30 June 2026, a decrease of EUR 19.5 million compared to 31 December 2025. These financial assets consist mainly of Units of UCIs for EUR 431.5 million and mainly refer to transactions involving the transfer of non-performing loans in exchange for the subscription of fund units finalised in previous years. Loans measured at fair value refer to loans of the Turnaround Division for approximately EUR 3.5 million.

Section 3 - Financial Assets Measured at Fair Value Through Other Comprehensive Income – Item 30

3.1 Financial assets measured at fair value through other comprehensive income breakdown by product type

Items/Values	Total 30/06/2026			Total 31/12/2025		
	L1	L2	L3	L1	L2	L3
1. Debt securities	278,186	151,101	-	374,513	164,185	-
1.1 Structured securities	-	-	-	90	-	-
1.2 Other debt securities	278,186	151,101	-	374,423	164,185	-
2. Equity securities	-	-	5,021	-	-	5,468
3. Loans	-	-	-	-	-	-
Total	278,186	151,101	5,021	374,513	164,185	5,468

Key:
L1 = Level 1
L2 = Level 2
L3 = Level 3

The debt securities in the financial statements item were issued by governments (EUR 278.2 million), financial companies (EUR 151.1 million).

Section 4 – Financial Assets Measured at Amortised Cost – Item 40

4.1 Financial assets measured at amortised cost: breakdown by product of loans to banks

Type of operations/Values	Total 30/06/2026						Total 31/12/2025					
	Book value			Fair value			Book value			Fair value		
	Stage one and Stage two	Stage three	Purchased or originated credit impaired	L1	L2	L3	Stage one and Stage two	Stage three	Purchased or originated credit impaired	L1	L2	L3
A. Loans to Central Banks	-	-	-	-	-	-	-	-	-	-	-	-
1. Time deposits	-	-	-	-	-	-	-	-	-	-	-	-
2. Reserve requirements	-	-	-	-	-	-	-	-	-	X	X	X
3. Repurchase agreements	-	-	-	-	-	-	-	-	-	X	X	X
4. Others	-	-	-	-	-	-	-	-	-	X	X	X
B. Loans to banks	56,009	-	-	5,235	-	50,785	98,023	-	-	-	-	98,023
1. Loans	50,785	-	-	-	-	50,785	98,023	-	-	-	-	98,023
1.1 Current accounts	-	-	-	-	-	-	-	-	-	-	-	-
1.2. Time deposits	21,895	-	-	X	X	X	64,303	-	-	X	X	X
1.3. Other loans:	28,890	-	-	X	X	X	33,720	-	-	X	X	X
- Reverse repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
- Loans for leasing	-	-	-	X	X	X	-	-	-	X	X	X
- Other	28,890	-	-	-	-	-	33,720	-	-	X	X	X
2. Debt securities	5,224	-	-	5,235	-	-	-	-	-	-	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	5,224	-	-	5,235	-	-	-	-	-	-	-	-
Total	56,009	-	-	5,235	-	50,785	98,023	-	-	-	-	98,023

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.2 Financial assets measured at amortised cost breakdown by product of loans to customers

Type of operations/Values	Total						Total					
	30/06/2026						31/12/2025					
	Book value			Fair value			Book value			Fair value		
	Stage one and Stage two	Stage three	Purchased or originated credit impaired	L1	L2	L3	Stage one and Stage two	Stage three	Purchased or originated credit impaired	L1	L2	L3
1. Loans	1,994,546	463,271	271,674	-	-	2,725,767	2,368,412	404,783	323,145	-	-	3,094,972
1.1. Current accounts	4,694	4,928	5,629	-	-	-	5,681	5,074	19,579	X	X	X
1.2. Reverse Repurchase Agreements	-	-	-	-	-	-	23,586	-	-	X	X	X
1.3. Mortgages	143,343	56,277	201,089	-	-	-	184,840	60,631	233,378	X	X	X
1.4. Credit cards and personal loans, including wage assignment loans	512	-	-	-	-	-	696	497	-	X	X	X
1.5. Loans for leasing	3,587	2,593	56,655	-	-	-	4,056	2,757	61,692	X	X	X
1.6. Factoring	474,347	12,237	-	-	-	-	585,970	11,468	-	X	X	X
1.7. Other loans	1,368,063	387,236	8,301	-	-	-	1,563,583	324,356	8,496	X	X	X
2. Debt securities	1,389,178	445,983	43,192	1,026,555	21,615	860,481	1,407,036	464,250	53,869	1,004,068	22,334	924,318
1. Structured securities	-	2,460	-	-	2,460	-	-	2,460	-	2,460	-	-
2. Other debt securities	1,389,178	443,523	43,192	1,026,555	19,155	860,481	1,407,036	461,790	53,869	1,001,608	22,334	924,318
Total	3,383,724	909,254	314,866	1,026,555	21,615	3,586,248	3,775,448	869,033	377,014	1,004,068	22,334	4,019,290

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

The sub-item “Other performing debt securities” mainly includes government bonds for EUR 1,015 million. Also included among debt securities - within POCI financial assets - are EUR 43.2 million in securities classified as unlikely to pay.

Section 5 - Hedging Derivatives - Item 50

5.1 Hedging derivatives: breakdown by hedge type and level

	Fair Value			NV 30/06/2026	Fair Value			NV 31/12/2025
	30/06/2026				31/12/2025			
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives								
1) Fair value	-	31,027	-	660,000	-	37,482	-	660,000
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives								
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	31,027	-	660,000	-	37,482	-	660,000

Key:

NV = Nominal Value

L1 = Level 1

L2 = Level 2

L3 = Level 3

Section 7 - Equity Investments – Item 70

7.1 Equity investments: information on shareholding relationships

Name	Registered office	Operational headquarters	Type of relationship	Ownership relationship		Votes %
				Held by	% Held	
A. Jointly-owned subsidiaries						
-	-	-	-	-	-	-
B. Companies in which significant influence is exercised						
AltermAlnd S.r.l.	Milan	Milan	Significant influence	illimity Bank S.p.A.	48%	48%
Quimmo Agency S.r.l.	Faenza	Faenza	Significant influence	illimity Bank S.p.A.	40%	40%
Quimmo Prestige Agency S.r.l.	Milan	Milan	Significant influence	illimity Bank S.p.A.	40%	40%

Section 9 - Property and Equipment – Item 90

9.1 Property and equipment with functional use breakdown of assets measured at cost

Assets/Values	Total	Total
	30/06/2026	31/12/2025
1. Proprietary assets	1,966	2,249
a) land	-	-
b) buildings	-	-
c) furniture and fittings	76	150
d) electronic systems	33	66
e) others	1,857	2,033
2. Rights of use acquired through leases	23,226	28,385
a) land	-	-
b) buildings	14,559	18,168
c) furniture and fittings	-	-
d) electronic systems	-	-
e) others	8,667	10,217
Total	25,192	30,634
of which: obtained by enforcement of guarantees received	-	-

With regard to Proprietary Assets and other Rights of Use acquired through leases, the decrease is primarily attributable to depreciation for the year and the loss of control over the companies Abilio, Quimmo Agency, Quimmo Prestige Agency and Arecneprix.

The property and equipment related to rights of use acquired through leases mainly refer to the operating offices of the Bank and of the Group companies (included in the buildings). The category “Others”, on the other hand, includes cars, equipment and leased photovoltaic systems.

9.5 Inventories of property and equipment governed by IAS 2: breakdown

Assets/Values	Total	Total
	30/06/2026	31/12/2025
1. Inventories of property and equipment obtained through enforcement of guarantees received	20,090	20,278
a) land	-	-
b) buildings	20,090	20,278
c) furniture and fittings	-	-
d) electronic systems	-	-
e) others	-	-
2. Other property and equipment inventories	-	-
Total	20,090	20,278
<i>of which: measured at fair value net of costs to sell</i>	<i>-</i>	<i>-</i>

Section 10 - Intangible Assets – Item 100

10.1 Intangible assets: breakdown by asset type

Assets/Values	Total		Total	
	30/06/2026		31/12/2025	
	Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life
A.1 Goodwill	X	-	X	21,971
A.1.1 attributable to the group	X	-	X	21,971
A.1.2 attributable to minorities	X	-	X	-
A.2 Other intangible assets	7,043	-	22,623	-
of which: software	7,043	-	19,817	-
A.2.1 Assets measured at cost:	7,043	-	22,623	-
a) Intangible assets generated internally	524	-	911	-
b) Other assets	6,519	-	21,712	-
A.2.2 Assets measured at fair value:	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	7,043	-	22,623	21,971

Key

DEF: finite useful life

INDEF: indefinite useful life

Other intangible assets as at 30 June 2026 relate primarily to the acquisition and development of software, amortised on a straight-line basis over an estimated period based on the useful life determined as part of the integration with the parent company, Banca IFIS. The balance as of 30 June 2026 amounts to EUR 7 million.

As of 30 June 2026, the goodwill balance has been reduced to zero following disposal transactions completed during the half-year. Specifically, the sale of ARECneprix resulted in the derecognition of goodwill amounting to EUR 17.4 million, while the loss of control over Quimmo Prestige Agency (previously fully consolidated and indirectly controlled via Abilio S.p.A., but now subject to significant influence by illimity Bank) resulted in the derecognition of goodwill amounting to EUR 4.6 million.

Section 11 - Tax Assets and Tax Liabilities – Item 110 of Assets and Item 60 of Liabilities

11.1 Deferred tax assets: breakdown

Tax assets amounted to EUR 58.1 million as of 30 June 2026, down from the EUR 65.9 million recognised as of 31 December 2025.

Deferred tax assets refer primarily to the effects of the exercise of the tax relief option on goodwill and other intangible assets recognised in the financial statements following extraordinary transactions and purchases of equity investments, of the write-downs recorded on the securities portfolio measured at fair value through other comprehensive income and of the tax losses recognised during 2024.

Main deductible temporary differences: IRES	30/06/2026	31/12/2025
Write-down of loans and receivables with customers	254	368
Tax losses	26,465	26,465
ACE	-	-
Write-down of HTCS/FVOCI securities	5,282	6,777
Goodwill	16,859	19,858
Provisions for risks and charges	2,972	4,980
Others	568	984
Total	52,400	59,432

Main deductible temporary differences: IRAP	30/06/2026	31/12/2025
Write-down of loans and receivables with customers	39	56
Write-down of HTCS/FVOCI securities	1,454	1,373
Goodwill	4,077	4,772
Provisions for risks and charges	147	147
Others	24	91
Total	5,741	6,439

In accordance with the provisions of IAS 12, the Group has recognised deferred tax assets (DTAs), having first verified that the amounts recognised are supported by a reasonable expectation that they will be recoverable. This assessment took into account applicable tax regulations - specifically the rules regarding the convertibility of certain deferred tax assets into tax credits - as well as the capacity of the illimity Group and the Ifis Group to generate future taxable income, including in light of the proposed merger.

As regards the qualified DTA that can be converted into tax credits, amounting to EUR 0.3 million as at 31 December 2025, the tax rules introduced by Italian Law 214/2011, together with the exercise of the option for the annual instalment scheme, ensure that they are recoverable. This treatment is in line with the regulations contained in the Bank of Italy/Consob/Isvap Document no. 5 of 15 May 2012 "Accounting treatment of deferred tax assets deriving from Law 214/2011".

11.2 Deferred tax liabilities: breakdown

Tax liabilities, relating to deferred taxes, as of 30 June 2026 amounted to EUR 0.9 million, compared to EUR 2.8 million as of 31 December 2025.

Main taxable temporary differences: IRES	30/06/2026	31/12/2025
Revaluation of FVOCI securities	42	321
Others	813	2,202
Total	855	2,523

Main taxable temporary differences: IRAP	30/06/2026	31/12/2025
Revaluations of FVOCI securities	11	65
Others	1	236
Total	12	301

Deferred tax liabilities are recognised to reflect the temporary differences between the book value of an asset or liability, and its fiscal value. This recognition takes place in accordance with current tax laws.

11.8 Other information

Current taxes for the year and for prior years, where unpaid, are recognised as liabilities; any surplus paid in terms of an advance on the amount due, is recognised as an asset. The current tax liabilities (assets) for the current year and for prior years are determined at the value expected to be paid/recovered from the tax authorities, applying the current tax rates and regulations. Current tax assets and liabilities are derecognised in the year in which the assets are realised or the liabilities are discharged.

The tables below show the amounts of the current tax assets and liabilities.

Current tax assets: breakdown

Type of operations/Values	30/06/2026	31/12/2025
Deferred taxes paid to tax authority	28,934	26,041
Withholding taxes	669	2,730
Other tax receivables	1,466	463
Total	31,069	29,234

Current tax liabilities: breakdown

Type of operations/Values	30/06/2026	31/12/2025
Balance for the previous year	472	1
Provision for taxes	161	471
Withdrawals to pay taxes	472	-
Total	161	472

Section 12 - Non-Current Assets Held for Sale and Discontinued Operations and Associated Liabilities – Item 120 of Assets and Item 70 of Liabilities

	Total 30/06/2026	Total 31/12/2025
A. Assets held for sale		
A.1 Financial assets	24,860	65,530
A.2 Equity investments	-	81,313
A.3 Property and equipment	-	-
of which: obtained by enforcement of guarantees received	-	-
A.4 Intangible assets	-	-
A.5 Other non-current assets	-	-
Total (A)	24,860	146,843
<i>of which measured at cost</i>	24,412	146,843
<i>of which measured at level 1 fair value</i>	-	-
<i>of which measured at level 2 fair value</i>	-	-
<i>of which measured at level 3 fair value</i>	448	-
B. Discontinued operations	-	-
B.1 Financial assets measured at fair value through profit or loss	-	-
- financial assets held for trading	-	-
- financial assets designated 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 and equipment	-	-
of which: obtained by enforcement of guarantees received	-	-
B.6 Intangible assets	-	-
B.7 Other assets	-	-
Total (B)	-	-
<i>of which measured at cost</i>	-	-
<i>of which measured at level 1 fair value</i>	-	-
<i>of which measured at level 2 fair value</i>	-	-
<i>of which measured at level 3 fair value</i>	-	-
C. Liabilities associated with assets held for sale		
C.1 Payables	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	-
Total (C)	-	-
<i>of which measured at cost</i>	-	-
<i>of which measured at level 1 fair value</i>	-	-
<i>of which measured at level 2 fair value</i>	-	-
<i>of which measured at level 3 fair value</i>	-	-
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 designated at fair value	-	-
D.4 Provisions	-	-
D.5 Other liabilities	-	-
Total (D)	-	-
<i>of which measured at cost</i>	-	-
<i>of which measured at level 1 fair value</i>	-	-
<i>of which measured at level 2 fair value</i>	-	-
<i>of which measured at level 3 fair value</i>	-	-

This item includes certain credit exposures reclassified as assets held for sale, reflecting management's intention to dispose of them within a 12-month timeframe.

Compared to the balance at 31 December 2025, the decrease is primarily attributable to the completion in February of the sale of the equity investment in Hype for a consideration of EUR 85 million, as well as the sale of certain credit exposures at a price equal to their carrying amount.

Liabilities

Section 1 - Financial Liabilities Measured at Amortised Cost - Item 10

1.1 Financial liabilities measured at amortised cost composition of amounts due to banks by product

Type of operations/Values	Total 30/06/2026				Total 31/12/2025			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Due to central banks	-	X	X	X	-	X	X	X
2. Due to banks	879,407	X	X	X	726,634	X	X	X
2.1 Current accounts and on-demand deposits	114,597	X	X	X	91,223	X	X	X
2.2 Time deposits	20,001	X	X	X	290,131	X	X	X
2.3 Loans	730,195	X	X	X	324,771	X	X	X
2.3.1 Repurchase agreements - payable	730,195	X	X	X	324,771	X	X	X
2.3.2 Others	-	X	X	X	-	X	X	X
2.4 Liabilities in respect of commitments to repurchase equity instruments	-	X	X	X	-	X	X	X
2.5 Lease liabilities	137	X	X	X	162	X	X	X
2.6 Other payables	14,477	X	X	X	20,347	X	X	X
Total	879,407	-	-	879,407	726,634	-	-	733,998

Key:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

The explanation of the criteria for determining fair value is reported in Part A – Accounting Policies. Repurchase agreements payables against financial assets sold and not derecognised are detailed in Part E – Section E of the Explanatory Notes.

1.2 Financial liabilities measured at amortised cost breakdown of amounts due to customers by product

Type of operations/Values	Total				Total			
	30/06/2026				31/12/2025			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and on-demand deposits	995,780	X	X	X	1,055,046	X	X	X
2. Time deposits	2,932,772	X	X	X	3,315,376	X	X	X
3. Loans	196,589	X	X	X	564,623	X	X	X
3.1 Repurchase agreements - payable	-	X	X	X	352,330	X	X	X
3.2 Others	196,589	X	X	X	212,293	X	X	X
4. Liabilities in respect of commitments to repurchase equity instruments	-	X	X	X	-	X	X	X
5. Payables for leases	19,217	X	X	X	23,409	X	X	X
6. Other payables	862	X	X	X	922	X	X	X
Total	4,145,220	-	-	4,165,784	4,959,376	-	-	5,078,535

Key:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

1.3 Financial liabilities measured at amortised cost breakdown of securities issued

Type of securities/Values	Total				Total			
	30/06/2026				31/12/2025			
	BV	Fair Value			BV	Fair Value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	511,116	507,676	-	4,761	574,477	573,734	-	5,306
1.1 structured	-	-	-	-	-	-	-	-
1.2 others	511,116	507,676	-	4,761	574,477	573,734	-	5,306
2. other securities	-	-	-	-	-	-	-	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 others	-	-	-	-	-	-	-	-
Total	511,116	507,676	-	4,761	574,477	573,734	-	5,306

Key:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

Securities issued amount to EUR 511.1 million, a decrease of EUR 63.4 million compared to the figure at the end of the 2025 financial year, primarily due to the June maturity of one of the bond tranches issued by the Bank.

Section 2 - Financial Liabilities Held for Trading – Item 20

2.1 Financial liabilities held for trading: breakdown by product type

Type of operations/Values	Total 30/06/2026					Total 31/12/2025				
	NV	Fair Value			Fair Value	NV	Fair Value			Fair Value
		L1	L2	L3			L1	L2	L3	
A. Cash liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	-	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	-	-	-	-	-	X
3.2 Other securities	-	-	-	-	-	-	-	-	-	-
3.2.1 Structured	-	-	-	-	-	-	-	-	-	X
3.2.2 Others	-	-	-	-	-	-	-	-	-	X
Total (A)	-	-	-	-	-	-	-	-	-	-
B. Derivatives										
1. Financial derivatives	-	-	10,821	-	-	-	-	12,742	-	-
1.1 Held for trading	-	-	10,821	-	-	X	-	12,742	-	X
1.2 Connected to the fair value option	-	-	-	-	-	X	-	-	-	X
1.3 Others	-	-	-	-	-	X	-	-	-	X
2. Credit derivatives	-	-	-	-	-	-	-	-	-	-
2.1 Held for trading	-	-	-	-	-	X	-	-	-	X
2.2 Connected to the fair value option	-	-	-	-	-	X	-	-	-	X
2.3 Others	-	-	-	-	-	X	-	-	-	X
Total (B)	-	-	10,821	-	-	X	-	12,742	-	X
Total (A+B)	-	-	10,821	-	-	X	-	12,742	-	X

Key:

NV = Nominal value

L1 = Level 1

L2 = Level 2

L3 = Level 3

Section 3 - Financial Liabilities Designated at Fair Value – Item 30

The Group does not hold such liabilities on the reporting date.

Section 4 - Hedging Derivatives – Item 40

4.1 Hedging derivatives: breakdown by hedge type and level

	Fair Value			NV	Fair Value			NV
	30/06/2026			30/06/2026	31/12/2025			31/12/2025
	L1	L2	L3		L1	L2	L3	
A. Financial derivatives								
1) Fair value	-	16,608	-	1,421,000	-	16,556	-	1,761,000
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives								
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	16,608	-	1,421,000	-	16,556	-	1,761,000

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

Section 6 - Tax Liabilities – Item 60

For details on tax liabilities, see *Section 11 – Tax Assets and Tax Liabilities – Item 110 of Assets and Item 60 of Liabilities*

Section 10 - Provisions for Risks and Charges – Item 100

10.1 Provisions for risks and charges: breakdown

Items/Components	Total 30/06/2026	Total 31/12/2025
1. Provisions for credit risk relating to commitments and financial guarantees given	2,504	2,223
2. Provisions for other commitments and guarantees issued	-	-
3. Post-employment benefits and similar commitments	-	61
4. Other provisions for risks and charges	8,231	14,764
4.1 legal and tax disputes	2,382	4,087
4.2 staff cost	3,895	8,901
4.3 others	2,044	1,776
Total	10,825	17,048

Provisions for risks and charges amount to EUR 10.8 million. This item decreased by approximately EUR 6.2 million compared to 31 December 2025, primarily due to utilisation in connection with settlements involving a group of former illimity Group employees.

Part C – Information on the Consolidated Income Statement

Section 1 - Interest – Items 10 and 20

1.1 Interest income and similar income: breakdown

Items/Technical forms	Debt securities	Loans	Other transactions	Total 30/06/2026	Total 30/06/2025
1. Financial assets measured at fair value through profit or loss	2,137	-	-	2,137	3,670
1.1 Financial assets held for trading	-	-	-	-	1
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	2,137	-	-	2,137	3,669
2. Financial assets measured at fair value through other comprehensive income	4,471	-	-	4,471	9,382
3. Financial assets measured at amortised cost:	53,816	83,351	-	137,167	168,459
3.1 Loans to banks	1,032	2,293	-	3,325	5,927
3.2 Loans to customers	52,784	81,058	-	133,842	162,352
4. Hedging derivatives	-	-	(718)	(718)	356
5. Other assets	-	-	1,853	1,853	3,630
6. Financial liabilities	-	-	-	91	908
Total	60,424	83,351	1,135	145,001	186,405
of which: interest income on impaired financial assets	2,848	12,111	-	14,959	26,625
of which: interest income on finance leases	-	1,760	-	1,760	322

1.3 Interest expenses and similar charges: breakdown

Items/Technical forms	Debt	Securities	Other transactions	Total 30/06/2026	Total 30/06/2025
1. Financial liabilities measured at amortised cost	(73,709)	(15,366)	-	(89,075)	(122,099)
1.1 Due to central banks	(19)	-	-	(19)	(20)
1.2 Due to banks	(8,306)	-	-	(8,306)	(10,299)
1.3 Amounts due to customers	(65,384)	-	-	(65,384)	(83,421)
1.4. Securities issued	-	(15,366)	-	(15,366)	(28,359)
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and provisions	-	-	(184)	(184)	(328)
5. Hedging derivatives	-	-	(753)	(753)	(3,250)
6. Financial assets	-	-	-	(14)	(175)
Total	(73,709)	(15,366)	(937)	(90,026)	(125,852)
of which: interest expense relative to lease liabilities	(690)	-	-	(690)	(731)

Section 2 - Fees and Commissions – Items 40 and 50

2.1 Fees and commission income: breakdown

Type of service/Values	Total 30/06/2026	Total 30/06/2025
a) Financial instruments	-	-
1. Placement of securities	-	-
1.1 With underwriting and/or on the basis of an irrevocable commitment	-	-
1.2 Without an irrevocable commitment	-	-
2. Receipt and transmission of orders and execution of orders for customers	-	-
2.1 Receipt and transmission of orders of one or more financial instruments	-	-
2.2 Execution of orders for customers	-	-
3. Other fees and commissions connected with activities related to financial instruments	-	-
of which: proprietary trading	-	-
of which: individual portfolio management	-	-
b) Corporate Finance	3,720	1,677
1. Consultancy on mergers and acquisitions	-	-
2. Treasury services	-	-
3. Other fees and commissions connected with corporate finance services	3,720	1,677
c) Investment consultancy activities	-	-
d) Netting and settlement	-	-
e) Collective portfolio management	5,379	3,680
f) Custody and administration	-	-
1. Custodian bank	-	-
2. Other fees and commissions related to custody and administration activities	-	-
g) Central administrative services for collective portfolio management	-	-
h) Fiduciary activities	-	-
i) Payment services	1,730	1,871
1. Current accounts	1,174	1,279
2. Credit cards	399	397
3. Debit cards and other payment cards	33	42
4. Bank transfers and other payment orders	34	47
5. Other fees and commissions related to payment services	90	106
j) Distribution of third party services	64	56
1. Collective portfolio management	-	-
2. Insurance products	2	3
3. Other products	62	53
of which: individual portfolio management	-	-
k) Structured finance	-	-
l) Servicing activities for securitisation operations	9,944	9,019
m) Commitments to disburse funds	-	-
n) Financial guarantees issued	408	615
of which: credit derivatives	-	-
o) Loan transactions	8,389	14,447
of which: for factoring operations	4,290	5,376
p) Currency trading	13	14
q) Goods	-	-

r) Other commission income	3,710	6,243
of which: for management of multilateral trading systems	-	-
of which: for management of organised trading systems	-	-
Total	33,357	37,622

The decrease in fees and commission income stems primarily from reduced origination activity by the Group, as well as from transactions involving the disposal of control over the companies Abilio, Quimmo Agency and Quimmo Prestige Agency, whose revenues were largely recognised under the Fees and commission income (other) item.

2.2 Fees and commission expense: breakdown

Type of service/Values	Total 30/06/2026	Total 30/06/2025
a) Financial instruments	-	-
of which: trading in financial instruments	-	-
of which: placement of financial instruments	-	-
of which: individual portfolio management	-	-
- Proprietary	-	-
- Delegated to third parties	-	-
b) Netting and settlement	-	-
c) Collective portfolio management	-	-
1. Proprietary	-	-
2. Delegated to third parties	-	-
d) Custody and administration	(332)	(504)
e) Collection and payment services	(1,198)	(1,263)
of which: credit cards, debit cards and other payment cards	(983)	(1,010)
f) Servicing activities for securitisation operations	(75)	(63)
g) Commitments to receive funds	-	-
h) Financial guarantees received	(123)	(179)
of which: credit derivatives	-	-
i) Off-site distribution of financial instruments, products and services	-	-
j) Currency trading	-	-
k) Other fees and commission expense	(3,794)	(5,999)
Total	(5,522)	(8,008)

Section 3 - Dividends and Similar Income – Item 70

Items/Income	Total 30/06/2026		Total 30/06/2025	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading	-	-	-	-
B. Other financial assets mandatorily measured at fair value	639	8	1,750	-
C. Financial assets measured at fair value through other comprehensive income	-	-	-	-
D. Equity investments	-	-	-	-
Total	639	8	1,750	-

Section 4 - Net Profit of Trading Activity – Item 80

4.1 Net trading result: breakdown

Transactions/Income items	Capital gains (A)	Profits from trading (B)	Capital losses (C)	Losses from trading (D)	Net profit (loss) [(A+B) - (C+D)]
1. Financial assets held for trading	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-
1.2 Equity instruments	-	-	-	-	-
1.3 Units of UCIs	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Others	-	-	-	-	-
2. Financial liabilities held for trading	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Others	-	-	-	-	-
3. Financial assets and liabilities: foreign exchange differences	-	-	-	-	52
4. Derivatives	6,865	13,503	(6,235)	(12,772)	1,426
4.1 Financial derivatives:	6,865	13,503	(6,235)	(12,772)	1,426
- On debt securities and interest rates	6,865	13,503	(6,235)	(12,772)	1,361
- On equity securities and share indices	-	-	-	-	-
- On currencies and gold	-	-	-	-	65
- Other	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedging related to the fair value option	-	-	-	-	-
Total	6,865	13,503	(6,235)	(12,772)	1,478

Section 5 - Net Profit (Loss) in Hedge Accounting – Item 90

5.1 Net hedging result: breakdown

Income item/Values	Total 30/06/2026	Total 30/06/2025
A. Income relating to:		
A.1 Fair value hedging derivatives	2,702	816
A.2 Hedged financial assets (fair value)	1,368	1,292
A.3 Hedged financial liabilities (fair value)	5,568	631
A.4 Cash flow of financial hedging derivatives	-	-
A.5 Assets and liabilities in foreign currency	-	-
Total income from hedging (A)	9,638	2,739
B. Costs relating to:		
B.1 Fair value hedging derivatives	(6,982)	(1,978)
B.2 Hedged financial assets (fair value)	(2,467)	(144)
B.3 Hedged financial liabilities (fair value)	(183)	(434)
B.4 Cash flow of financial hedging derivatives	-	-
B.5 Assets and liabilities in foreign currency	-	-
Total costs from hedging (B)	(9,632)	(2,556)
C. Net hedging result (A - B)	6	183
of which: result of hedging of net positions	-	-

Section 6 - Profits (Losses) on Disposal/Repurchase – Item 100

6.1 Profits (Losses) on disposal/repurchase: breakdown

Item/Income items	Total 30/06/2026			Total 30/06/2025		
	Profit	Loss	Net profit/loss	Profit	Loss	Net profit/loss
Financial assets						
1. Financial assets measured at amortised cost	213	(335)	(122)	7,294	(335)	6,959
1.1 Loans to banks	-	-	-	-	-	-
1.2 Loans to customers	213	(335)	(122)	7,294	(335)	6,959
2. Financial assets measured at fair value through other comprehensive income	921	(1,457)	(536)	5,998	(4,259)	1,739
2.1 Debt securities	921	(1,457)	(536)	5,998	(4,259)	1,739
2.2 Loans	-	-	-	-	-	-
Total assets (A)	1,134	(1,792)	(658)	13,292	(4,594)	8,698
Financial liabilities measured at amortised cost	-	-	-	-	-	-
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Securities issued	-	-	-	-	-	-
Total liabilities (B)	-	-	-	-	-	-

Section 7 – Net Profit (Loss) on Other Financial Assets and Liabilities Measured at Fair Value Through Profit or Loss – Item 110

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

Transactions/Income items	Capital gains (A)	Gains on disposal (B)	Capital losses (C)	Losses on disposal (D)	Net profit (loss) [(A+B) - (C+D)]
1. Financial assets	3,548	27,373	(16,927)	-	13,994
1.1 Debt securities	650	-	(295)	-	355
1.2 Equity instruments	-	27,373	-	-	27,373
1.3 Units of UCIs	2,898	-	(11,875)	-	(8,977)
1.4 Loans	-	-	(4,757)	-	(4,757)
2. Financial assets: foreign exchange differences	-	-	-	-	-
Total	3,548	27,373	(16,927)	-	13,994

Section 8 – Net Impairment Losses/Reversals for Credit Risk – Item 130

8.1 Impairment losses for credit risk relating to financial assets measured at amortised cost: breakdown

Transactions/Income items	Impairment losses (1)						Reversals (2)				Total 30/06/2026	Total 30/06/2025
	Stage one	Stage two	Stage three		Purchased or originated credit impaired		Stage one	Stage two	Stage three	Purchased or originated credit impaired		
			Write-offs	Others	Write-offs	Others						
A. Loans to banks	(7)	-	-	-	-	-	58	-	-	-	51	81
- Loans	(1)	-	-	-	-	-	58	-	-	-	57	81
- Debt securities	(6)	-	-	-	-	-	-	-	-	-	(6)	-
B. Loans to customers	(9,148)	(3,727)	-	(38,742)	-	(8,556)	9,660	3,097	17,352	8,124	(21,940)	(111,172)
- Loans	(8,321)	(3,650)	-	(24,972)	-	(8,556)	8,695	3,011	11,516	8,124	(14,153)	(34,406)
- Debt securities	(827)	(77)	-	(13,770)	-	-	965	86	5,836	-	(7,787)	(76,766)
Total	(9,155)	(3,727)	-	(38,742)	-	(8,556)	9,718	3,097	17,352	8,124	(21,889)	(111,091)

Impairment losses on loans, amounting to a negative EUR 21.9 million, improved by EUR 89.2 million compared to the first half of 2025: the comparative period had, in fact, factored in higher write-downs, particularly regarding the “transformed” portfolio and b-ilty.

The main impairment losses recorded during the first half of 2026 relate to the former Specialised Credit businesses (specifically the so-called “Transformed” transactions), b-ilty and Structured Finance.

8.2 Impairment losses for credit risk relating to financial assets measured at fair value through other comprehensive income: breakdown

Transactions/Income items	Impairment losses (1)						Reversals (2)				Total	Total
	Stage one	Stage two	Stage three		Purchased or originated credit impaired		Stage one	Stage two	Stage three	Purchased or originated credit impaired	30/06/2026	30/06/2025
	Write-offs	Others	Write-offs	Others	Write-offs	Others						
A. Debt securities	(185)	-	-	(442)	-	-	328	66	-	-	(233)	(1,648)
B. Loans	-	-	-	-	-	-	-	-	-	-	-	-
- To customers	-	-	-	-	-	-	-	-	-	-	-	-
- To banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	(185)	-	-	(442)	-	-	328	66	-	-	(233)	(1,648)

Section 12 - Administrative Expenses – Item 190

12.1 Personnel expenses: breakdown

Type of expense/Amount	Total 30/06/2026	Total 30/06/2025
1) Employees	(28,924)	(38,186)
a) wages and salaries	(19,319)	(24,578)
b) social security contributions	(5,722)	(6,968)
c) provision for employee severance pay	-	-
d) pension costs	-	-
e) provision for employee severance pay	(572)	(920)
f) provision for post-employment benefits and similar provisions:	(80)	(102)
- defined contribution	(80)	(102)
- defined benefits	-	-
g) payments to external supplementary pension funds:	(606)	(754)
- defined contribution	(598)	(742)
- defined benefits	(8)	(12)
h) costs related to share-based payments	-	20
i) other employee benefits	(2,625)	(4,884)
2) Other staff in service	(624)	(1,001)
3) Directors and statutory auditors	(854)	(1,227)
4) Retired staff	-	-
Total	(30,402)	(40,414)

12.5 Other administrative expenses: breakdown

Type of expense/Amount	30/06/2026	30/06/2025
Insurance	(2,606)	(2,302)
Various consulting services	(1,151)	(13,084)
Sundry contributions	(189)	(381)
Cost of services	(2,547)	(2,680)
Financial information	(1,934)	(1,886)
Adverts and advertising	(434)	(959)
Financial statements audit	(658)	(665)
IT and software expenses	(31,515)	(27,035)
Legal and notary's fees	(1,811)	(2,505)
Property management expenses	(2,736)	(3,071)
Expenses for professional services	(1,926)	(3,247)
Utilities and services	(113)	(131)
Other indirect taxes and duties	(4,693)	(5,865)
Others	(1,925)	(2,027)
Total	(54,238)	(65,838)

Section 14 - Net Impairment Losses/Reversals on Property and Equipment – Item 210

14.1. Depreciation and impairment losses on property and equipment: breakdown

Assets/Income items	Depreciation & Amortisation	Impairment losses	Reversals	Net profit/loss
	(a)	(b)	(c)	(a + b - c)
A. Property and equipment				
1 For business use	(2,873)	-	-	(2,873)
- Owned	(214)	-	-	(214)
- Rights of use acquired through leases	(2,659)	-	-	(2,659)
2 Held for investment	-	-	-	-
- Owned	-	-	-	-
- Rights of use acquired through leases	-	-	-	-
3 Inventories		-	-	
Total	(2,873)	-	-	(2,873)

Section 15 - Net Impairment Losses/Reversals on Intangible Assets – Item 220

15.1 Amortisation and impairment losses on intangible assets: breakdown

Asset/Income item	Depreciation & Amortisation	Impairment losses	Reversals	Net profit/loss
	(a)	(b)	(c)	(a + b - c)
A. Intangible assets				
of which: software	(3,324)	-		(3,324)
A.1 Owned	(4,316)	(67)	-	(4,383)
- Generated internally by the company	(334)	-		(334)
- Other	(3,982)	(67)		(4,049)
A.2 Rights of use acquired through leases	-	-		-
B. Assets held for sale	-	-		-
Total	(4,316)	(67)	-	(4,383)

Section 20 - Profit (Loss) From Disposal of Investments – Item 280

20.1 Profit (loss) from disposal of investments: breakdown

Asset/Income item	Total 30/06/2026
A. Property	2
- Profits on disposal	2
- Losses on disposal	-
B. Other assets	-
- Profits on disposal	-
- Losses on disposal	-
C. Equity investments	-
- Profits on disposal	-
- Losses on disposal	(19,374)
Net profit/loss	(19,372)

Losses on the disposal of investments, amounting to EUR 19.4 million, primarily relate to the disposal of control in the companies Abilio, Quimmo Agency and Quimmo Prestige Agency (totalling EUR 17.3 million) and in the company ARECneprix (EUR 2.1 million).

Section 21 - Income Taxes for the Year on Continuing Operations –Item 300

The total positive income taxes for the period amount to EUR 1,830 thousand, comprising: income of EUR 4,389 thousand relating to current taxes and a charge of EUR 2,559 thousand relating to movements in deferred tax assets (IRES and IRAP).

PART E – Information on Risks and Related Hedging Policies

Introduction

Risk Management Process and Internal Control System

With regard to the first half of 2026, and in line with practices in previous years - as well as within the framework of the guidelines, policies and Risk Governance System of the Parent Company Banca Ifis - illimity and its subsidiaries managed risk oversight through a comprehensive Risk Management Process (RMP). This process serves as a reference model for organisational and procedural development and for the systematic execution of all operational and business activities undertaken, whether routine or non-systematic/contingent in nature. In line with the mission assigned, strategies and objectives pursued, these operations and activities entail undertaking and continually managing risks, in order to contribute to a sustainable value creation process, while also ensuring regulatory compliance and, among others, a coordinated use of human resources, technologies and methodologies.

At general level, illimity and its Subsidiaries implement the aforementioned process through an organisation model that requires the coordinated use of human resources, technologies and methodologies based on a set of internal rules that define the structure of management controls, the policies (rules, authorities, objectives and limits in governing risks of various operating and business segments), and the processes in which the activities are carried out, including the control activities.

The Board of Directors of the illimity Bank Spa plays a fundamental role in risk management and control. It sets the strategic guidelines, targets and risk limits, approves and reviews the risk management policies and assesses the level of efficiency and adequacy of the Internal Control System. In collaboration with the Chief Executive Officer, the Board also oversees the execution of strategic guidelines and the implementation - regarding reference indicators, target thresholds and associated limits as defined by the Parent Company Banca Ifis - of the *Risk Appetite Framework* (RAF) and risk governance policies.

The Board of Statutory Auditors supervises the adequacy and practical functioning of the Company's organisational structure and internal control system, and supports the Board of Directors in establishing the directional lines of the internal control and risk management system, consistent with the Bank's strategies, and in assessing, on at least an annual basis, the adequacy of this system with respect to the Bank's characteristics and assumed risk profile, as well as its effectiveness.

The Competence Line Risk oversees the "second level" control activities as a Risk Management Function, ensuring, through the support of the technical functions concerned, constant control of the risks assumed by illimity and its Subsidiaries, governing the process of identification, analysis, modelling, assessment, measuring, controlling and *reporting*.

The Competence Line Compliance & AFC, as the "second level" control function, oversees compliance with laws and regulations, with a view to preventing, managing and mitigating the risk of incurring judicial or administrative penalties, significant financial losses or reputational damage arising from breaches of imperative laws and regulations or self-regulation requirements as well as with a view to prevent money laundering risk, terrorist financing and breaches of financial sanctions. In addition, the Compliance & AFC discharges illimity Bank spa's controls on matters regarding the processing of personal data in support of the Data Protection Officer, identified in compliance with applicable laws and regulations in the person of the Chief Compliance & AFC Officer.

The ICT and Security Risks Function (made up of the resources of Risk and Compliance & AFC) ensures the control of the risk to ICT and Security arising from the information system, consistent with the RAF limits.

The Internal Audit Department oversees the so-called "third level" control activities as the Internal Audit Function. More specifically, it controls the proper performance of operations and the evolution of risks and assesses the completeness, adequacy, functionality and reliability of the organisational structure and the internal control system, bringing possible improvements to the attention of the corporate bodies, with particular reference to the RAF, the risk management process and the tools for measuring and controlling such.

To ensure the efficient and effective operation of the Risk Management Process regarding all current and prospective material risks, illimity Bank S.p.A. contributes - in compliance with supervisory regulations and consistent with the framework defined by the Parent Company, Banca Ifis - to the implementation of the following systems and processes:

- the RAF system of risk targets and limits;
- self-evaluation processes on the adequacy of capital (ICAAP) and liquidity profile (ILAAP), which have the aim of providing an internal assessment of capital compared to the exposure to the risks that characterise operations and the operating and structural liquidity profile, in ordinary and stress conditions, and also from the standpoint of the future for achieving the targets of the Strategic Plan and Budget;
- an ex-ante assessment process for Major Transactions with a preventive opinion on their sustainability at a credit and earnings level and their consistency with the RAF;
- the definition of the Recovery Plan - a tool governing crisis situations and intervention strategies/options to restore orderly operations - as well as the *Contingency Funding Plan* procedure (an emergency plan for liquidity management during crises).

In accordance with the prudential supervision provisions, the way in which information is provided to the public about its capital adequacy, risk exposure and the general characteristics of the systems it uses to identify, measure, manage and control these risks has also been defined (Pillar 3 of Basel II - "Pillar 3"), separate disclosure in addition to that already present in the financial statements. This information is published in accordance with the rules dictated by the Bank of Italy on the Company's website: www.illimity.com ("Investor Relations" section).

As part of the process for identifying material risks for the Banca Ifis Group, illimity and its subsidiaries implement an operational *risk-mapping* process. Based on qualitative-quantitative metrics and rules shared across the corporate structure, this process enables the identification of risk categories to which illimity and its subsidiaries are - or could be - exposed, as well as the assessment of their materiality based on specific criteria reflecting the significance and materiality of the risks themselves. The ESG risk category is also included in this assessment.

The outcome of the material risk identification process is formalised in a risk map. The purpose of this map is to represent, in relative terms, the risk categories affecting the current and prospective operations of illimity Bank S.p.A. and to attribute them to the business lines that generate them; this serves as a functional prerequisite for determining overall risk exposure.

With regard to ESG risk, the Bank also performs the annual double materiality analysis process through which it identifies impacts, risks and opportunities related to sustainability for reporting purposes (Italian Legislative Decree no. 125/2024). The determination of material sustainability issues is performed by considering both the definition of impact as well as the financial aspect.

Below is comprehensive information about the risk governance system and specific information about material risks, indicated below, and the related management, control and hedging policies adopted by the illimity and its subsidiaries:

- credit risk (which also includes concentration risk);
- market risk (interest rate risk and price risk - regulatory trading book);
- interest rate risk (interest rate risk and price risk of banking book);
- liquidity risk;
- operational risks;
- ICT and security risk;
- ESG risks (for a more in-depth discussion of this issue, please refer to the Sustainability Statements prepared pursuant to Italian Legislative Decree 125/2024), in the Directors' Report accompanying the Consolidated Financial Statements.

The other risks considered relevant as a result of the *risk mapping* process described above are also subsequently reported and defined.

It should be noted that as of 4 July 2025, following the Public Tender and Exchange Offer, illimity and its subsidiaries belong to the Banca Ifis Group and are subject to its management and coordination activity. Therefore, the Shareholders' Meeting of 25 September 2025 resolved to adopt the traditional management and control system, already adopted in Banca Ifis and in the Ifis Group, suitable for ensuring management

efficiency and control effectiveness, and for delivering good results in terms of value creation for Shareholders, capital strengthening and financial balance. The management and control system is traditional and assigns strategic management to the Management Board and supervisory and control functions to the Board of Statutory Auditors, both appointed by the Shareholders' Meeting.

Regarding financial and non-financial risks, the strategic guidelines of the Parent Company, Banca Ifis have naturally been extended - or managed through specific transitional provisions - to the new subsidiary, illimity Bank, and the other companies of the illimity Group, progressively aligning the strategies and procedures of the two entities.

Section 1 - Accounting Consolidation Risks

Quantitative Information

A. Credit quality

A.1 Non-performing and performing credit exposures: balances, impairment losses, trends and economic breakdown

A.1.1 Breakdown of financial assets by portfolio and credit quality (book values)

Portfolio/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	190,042	922,789	64,840	188,387	3,297,795	4,663,853
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	429,287	429,287
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	3,457	-	-	36,684	40,141
5. Financial assets held for sale	442	23,970	-	-	-	24,412
Total 30/06/2026	190,484	950,216	64,840	188,387	3,763,766	5,157,693
Total 31/12/2025	185,858	1,013,952	76,129	141,897	4,379,344	5,797,180

A.1.2 Breakdown of financial assets by portfolio and credit quality (gross and net amounts)

Portfolio/quality	Non-performing			Performing			Total (net exposure)
	Gross exposure	Total gains or losses	Net exposure	Gross exposure	Total gains or losses	Net exposure	
1. Financial assets measured at amortised cost	1,504,673	(327,002)	1,177,671	3,523,675	(37,493)	3,486,182	4,663,853
2. Financial assets measured at fair value through other comprehensive income	217	(217)	-	429,804	(517)	429,287	429,287
3. Financial assets designated at fair value	-	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	3,457	-	3,457	-	-	36,684	40,141
5. Financial assets held for sale	37,610	(13,198)	24,412	-	-	-	24,412
Total 30/06/2026	1,545,957	(340,417)	1,205,540	3,953,479	(38,010)	3,952,153	5,157,693
Total 31/12/2025	1,596,677	(320,738)	1,275,939	4,694,118	(237,938)	4,521,241	5,797,180

Portfolio/quality	Assets of evident low credit quality		Other assets
	Cumulative losses	Net exposure	Net exposure
1. Financial assets held for trading	-	-	10,582
2. Hedging derivatives	-	-	31,027
Total 30/06/2026	-	-	41,609
Total 31/12/2025	-	-	49,976

B. Disclosure of structured entities (other than securitisation companies)

There are no structured companies not consolidated as at 30 June 2026 other than the securitisation companies falling within the scope of the Group.

Section 2 - Prudential Consolidation Risks

1.1 Credit Risk

Qualitative information

1. General aspects

Credit risk is the risk of incurring losses due to the breach of contractual obligations by a counterparty unable to repay interest and/or capital (default risk), expressed as the difference between the value of the credit and the value effectively recovered, or losses associated with impairment of the counterparty's credit rating (risk of migration).

Credit risk also includes the case of risk of concentration, arising from exposures to counterparties including central counterparties, groups of related parties and parties operating in the same economic sector, in the same geographical region, or exercising the same activity or dealing in the same goods, and from the application of techniques to mitigate credit risk including risks of indirect exposures, such as those

towards individual guarantors. There are two main components of concentration risk:

- single name, arising from the fact that significant parts of the portfolio are allocated to a single counterparty (or groups of counterparties that share specific characteristics in terms of legal and economic ties);
- geo-sectorial, arising from concentrations with counterparties that have a high correlation terms of the default risk as they come from the same economic sector or the same geographical area.

Great importance is assigned to the control of credit risk and to the relative control systems, which are necessary to create the conditions to:

- ensure a structural, significant creation of value in a controlled risk environment;
- protect illimity and its Subsidiaries' asset and financial solidity, as well as its image and reputation;
- allow a proper, transparent representation of the risk level inherent in its lending portfolio.

The main operational factors that contribute to determining and managing credit risk relate to:

- loan application processes;
- credit risk management;
- monitoring of exposures;
- debt recovery.

The quality of the lending portfolio is preserved by adopting specific operational methods at every stage of the loan management process (contact, application stage, decision and disbursement, monitoring and litigation). Credit risk is controlled right from the first stage of the application process, by means of:

- checking creditworthiness, with particular attention to the customer's current and forward-looking capacity to produce income and, above all, sufficient cash flows to honour the debt;
- an assessment of the nature and scope of the required loan in relation to the actual needs and the financial and economic capacity of the applicant, the performance of the account if already in existence, and the sources of repayment;
- the membership in Legal and Economic Groups.

Surveillance and monitoring activity is based on a system of internal controls aimed at optimising the management of credit risk. This is done by using measurement and control methods called "performance". These methods take into consideration every aspect of the customer relationship, such as the general details (information about the customer's place of residence, business, legal status, the last decision taken on their account, adverse events, corporate structure, irregularities in the Central Risk Register, status and doubtful outcome, the persons managing the account and finally, information about whether the account has been in default), information about credit facilities (form of loan, authorised credit limit, overdraft credit line, utilisation, overrun/availability and credit expiry date), details of the guarantees backing the loans, plus information about any other significant factors. "Performance" monitoring interacts with the credit control and management procedures, making the credit monitoring process more efficient by enhancing the information available, and makes the recovery process more effective.

The opening and granting of a new line of credit is based on a process of analysing the applicant's financial and business data supported by qualitative information about their company, the purpose of the loan, the market they operate in, and the presence and assessment of any collateral guarantees.

With regard to the Risk Appetite Framework, illimity and its Subsidiaries verify aspects including the following, in relation to the risk in question and certain aspects of the relative concentration risk:

- the Bank's level of exposure to related parties (IAS 24) and parties in conflict of interests (pursuant to Article 2391 of the Italian Civil Code);
- observance of the limits provided for by the supervisory regulations.

Other indicators relating to credit risk and concentration risk (e.g. the ratio of non-performing exposures to the total portfolio, coverage ratios for performing and non-performing exposures, and portfolio concentration levels regarding groups of connected counterparties and sectors) have been centralised at

the Banca Ifis Group level and are therefore monitored on a consolidated basis rather than at the level of individual subsidiary.

For the purposes of determining internal capital in relation to credit risk, the standardised methodology, adopted for the calculation of prudential requirements in relation to said risk, is used.

2. Credit risk management policies

2.1 Organisational aspects

illimity Bank operates in the banking sector and is authorised to provide private banking, offer investment services and conduct trading activities.

Therefore, illimity has a Chief Commercial Officer (CCO) to oversee the business, to whom the structures responsible for origination report:

- Corporate Banking, with its two structures, Structured Finance and Factoring;
- Turnaround & Credit Opportunities;
- Investment Banking;
- ABF (Asset-Based Finance) - Investments;

The CCO is also responsible for the Digital Banking unit, in charge of Direct Banking management, and the Strategy, Projects & Business Monitoring unit, responsible for coordinating and supporting business activities, as well as the M&A Advisory & Syndication area.

Finally, the CCO also oversees the Lending Competence Line, with responsibility for credit analysis and resolution activities, in support of the business.

illimity Bank's business is also supported by the subsidiary Fürstenberg SGR (formerly illimity SGR), an Asset Management Company, whose purpose is the management of the assets of closed-end reserved collective alternative investment funds (AIFs) set up with its own funds and those of third-party institutional investors. illimity SGR, renamed Fürstenberg SGR in December, was set up with the aim of operating and developing activities in the strategic areas indicated by its parent company illimity Bank S.p.A.. The SGR shall be a professional operator in establishing, administering, managing, organising, promoting and selling AIFs;

The Bank's organisational structure is also comprised of "HQ Functions", i.e., transversal structures supporting the business and monitoring risks. In particular, it should be noted that the Chief Operating Officer (COO) also oversees the Portfolio & Business Transformation Division, responsible for managing specific assets considered "non core" and for which no origination is envisaged.

Corporate Banking Division

The Corporate Banking Division consists of two organisational units:

- Structured Finance, which is responsible for financing to high-potential businesses with a suboptimal financial structure and/or with a low rating or no rating; the crossover segment also includes financing solutions dedicated to acquisition activities (acquisition finance);
- Factoring, which is responsible for financing the supply chain of the operators of Italian chains and industrial districts through the activity of recourse and non-recourse purchasing of customers' trade receivables, through a dedicated digital channel.

Each unit is tasked with analysing the customers and sector within its portfolio to design the optimal financing solution, assess the risk level of each position, define product pricing or transaction specifications, interface with customers to monitor the risk profiles of counterparties and intervene promptly, where necessary, in the event of problems, in coordination with the Bank unit responsible for monitoring loans.

The objective of the Corporate Banking Division - which reports to the CCO - is to serve businesses, usually medium-sized, with a credit standing that is not necessarily high, but that have a good industrial potential and which, due to the complex nature of transactions to be financed, or their financial difficulties, require a specialist approach to supporting business development programmes or plans to rebalance and relaunch industrial activities.

Therefore the Division mainly focuses on structuring detailed financing transactions that meet the complex needs of its counterparties, directly supporting customer companies.

Turnaround & Credit Opportunities Division

The Turnaround & Credit Opportunities Division - which reports to the CCO - identifies business opportunities for companies in financial distress or facing situations of discontinuity, assessing the credit rating and defining strategies for restructuring, revitalisation or growth.

Specifically, the Division carries out transactions through various instruments (such as the purchase of loans) on Non-Performing positions, Special Situations, and Turnarounds, with the aim of implementing their rehabilitation and return to performing status. This is achieved through the identification of optimal financial solutions, which may include the disbursement of new loans or the takeover of existing ones. Additionally, the Division manages relations with shareholders, companies, creditors, and other investors, thereby creating profit plans and continuously monitoring customers' risk.

Investment Banking Division

The Investment Banking Division - which reports to the CCO - is responsible for defining and executing capital markets operations (both in the equity segment and the debt segment for corporate customers), for derivatives trading on own behalf and for third parties, for structuring structured finance transactions for funding and capital optimisation purposes to support the other units of the Bank.

The Division's Value Proposition provides for:

- alternative solutions for businesses, to provide new "finance" and/or improve their financial position, in addition to those already offered by the Bank, exploiting the synergies with the other Group divisions (i.e. Basket Bonds, Basket Loans, securitisations of trade receivables and inventories, securitisations of secured and unsecured loans, single-tranche structures, IPOs, derivative instruments to provide solutions for interest rate and exchange rate risk, etc.);
- structuring funding transactions and capital optimisation (i.e. SRTs), also supporting other Company Divisions and Functions.

The Division is divided into four organisational units, described below:

- Capital Markets, which provides strategic development solutions for businesses, also through access to capital markets;
- Investment & Hedging Solutions, which manages the "Corporate Bonds" and "Alternative Debt Securities" portfolio and offers solutions to SMEs and Mid Caps to hedge market risks;
- Securitisations & Funding Solutions, which is responsible for structuring financial optimisation solutions for corporate clients, as well as structuring funding solutions for the Bank and financial customers.
- Structured Products & Client Solutions, which scouts for customers in areas related to Investment Banking, leveraging existing relationships and collaborating with other business units within the Bank to ensure comprehensive customer coverage and identify cross-selling opportunities.

For the conduct its Investment Banking business, illimity also avails itself of the vehicles Piedmont SPV and Mia SPV.

ABF Investments Division

The ABF Investments Division, which reports to the CCO, operates in the area of asset-backed loans with the objective of returning value to the asset and maximising its production capacity. The Division is particularly focused on the investment/financing opportunities in so-called single name loans with underlying real estate, as well as senior financing opportunities aimed at single name third-party investors or the subscription of notes issued by SPVs that acquire asset-based NPEs.

Digital Banking Division

illimity, through its Digital Banking Division, offers digital banking products and services to retail customers and to business customers or to small- and medium-sized enterprises with turnover of EUR 2 million to EUR 10 million.

The Digital Banking Division, which reports to the CCO, is responsible for the management of the funding platform, i.e., the web and app channel for retail customers.

The Value Proposition for the Division's customers currently extends to the following categories of products and services:

- Current accounts, offered through an innovative, digital user experience, with associated credit, debit and prepaid cards managed in collaboration with nexi;
- Deposit accounts with competitive rates and a simple, customisable product structure;
- Spending Projects, to simply and automatically save to achieve one's goals – offered only to retail customers;
- Account Aggregator and Payment Initiation Service, i.e. features that enable the aggregation in each customer's home banking of accounts held with other banks, making it possible to perform transactions;
- Offer of a complete range of products (i.e. personal loans, American Express credit cards and insurance products) – offered only to retail customers.

Portfolio & Business Transformation Division

The Portfolio & Business Transformation Division manages the portfolio of positions related to the Distressed Credit business. In particular it manages the portfolio management & asset optimisation activities, for positions derived from businesses in the distressed/specialised credit sector.

To carry out its activities pertaining to the non-core ex-Specialised Credit perimeter, the Portfolio & Business Transformation Division uses the vehicles Aporti, Friuli SPV, Doria SPV, River SPV, Pitti SPV, Maui SPE, Dagobah SPV, Spicy Green SPV, Sileno SPV, Montes SPV, Iside SPE and the companies Soperga RE, Friuli LeaseCo, Doria LeaseCo, River LeaseCo, Pitti LeaseCo, Dagobah LeaseCo, Montes LeaseCo, Vela 2023 LeaseCo, Eolo LeaseCo, River Immobiliare, Mida RE, SpicyCo, SpicyCo 2, Enervitabio San Giuseppe Società Agricola, Renit CPV and Little Spicy.

To carry out the activities of the b-ilty business, the Division uses the funds INGENII Open Finance, Ingenii Boost Finance and Space Direct Lending Fund as well as the vehicles GRO SPV, Farky SPV, Farm SPV, Dome SPV and Havana SPV.

Transversal Structures – HQ Functions

Transversal operations and support activities are supervised by the following units reporting directly to the CEO:

- Financial, Administration & ALM, responsible for coordinating the overall strategic planning process, relations with the financial community, developing the Corporate Social Responsibility plan as well as the administrative, accounting and control activities;
- Human Resources, responsible for human resource management;
- Legal, responsible for legal support and relations with the Authorities;
- Corporate Affairs, responsible for managing the corporate secretariat as well as general affairs and corporate support;
- COO, who oversees the areas of privacy & security, the group's ICT, banking operations, the management of ICT third parties, procurement, as well as the management of the organisational activities for transversal supervision and coordination for the Bank;

In turn, the following units also fall within the scope of the HQ Functions, reporting directly to the CEO:

- Risk, responsible for guaranteeing the strategic oversight and definition of risk management policies;
- Compliance & AFC, responsible for compliance risk management and oversight of money laundering and terrorist financing risk.

Credit policies are translated into budget objectives, broken down by business area or organisational unit and expressed in terms of “archetypes” (representing the various technical forms of credit exposure and their associated risk-return profiles).

As part of the pursuit of the budget targets, the pricing structure and potential capital consumption (standard requirement) - linked to credit risk - for all proposed credit transactions are submitted in advance to the CLO (for first-level controls) and the Competence Line Risk. The latter conducts an independent assessment of the underlying material risks and the proposed capital consumption to confirm or modify the findings presented by the specific business areas. In this context, assessments are carried out in both ordinary and stressed conditions and also considering the regulatory compliance, reputational and ESG profiles and related impacts on RAF (Risk Opinion) indicators, with the formalisation of the results of the sustainability and consistency analysis, in particular for Materially Important Transactions.

The CFO is also involved in considerations on the control and compliance with the capital and liquidity limits allocated to each Division, the funding structure associated with the transaction and accounting treatment of the transaction, as well as the start of the income recognition phase according to of amortised cost method adjusted for credit risk.

At individual transaction level, the approval of the above pricing structure to be submitted to the decision-making body identified on the basis of the approval thresholds is the responsibility of the head of the proposing business Division.

Regarding the impact of an individual transaction on the overall portfolio, the Competence Line Risk's controls and reporting focus on adherence to the credit risk objectives and limits defined in the RAF.

For management purposes in order to support the assessment of own client reliability, as well as for the calculation of collective write-downs related to performing loans, internal rating models are used.

Lastly, the Competence Line Risk also carries out second-level controls, through the Risk Management and Risk Strategy & Group Controls Areas, for example in terms of portfolio quality evolution (transition matrices), capital absorptions, monitoring compliance with the targets and risk limits (RAF) and effectiveness of the recovery process (comparing the estimated recovery rates and those achieved).

2.2 Management, measurement and control systems

Credit risk is continuously controlled with the assistance of procedures and tools that allow for the timely identification of positions with particular anomalies.

illimity and its Subsidiaries have equipped themselves over time with tools and procedures that allow for the specific assessment and monitoring of risk for each type of customer and product.

Continuous monitoring of credit risk by verifying the timeliness of repayments, the correctness of the relationship, the information reported by the Central Risk Service or selected databases and the reputational profile, and to examine the underlying causes for each of these.

With reference to the portfolio control activities, loans to customers are monitored by specific units within the aforementioned business units that are responsible for the continuous and proactive verification of customers (first-level controls); other regulatory second-level control activities, carried out at centralised level by the Parent Company's Risk Management take place alongside the above process. In general, controls are both of a generic nature, based on the use of performance analysis models, and specific to individual positions characterised by particular risk profiles.

Credit exposures to companies generated by the Crossover & Acquisition Finance and Turnaround business divisions are assigned a rating on the basis of a model developed internally and used for the first time as of 31 December 2025 in the annual rating review; this model considers performance data (central risks) as well as balance sheet figures.

For the remaining exposures, an external rating is instead used.

The rating class is a fundamental driver for the calculation of write-downs on performing loans; in addition to directly linking the expected loss to the specific risk level of the individual counterparty, the rating models allow the activation of the quantitative stage allocation criterion, which provides, by comparing the risk level at the time of granting the loan with the current risk level, to assess the significant increase in risk and therefore the assignment of the position to Stage 2. The expected loss determination framework also includes satellite models functional to the introduction of forward-looking elements in the estimates of risk parameters in total compliance with the requirements of IFRS 9.

In the performance of measurement and control activities, the activity carried out by Risk Management in the context of second-level controls is of fundamental importance.

With reference to credit risks, the Risk Management function:

- oversees, monitors and assesses credit risks, carrying out controls and analyses according to the defined guidelines; in particular:
- assesses credit quality, ensuring compliance with credit guidelines and strategies through the continuous monitoring of credit risk indicators;
- constantly monitors credit risk exposure and compliance with the operating limits assigned to the operating structures in relation to credit risk assumption;
- verifies, by means of second-level controls, the correct execution of performance monitoring on individual exposures, in particular non-performing exposures, and assesses the consistency of the classifications and the appropriateness of the provisions;
- monitors exposure to concentration risk;
- performs quantitative analysis activities in support of the business units for the management use of risk measures;
- oversees the process of monitoring the value of acquired collaterals, personal and financial guarantees.

Regarding the credit risk associated with bond investments, the Group is constantly engaged in monitoring credit quality; appropriate periodic reporting is provided to the Board of Directors and Senior Management of the Parent Company, Banca Ifis, on a consolidated basis.

Under the Basel 3 framework, illimity has chosen to use the standardised approach to determine capital requirements for Pillar 1 credit risks, in line with the practices adopted by the Parent Company, Banca Ifis. Regarding the capital requirement for single-name concentration risk - classified as a Pillar 2 risk - the Group applies the Granularity Adjustment method defined in Annex B, Title III of Circular No. 285 of 17 December 2013, supplemented by a capital add-on calculated using the ABI methodology for estimating geographic-sector concentration risk.

To assess its vulnerabilities regarding capital and liquidity management, the Banca Ifis Group has developed quantitative and qualitative techniques to evaluate its exposure to exceptional yet plausible events across all Group companies. These analyses - known as stress tests - measure the impact on the Banca Ifis Group's risk profile resulting from simultaneous movements in economic and financial variables under adverse scenarios; they are conducted at least annually as part of defining the Risk Appetite Framework (RAF) and preparing the Recovery Plan and the ICAAP and ILAAP reports.

Stress tests allow the verification of the Group resilience, simulating and estimating the impacts of adverse situations, and provide important indications regarding its exposure to risks, the adequacy of the related mitigation and control systems and the ability to deal with unexpected losses also from a forward-looking and planning perspective. To conduct stress tests, the Banca Ifis Group has developed internal methodologies that - by leveraging synergies with the satellite models used for IFRS 9 purposes - enable it to project asset quality in line with adverse macroeconomic scenarios and assess the impact on various credit quality indicators, such as the ratio of impaired loans or the increase in loan loss provisions.

2.3 Methods of measuring expected losses

Expected losses are estimated in line with the accounting standard IFRS 9. Among the main elements characterising this standard are:

- the classification of credits into three different levels (or "Stages") to which different methods of calculating the losses to be recognised correspond: Stage 1 includes performing positions that have not undergone a significant increase in credit risk since they were disbursed; Stage 2 includes performing exposures that have undergone a significant increase in credit risk compared to their first entry in the Bank's books; and Stage 3 includes all exposures classified as non-performing;
- for Stage 2 exposures, it is necessary to assess the expected loss over the entire residual life of the credit (i.e. and not only with a time horizon of one year as for Stage 1 exposures);
- whereas, it is necessary to take into account the conditions of the current business cycle (Point in Time) in place of a calibration of parameters along the business cycle (Through the Cycle) required for regulatory purposes;
- the introduction of forecast information regarding the future dynamics of the macroeconomic factors (forward looking) considered potentially able to influence the situation of the borrower.

The staging methodology has been defined on the basis of qualitative and quantitative drivers, identified for the analysis of the significant increase in credit risk and, therefore, for the identification of the exposures to be included in the different stages. It should be noted that, when verifying the increase in credit risk compared to origination, no account is taken of the guarantees that assist the individual exposure, which play a key role in determining impairment losses. The criteria adopted by illimity and its Subsidiaries to understand the significant increase in credit risk are shown below.

Significant increase in credit risk

The criteria adopted by illimity and its Subsidiaries to understand the significant increase in credit risk are shown below.

Quantitative criteria

Negative change in the rating class (known as delta notch): in order to identify the "significant increase in credit risk", for the exposures of the credit portfolio, an approach was used that determines the classification in Stage 2 if the change in rating classes between the origination and the observation date shows a worsening above certain thresholds. The thresholds are differentiated according to the current rating class, making it easier to move to Stage 2 on riskier classes.

RATING_CURRENT	THRESHOLD
AAA	3
AA	3
A	3
BBB	3
BB	3
B	3
CCC	2
CC	2
C	1

Qualitative criteria

- Rebuttable presumption - 30 days past due; consistent with IFRS 9, there is a relative presumption that the credit risk of the financial assets has increased significantly – compared to the initial recognition – when contractual payments have expired for more than 30 days. The accounting standard provides that this presumption can be contradicted in the presence of reasonable information demonstrating that the credit risk has not significantly increased since the initial recognition, even if the contractual payments have expired for more than 30 days. To date, illimity and its Subsidiaries have not used this possibility;
- Forbearance: this criterion provides that a credit exposure is allocated to Stage 2 when a concession measure (forbearance) is granted for that exposure;
- Watchlist: the management classification (so-called Watchlist) aims to identify, on the basis of expert based indications, situations of significant increase in credit risk.

Once the financial assets have been classified in the different Stages, for each exposure, it is necessary to determine the relative impairment losses following the Expected Credit Loss ("ECL") logic, using appropriate calculation models. The principle on which the ECL is based is to create a connection between improvement or worsening of the risk profile of the exposure compared to the date of initial recognition in the financial statements, respectively with the increase or decrease in the provision funds.

IFRS 9 defines loss on a financial instrument as the present value of the difference between the contractual cash flows due to the entity and the cash flows it expects to receive. The average of all losses weighted for the respective default risk represents the value of the expected loss.

The calculation method provides for two different measurement criteria based on the time horizon for calculating expected losses:

- limit to a time horizon of 12 months, if the financial assets are classified in Stage 1 (12-month ECL);

- residual life of the financial assets, for positions classified in Stage 2 and 3 (Lifetime ECL).

With reference to debt securities, the methodology used by illimity and its Subsidiaries for the allocation of relationships in the different Stages is based, contrary to the above for credit exposures, only on quantitative drivers (so-called delta notch) as well as on a practical rule expressly permitted by IFRS 9 (Low Credit Risk Exemption). With respect to the latter, the legislation provides that an entity may use its own internal credit risk ratings or other methodologies consistent with a globally shared definition of low credit risk to determine whether a financial instrument is low credit risk, taking into account the risks and type of financial instruments being measured. In particular, an exposure is considered to have “low credit risk” if the financial instrument presents a low risk of default, i.e. if the borrower has a strong ability to meet its obligations regarding short-term contractual cash flows and if unfavourable changes in longer-term economic and commercial conditions could reduce, but will not necessarily reduce, the borrower’s ability to meet its obligations regarding contractual cash flows.

Consistent with the provisions of the standard, illimity and its Subsidiaries have decided to adopt, even in the presence of information on credit risk measures at the date of origination, the assumption according to which the credit quality of a government “investment grade” rating can be assumed not to have significantly deteriorated, thus making use of the Low Credit Risk Exemption (LCRE) option. Therefore, only securities that, on the reporting date, have an “investment grade” rating are allocated to Stage 1, while single-tranche notes associated with defaulting securities are classified in Stage 3.

Specifically, the impairment calculation formula for Stage 1 and 2 tranches of securities is consistent with the approach adopted for credit exposures. The Stage allocation of performing debt securities presupposes the use of an external rating of the issue; the classification in the Stages is defined according to specific criteria related to this type of portfolio. Debt securities exposures are classified in Stage 3 in cases where credit risk has deteriorated to the point where the security is to be considered impaired, i.e. classified as non-performing.

In accordance with IFRS 9, the illimity and its Subsidiaries have defined a specific methodological framework aimed at modelling the following risk parameters, which are relevant for the calculation of IFRS 9 impairment:

- Probability of Default (PD);
- Loss Given Default (LGD);
- Exposure at Default (EAD);
- stage allocation criteria;
- calculation of expected losses including point-in-time elements.

The methodologies developed for the estimation and calibration of the above parameters have been defined taking into account the complexity of illimity and its Subsidiaries’ portfolio. The credit portfolio of illimity Bank is broken down between the legacy portfolio originated by the former Banca Interprovinciale, the new exposures originated by illimity and the non-performing loans acquired by the Bank. The latter are broken down into medium/long-term exposures of the CB and Turnaround division, factoring exposures of the same CB division and the medium/long-term exposures of the b-ilty division. The specific characteristics of each aggregate differ significantly in terms, for example, of size, risk profile and management rules.

To this end, illimity Bank has implemented the following approaches, differentiated by type of portfolio:

- application of an evolved model (Credit Fusion) for the assignment of ratings to counterparties financed by illimity, used in credit risk management processes (origination and risk control) for estimating Probabilities of Default/ratings of Corporate Banking and Turnaround credit exposures and for accounting purposes (calculation of collective write-downs). This model, introduced for the first time in the review of the portfolio rating as of 31/12/2025, considers trend information (Central Credit Register) in addition to the financial statements figures;
- application of an external rating of the provider Crif to the remaining exposures (former Banca Interprovinciale Portfolio, b-ilty portfolio) and attribution of the relative probabilities of default based on historical default rates;
- adjustment of probabilities of default in line with the macroeconomic scenario, using the forward-looking PD Model;
- adoption of the LGD model based on the estimate of recovery percentages in the case of bad loans calibrated based on the recoveries of bad loans of the former Specialised Credit Division;
- application of a model for collective impairment of factoring portfolios that uses ratings provided by the rating agency Crif as inputs. The Risk Management function has developed an engine for calculating Expected Credit Loss, so as to be able to manage in house any methodological choice

relating to the application of Probability of Default (PD) and Loss Given Default (LGD) parameters, in line with the continuous developments in terms of business practices and obtaining greater alignment with the portfolio's risk profile.

- to determine the ECL of exposures to securitisation notes of material amount or complexity, a Monte Carlo approach is used;
- as at the accounting date of 31 December 2025, a methodological refinement was introduced in order to make default probabilities forward-looking. In particular, the same three macroeconomic scenarios and the same probabilities of occurrence used by the parent company were considered: base, adverse and a specific climate risk.

With reference to the inclusion of Forward Looking factors fuelling the IFRS 9 provisioning process, below is a summary of the macroeconomic scenarios used by the Risk Management unit at 30/06/2026, identified by an external info provider:

- **base scenario:** the base scenario represents the most likely evolution of the macroeconomic outlook and assumes a gradual easing of geopolitical tensions and their associated effects on energy commodity markets. In this context, the Italian economy would experience moderate growth, with GDP increasing by 0.3% in 2026, 0.8% in 2027 and 0.9% in 2028. Inflation, driven in the short term by rising energy prices, would stand at 3.0% in 2026 before converging toward more moderate levels over the following two years.
- **adverse scenario:** the adverse scenario, named "Prolonged Iran War", posits a significant deterioration in the international geopolitical landscape, characterised by a protracted conflict, prolonged disruption of key global energy routes, and persistent pressure on oil and gas prices. This scenario would lead to a marked slowdown in global economic activity, accompanied by a sharp rise in inflation and more restrictive monetary policies. For the Italian economy, GDP is projected to contract by 1.0% in 2026 and 0.2% in 2027, alongside a significant rise in government bond yields and a deterioration in financing conditions;
- **climate scenario:** the climate scenario, identified as Short-Term Disasters and Policy Stagnation, envisages the occurrence of extreme weather events of high intensity and frequency, set against a backdrop of limited progress in mitigation and adaptation policies. The occurrence of consecutive adverse weather events damages productive capacity, capital stock, and economic growth, weighing on Italian GDP with a 1.0% contraction in 2026 and a 1.2% contraction in 2027, followed by a gradual recovery over the medium term;

FINANCIAL INDICATORS	Base scenario			Adverse scenario			Climate scenario		
END OF FINANCIAL YEAR (%)	2026	2027	2028	2026	2027	2028	2026	2027	2028
Increase (decrease) of Italian real GDP YoY	0.3%	0.8%	0.9%	(1.0%)	(0.2%)	1.7%	(1.0%)	(1.2%)	1.2%
Italian unemployment	5.3%	5.7%	6.0%	5.5%	6.1%	6.2%	5.3%	6.2%	6.4%
Euribor 3M	2.3%	2.2%	2.1%	2.6%	2.0%	1.7%	2.0%	1.1%	1.1%
BTP yield 10 years	3.7%	3.8%	3.9%	6.4%	7.0%	6.2%	4.4%	4.5%	4.2%
Price increase (decrease) of Brent oil per barrel YoY	30.5%	(22.3%)	(15.3%)	81.1%	(31.5%)	(24.9%)	35.2%	(21.5%)	(16.5%)
Italian inflation	3.0%	1.6%	1.7%	5.3%	2.0%	0.5%	3.6%	1.9%	0.8%

With reference to the probability of occurrence of the scenarios, in line with that carried out for the financial year 2025 and with the continued high uncertainty of the geopolitical and macroeconomic context, the baseline scenario was assigned a probability of occurrence of 60%, the adverse scenario one of 30% and the climate scenario one of 10%. From a perspective of prudence, the best scenario was not considered.

In order to provide information that allows for a clear understanding of the judgemental elements used by management and their relative impacts, specific sensitivity analyses have been carried out. The inclusion of forward-looking factors for measuring expected losses is, in fact, a particularly complex exercise, as it

requires the formulation of macroeconomic forecasts, the selection of scenarios and their related probabilities of occurrence, and the definition of a model capable of expressing the relationship between the aforementioned macroeconomic factors and the default rates of the exposures being assessed.

For this reason, in order to assess the impact on expected losses resulting from the selection of different macroeconomic scenarios and in accordance with ESMA recommendations, specific sensitivity analyses are provided below, in terms of ECL. These analyses were carried out by assigning a 100% weighting to each individual macroeconomic scenario (“base”, “adverse” and “climate”) with respect to the multi-scenario approach followed for the purposes of drafting this document.

The selection of a multi-factor sensitivity, obtained by varying several parameters simultaneously and implicit in the choice to consider alternative macroeconomic scenarios, is justified by the fact that there are countless interrelationships between the various macroeconomic factors, such that a sensitivity analysis based on a single factor would be less representative (for example, changes in GDP would in fact be correlated with changes in many other macroeconomic variables).

The basis for sensitivity analysis is represented by expected credit losses (ECL) relating to credit exposures to Banca Ifis Group customers (including the illimity Group), i.e. cash loans and endorsement credits. This refers, in particular, to the ECL determined on the basis of the models in use, and therefore does not include the post-model adjustments illustrated below.

In particular, the 100% “adverse” weighting would lead to an impact on the model ECL of approximately +1.6%, a 100% “baseline” weighting would lead to an impact of approximately -1.1%, while a 100% “climate” weighting would lead to an impact of approximately +1.8%.

2.4 Credit risk mitigation techniques

To mitigate credit risk, when the loan is granted, various types of guarantee are usually required. These mainly consist of secured guarantees on property or assets, and personal guarantees, consortium guarantees or other types of commitments and covenants related to the structure and reason for the operation.

In general, the decision to obtain a guarantee is based on the customer’s credit rating and the characteristics of the operation. After that, it may be appropriate to obtain additional guarantees to mitigate the risk, taking into account the presumed recoverable value offered by the guarantee.

The value of financial collaterals is periodically monitored. This involves comparing the current value of the guarantee with the initial value to allow the manager to intervene promptly if there is a significant reduction in the amount of the guarantee.

3. Non-performing credit exposures

3.1 Strategies and management policies – 3.2 Write-offs – 3.3 Purchased or originated impaired financial assets

The default portfolio is classified according to the regulatory definitions. In particular:

- “non-performing past due exposures”, which correspond to on-balance sheet credit exposures other than those classified under bad loans or unlikely-to-pay positions, which on the reporting date were past-due or have been overrun continuously for more than 90 days;
- “unlikely-to-pay positions, which, rather, correspond to exposures for which it is considered unlikely that the borrower will fulfil their loan obligations without the recourse to actions such as enforcement of guarantees. This assessment is made regardless of whether or not there are any amounts or instalments overdue and unpaid. There is thus no need to wait for an express signal such as non-repayment, if there are factors that imply a risk of the borrower defaulting (for example a crisis in the industry they operate in). The total on- and off-balance sheet exposures to the same borrower in the above situation will be termed an unlikely to pay position unless there are conditions for classifying the borrower among bad loans.
- “bad loans”, which correspond to on- and off-balance sheet exposures to a borrower in a state of insolvency (even when not recognised in a court of law) or in an essentially similar situation,

regardless of any loss forecasts made by illimity and its Subsidiaries. They do not, therefore, take into account any collaterals or personal guarantees given in respect of the loan. They exclude exposures where the irregularity relates to country risk aspects.

The EBA's Implementing Technical Standard (ITS) also introduced the concept of "forborne" which refers to exposures where a concession has been granted, in other words a change to the previous contractual conditions and/or a partial or total refinancing of the debt, given the customer's financial difficulties at the time of the concession.

When implementing the EC regulation, the Bank of Italy introduced, with reference to non-performing loans, what is known as "non-performing forborne exposures" means individual on-balance sheet exposures and revocable and irrevocable commitments to disburse funds, which are subject to a concession that meets the rules in paragraph 180 of the ITS. These exposures are cross-category and depending on the situation, they are included in bad loans, unlikely-to-pay positions or non-performing past due exposures. They do not form a separate category of non-performing assets.

The main forborne exposures or support measures are:

- changes to the terms and conditions of a loan that the counterparty cannot repay, by including new conditions that would not have been granted if the customer had not been in financial difficulty;
- total or partial refinancing, meaning the use of a loan disbursement intended to ensure the full or partial repayment of other existing loan agreements, which would not have been granted if the counterparty had not been in financial difficulty.
- It should be noted that the forborne attribution distinguishes the individual line of credit and may relate to performing or non-performing lines.

In addition, as indicated by IFRS 9, in some cases a financial assets are considered to be non-performing at the time of initial recognition because the credit risk is very high and, in the case of acquisition, it has been acquired at a large discount compared to the initial loan value. If the financial assets in question, based on the application of the classification driver (the SPPI test and Business model), can be classified among assets measured at amortised cost or at fair value through other comprehensive income, they are classified as "Purchased or Originated Credit Impaired Asset" and undergo a special treatment with regard to the impairment process. In addition, for assets classified as POCI, a credit-adjusted effective interest rate is calculated on the date of initial recognition, the so-called "credit-adjusted effective interest rate", which requires the inclusion of the expected initial losses, in the estimates of cash flows. To apply the amortised cost and the resulting calculation of interest, this credit-adjusted effective interest rate is applied.

The structures of illimity and its Subsidiaries that manage the relationship with the borrower use objective and subjective criteria for the purpose of proposing the classification of credit exposures to non-performing exposures. The first objective criteria are triggered by the overrun of specific limits (as defined in the Bank of Italy Circular 272), while the second subjective criteria relate to other irregularities on the credit relationship, such as adverse events, central risk register irregularities, other sources of information, etc.

In 2021 criteria (sometimes stricter than in the past) required by prudential regulations for the identification of exposures in default were introduced. Among others, these include materiality thresholds for past due exposures, a criterion for onerous restructuring, and a prohibition on netting different credit lines. The impact of the new regulation on the cost of borrowing for illimity and its Subsidiaries has been very limited.

Bad loans correspond to on- and off-balance sheet credit exposures to a borrower in a state of insolvency (even when not recognised in a court of law) or in an essentially similar situation, independently of any loss forecasts made by illimity and its Subsidiaries.

These two statuses described above are determined independently of any consideration about the nature and extent of any guarantees supporting the loans. Impairment losses, which are valued in detail on each position, reflect prudential criteria relating to the possibility of recovery, which may also relate to any collateral. They are subject to periodic review.

A loan account will be reclassified as performing in accordance with the legal provisions.

4. Financial assets subject to commercial negotiations and forborne exposures

The forbearance and commercial renegotiation measures are governed by a specific internal policy, which defines the criteria for classifying forborne loans, in line with the reference external regulations.

Quantitative information

For the purposes of quantitative disclosure on credit quality, the term "credit exposures" means financial assets excluding equity securities and units of UCIs.

C. SECURITISATION TRANSACTIONS

Qualitative information

With regard to securitisation transactions, below is a brief qualitative description, broken down by originating business unit.

SPVs arising from Specialised Credit (non-Core) business and Asset Based Financing

In its investment and non-performing loan management (NPLs), the Bank uses a number of SPVs, securitisation vehicles established under Italian Law 130/99.

In particular, illimity purchased portfolios of non-performing loans from third parties through SPVs that were financed by issuing *mono-tranching* notes fully subscribed by the Bank, thereby effectively replicating the entire return of the underlying portfolio and consequently being subject to line-by-line consolidation.

Furthermore, a second type of transaction within this category consists of illimity's investment in senior notes (also referred to as "*senior financing*") issued by the SPV backed by non-performing loans or real estate development initiatives, which are not subject to full consolidation.

In some cases and as a sponsor, illimity also holds part of the *mezzanine* and *junior* notes issued by the vehicle.

SPVs arising from the Investment Banking business

To carry out its *performing* loan securitisation activities, the Bank uses an SPV established pursuant to Italian Law 130/99.

In particular, the SPV purchased portfolios of performing loans from third parties by issuing *mono-tranching* notes fully subscribed by the Bank, thereby effectively replicating the entire return of the underlying portfolio and consequently being subject to line-by-line consolidation.

Furthermore, a second type of transaction within this category consists of illimity's investment in senior notes (also referred to as "*senior financing*") issued by the SPV backed by performing loans, which are not subject to full consolidation.

In some cases and as a sponsor, illimity also holds part of the *mezzanine* and *junior* notes issued by the vehicle.

SPVs arising from the b-ilty business

To carry out its performing loan securitisation activities, the Bank uses SPVs established pursuant to Italian Law 130/99.

In particular, these vehicles purchased portfolios of performing loans from third parties by issuing *mono-tranching* notes fully subscribed by the Bank, thereby effectively replicating the entire return of the underlying portfolio and consequently being subject to line-by-line consolidation.

SPVs arising from Turnaround business

To carry out its financing activities, the Bank uses an SPV established pursuant to Italian Law 130/99.

illimity invested in the senior note and in part of the junior note issued by the SPV backed by performing loans, not subject to full consolidation.

Summary data

As at 30 June 2026, the illimity Group held a total portfolio of securities issued by securitisation vehicles for a total of EUR 1,017 million, of which EUR 829.5 million measured at amortised cost and EUR 36.4 million measured at fair value through profit and loss and EUR 151.1 million measured at fair value through other comprehensive income.

This data includes:

- own securitisations in which the Group has also undertaken the role of originator (including “transformed” securitisations). The Group has subscribed securities whose book value as of 30 June 2026 was EUR 455.5 million (the book value was EUR 477.2 million as of 31 December 2025). For further details, please refer to the next paragraph “C. Financial assets sold and fully derecognised”, under subsection “D. Disposal transactions” of this “Section 2 - Prudential consolidation risks” of Part E;
- third-party securitisations with a book value as of 30 June 2026 of EUR 561.5 million.

D. DISPOSALS

A. Financial assets sold and not fully derecognised

Qualitative information

The sales connected to financial assets sold and not derecognised relate to repurchase agreements - payable, where the buyer has to resell on expiration of the assets (for example securities).

B. Financial assets sold and fully derecognised with recognition of continuing involvement

At the end of the year, there are no disposal transactions for the fully derecognised financial assets that resulted in the recognition of continuing involvement in the financial statements.

C. Financial assets sold and fully derecognised

Qualitative information

As at 30 June 2026, the Group held securitised securities and units in mutual investment funds acquired following sales transactions of fully derecognised financial assets, carried out during previous years. These transactions involved the sale of financial assets, consisting of financial assets, by the Group to securitisation vehicles or to mutual investment funds and their cancellation from the Financial Statements pursuant to IFRS 9, following the verification that the originator itself (the parent company illimity or other companies in the Group) had substantially transferred the risks and benefits of the assets sold and had not at the same time maintained any control over the same assets. Instead, in substitution of such derecognised assets, the securitised securities or units in funds received in the same transactions were recorded under financial assets.

Quantitative information

The following table provides a breakdown of funds and other assets held (e.g. securitisation securities), with evidence from the fund management company (or the special-purpose vehicle in the case of securitisation transactions) of the book value as at 30 June 2026.

Name of transaction	Book value as at 30.06.2026 (thousands of euros)	Asset Management Company or special-purpose vehicle
Olympus Funds	271,660	Finint Investments SGR
UTP Italia Fund	19,999	Sagitta SGR
Persefone Fund	12,750	P&G SGR
iREC Fund	31,878	Furstenberg SGR
Granulare NPL Fund	3,233	Furstenberg SGR
UTP Restructuring Fund	16,523	Sagitta SGR
Keystone Fund	37,235	Kryalos SGR
Vela 1	228,448	Vela 2023 SPV S.r.l.
Vela 2	91,598	Bolina SPV S.r.l.
Vela 3	118,764	Zefiro SPV S.r.l.
Mela	11,977	Aporti S.r.l. – sector V
Bela	4,713	Bela 2022 SPV S.r.l.

Transactions Concluded During the Period

Keystone Fund

A closed-end investment fund reserved for professional investors, established in February 2022 by Kryalos SGR for the management and value enhancement of predominantly unlikely-to-pay (UTP) loans; the fund aims to maximise recovery, including through the provision of new financing, on the loans contributed to it.

In January 2026, illimity subscribed units for a total initial Fair Value recognition amount of EUR 39.4 million, concurrently with the assignment of certain non-performing “single-name” exposures to the Fund. illimity's investment in the Fund is approximately 9.1%.

The book value of the Fund as at 30 June 2026 was approximately EUR 37.2 million.

Transactions Concluded in Previous Years

Olympus Funds

Mutual open-end investment funds reserved for professional investors established in September 2023 by Finint Investments SGR and aimed at optimising and enhancing the economic, income and financial profile of the assets collected at the start of operations of the Funds with non-performing loans and real estate as underlying assets.

In 2023, illimity subscribed units for a total initial Fair Value recognition amount of EUR 354.5 million, in conjunction with the transfer to the Funds of a portfolio of assets consisting of non-performing loans, securitisation notes, real estate and equity-based financial instruments. illimity's investment in the two Funds is approximately 48%. In the Fund, another leading Italian bank holds 52% of the units of the two Funds.

A number of distributions have been made over the years to the benefit of unitholders. The book value of the two Funds as at 30 June 2026 was approximately EUR 271.7 million.

UTP Italia Fund

Alternative Investment Fund reserved for professional investors established in September 2022 by Sagitta SGR, intended for investment in *Unlikely To Pay* mortgage and unsecured loans granted (or acquired) by banks and/or servicers.

In 2023, illimity subscribed units for a total initial *Fair Value* recognition amount of EUR 29.3 million in conjunction with the transfer to the Fund of a portfolio of assets consisting of non-performing loans. illimity's investment in the Fund was initially about 7.2% (subsequently diluted following further contributions from other banks). Other leading banks have investments in the Fund.

A number of distributions have been made over the years to the benefit of unitholders. The book value of the Fund as at 30 June 2026 was approximately EUR 20 million.

Persefone Fund

Alternative Investment Fund reserved for professional investors established in March 2022 by illimity SGR (now Furstenberg SGR). It focuses on managing and enhancing portfolios of non-performing loans, mainly in the form of Unlikely To Pay (UTP), secured by real estate.

In 2023, illimity subscribed units for a total initial Fair Value recognition amount of EUR 13.5 million in conjunction with the transfer to the Fund of a portfolio of assets consisting of non-performing loans. illimity's investment in the Fund was initially about 12% (subsequently diluted to 10% following further contributions from other banks). Other leading banks have investments in the Fund.

During the year a number of distributions have been made to the benefit of unitholders. The book value of the Fund as at 30 June 2026 was approximately EUR 12.7 million.

iREC Fund

Alternative Investment Fund reserved for professional investors established in March 2022 by illimity SGR (now Furstenberg SGR). It focuses on managing and enhancing portfolios of non-performing loans, mainly in the form of UTP secured by real estate.

In 2022, in a series of subsequent contributions, illimity subscribed units for a total initial Fair Value recognition amount of EUR 20.6 million, in conjunction with the transfer to the Fund of a portfolio of assets consisting of non-performing loans. Subsequently, in 2023, illimity contributed additional non-performing loans to the Fund for a recognised value of approximately EUR 20 million, which had resulted in the increase of the ownership share to 24.5% (a portion that was finally diluted to 17% due to subsequent contributions by other unitholders). Other leading banks have investments in the Fund.

A number of distributions have been made over the years to the benefit of unitholders. The book value of the Fund as at 30 June 2026 was approximately EUR 31.9 million.

Granulare NPL Fund

Alternative Investment Fund reserved for professional investors established in June 2024 by illimity SGR (now Furstenberg SGR). It focuses on managing and enhancing portfolios of non-performing loans, mainly of small and medium-size enterprises.

In 2024, illimity subscribed units for a total initial Fair Value recognition amount of EUR 3.8 million, in conjunction with the transfer to the Fund of a portfolio of assets consisting of non-performing loans. illimity's investment in the Fund is approximately 22%. Other leading banks have investments in the Fund.

The book value of the Fund as at 30 June 2026 was approximately EUR 3.2 million.

UTP Restructuring Fund

Alternative Investment Fund reserved for professional investors established in February 2024 by Sagitta SGR, created through the contribution of “single name” non-performing loans held by leading Italian banks against mid-large Italian corporates.

In 2024, illimity subscribed units for a total initial Fair Value recognition amount of EUR 29.5 million in conjunction with the transfer to the Fund of some non-performing “single name” loans. illimity's investment in the Fund was initially approximately 12.8% (later diluted to 11.4% following further contributions from other banks). Other leading banks have investments in the Fund.

The book value of the Fund as at 30 June 2026 was approximately EUR 16.5 million.

“Vela 1” Securitisation

Securitisation transaction completed in March 2024, for which illimity sold to the vehicle Vela 2023 SPV S.r.l. a portfolio of *performing* loans (mainly consisting of *PPC – Public Procurement Claims* loans) and a portfolio of non-performing loans.

Vela 2023 SPV S.r.l. financed the purchase of the loan portfolio by the issuance of asset-backed securities, pursuant to the combined provisions of Articles 1 and 5 of Law 130, for a total nominal value of approximately EUR 442 million:

- *Senior Notes*: nominal total of EUR 353.6 million (80% of the total notes issued) fully subscribed/purchased by illimity;
- *Mezzanine* notes: nominal total of EUR 46.2 million (10.45% of the total notes issued) subscribed/purchased by a third-party investor for 95% (EUR 43.9 million) and by illimity for 5% (EUR 2.3 million in compliance with the regulatory obligations of *risk retention*);
- *Junior* notes: nominal total of EUR 42.2 million (9.55% of the total notes issued) subscribed/purchased by a third-party investor for 95% (EUR 40.1 million) and by illimity for 5% (EUR 2.1 million in compliance with the regulatory obligations of *risk retention*).

An additional remuneration consisting of a *detachable coupon* is also envisaged in favour of illimity, up to a further nominal maximum of EUR 25 million of *cash flows*, in the alternative to the full repayment of the *Senior Notes*.

The *mezzanine* and *junior* notes were subscribed by a third-party and independent investor who has no relationships and/or links with illimity. In the context of this transaction, the parent company illimity benefited from the accounting *derecognition* of the sold assets.

The book value as at 30 June 2026 was EUR 228.4 million for the senior notes (classified as “Unlikely to Pay”) while the *mezzanine notes*, *detachable coupon* and *junior notes* were fully written down.

“Vela 2” Securitisation

Securitisation transaction completed in June 2024, for which illimity sold to the vehicle Bolina SPV S.r.l. a portfolio of non-performing loans.

Bolina SPV S.r.l. financed the purchase of the loan portfolio by the issuance of asset-backed securities, pursuant to the combined provisions of Articles 1 and 5 of Law 130, for a total nominal value of approximately EUR 185.2 million:

- *Senior Notes*: nominal total of EUR 148.2 million (80% of the total notes issued) fully subscribed/purchased by illimity;
- *Junior* notes: nominal total of EUR 37 million (20% of the total notes issued) subscribed/purchased by a third-party investor for 95% (EUR 35.1 million) and by illimity for 5% (EUR 1.9 million in compliance with the regulatory obligations of *risk retention*).

The *junior* notes were subscribed by a third-party and independent investor who has no relationships and/or links with illimity. In the context of this transaction, the parent company illimity benefited from the accounting *derecognition* of the sold assets.

The book value as at 30 June 2026 was EUR 91.6 million for the senior notes (classified as “Unlikely to Pay”) while the *junior notes* were fully written down.

“Vela 3” Securitisation

Securitisation transaction completed in July 2024, for which illimity sold to the vehicle Zefiro SPV S.r.l. a portfolio of non-performing loans.

Zefiro SPV S.r.l. financed the purchase of the loan portfolio by the issuance of asset-backed securities, pursuant to the combined provisions of Articles 1 and 5 of Law 130, for a total nominal value of approximately EUR 272.8 million:

- *Senior Notes*: nominal total of EUR 218.2 million (80% of the total notes issued) fully subscribed/purchased by illimity;
- *Junior notes*: nominal total of EUR 54.6 million (20% of the total notes issued) subscribed/purchased by a third-party investor for 95% (EUR 51.9 million) and by illimity for 5% (EUR 2.7 million in compliance with the regulatory obligations of *risk retention*).

The *junior notes* were subscribed by a third-party and independent investor who has no relationships and/or links with illimity. In the context of this transaction, the parent company illimity benefited from the accounting *derecognition* of the sold assets.

The book value as at 30 June 2026 was EUR 118.8 million for the senior notes (classified as “Unlikely to Pay”) while the *junior notes* were fully written down.

“Mela” Securitisation

Securitisation transaction completed in June 2021, for which illimity sold to the vehicle Aporti S.r.l. - segment V a portfolio of non-performing loans.

Aporti S.r.l. - segment V financed the purchase of the loan portfolio by the issuance of asset-backed securities, pursuant to the combined provisions of Articles 1 and 5 of Law 130, for a total nominal value of approximately EUR 78.2 million:

- *Senior notes*: nominal total of EUR 64.7 million (82.7% of the total notes issued) fully subscribed/purchased by illimity;
- *Mezzanine notes*: nominal total of EUR 9.5 million (12.1% of the total notes issued) subscribed/purchased by a third-party investor for 95% (EUR 9 million) and by illimity for 5% (EUR 0.5 million in compliance with the regulatory obligations of *risk retention*).
- *Junior notes*: nominal total of EUR 4 million (5.2% of the total notes issued) subscribed/purchased by a third-party investor for 95% (EUR 3.8 million) and by illimity for 5% (EUR 0.2 million in compliance with the regulatory obligations of *risk retention*).

The *junior* and *mezzanine* notes were subscribed by a third-party and independent investor who has no relationships and/or links with illimity. In the context of this transaction, the parent company illimity benefited from the accounting *derecognition* of the sold assets.

During December 2021, therefore, approximately 30.1% of the senior notes was sold on the market, meaning that illimity currently holds approximately 69.86% of the senior notes issued by the vehicle Aporti S.r.l. – segment V.

The book value as at 30 June 2026 was EUR 11.9 million for the senior notes, which represent a performing classification, and EUR 0.1 million for the *mezzanine* notes, while the value of the *junior* notes not significant.

“Bela” Securitisation

Securitisation transaction completed in April 2022, for which illimity sold to the vehicle Bela 2022 SPV S.r.l. a portfolio of non-performing loans.

Bela 2022 SPV S.r.l. financed the purchase of the loan portfolio by the issuance of asset-backed securities, pursuant to the combined provisions of Articles 1 and 5 of Law 130, for a total nominal value of approximately EUR 74.1 million:

- *Senior* notes: nominal total of EUR 60 million (81% of the total notes issued) fully subscribed/purchased by illimity;
- *Mezzanine* notes: nominal total of EUR 10 million (13.5% of the total notes issued) subscribed/purchased by a third-party investor for 95% (EUR 9.5 million) and by illimity for 5% (EUR 0.5 million in compliance with the regulatory obligations of risk retention);
- *Junior* notes: nominal total of EUR 4.1 million (5.5% of the total notes issued) subscribed/purchased by a third-party investor for 95% (EUR 3.9 million) and by illimity for 5% (EUR 0.2 million in compliance with the regulatory obligations of *risk retention*).

The *junior* and *mezzanine* notes were subscribed by a third-party and independent investor who has no relationships and/or links with illimity. In the context of this transaction, the parent company illimity benefited from the accounting *derecognition* of the sold assets.

The book value as at 30 June 2026 was EUR 4.7 million for the senior notes (classified as “Unlikely to Pay”) while the mezzanine and junior notes were fully written down.

D. Covered bond transactions

The Group has no such operations.

E. Prudential consolidation – Credit risk measurement models

For management purposes, as well as for the calculation of collective write-downs, internal rating models were developed by illimity and its Subsidiaries. These models were developed with the target of making the measurement metrics more risk-sensitive and more relevant to the business of illimity and its Subsidiaries. The most advanced component of these models is the “Credit Fusion” model of “organic” exposures originating from illimity, which has been calibrated using deep external databases (Corporate counterparties of the European market), including the forward looking component to incorporate the effect of the expected macroeconomic scenario (baseline and climate-risk stressed) and providing a documented override process downstream (with qualitative notching in the case of more information).

Rating models provided by external providers are also used to calculate the creditworthiness of the component of exposures arising from the operations of the former Banca Interprovinciale and the b-ilty Division, with the application of conservative margins.

Since the end of 2021, ratings have also been issued by external providers to assess the creditworthiness of the exposures of the Factoring portfolio.

With regard to the Loss Given Default (LGD) risk parameter, applied to the calculation of collective impairment, illimity recalibrated the model developed internally, based on estimated recovery percentages for bad loans, calibrated on the basis of the actual recovery of bad loans of the ex Specialised Credit Division.

1.2 Market Risks

1.2.1 Interest rate risk and price risk - regulatory trading book

Qualitative information

General aspects

Market risk is the risk of change in the market value of financial instruments held, as a result of unexpected changes in market conditions (adverse changes in market parameters such as interest rates, exchange rates, prices and volatility) and of the credit rating of illimity and its Subsidiaries.

Portfolio management is subject to policies approved by the Board of Directors and, following the entry of illimity Bank into the scope of the Banca IFIS Group, the strategic lines of the parent company Banca IFIS have been of course extended, or managed through specific transitional provisions, to the new subsidiary illimity Bank and the other illimity Group companies, and therefore in the last months of 2025 there has been an alignment of strategies and procedures between the two companies.

The trading book includes the financial risk hedging instruments offered to customers. In particular, the bank offers interest rate and exchange rate risk hedging solutions by negotiating linear and optional instruments with customers, the latter only on interest risk, aimed at mitigating the risks generated by the customers' core operations or financial management, such as debt servicing. This operation is carried out with a view to containing, in line with the strategic guideline, interest rate risks where the value generation resides in the offer of the service to customers and not in the assumption of speculative positions.

The portfolio also includes marginal service positions to the owned banking book, which implement *yield enhancement* or hedging strategies of the credit risk of the securities portfolio held with HTC&S business models from an economic perspective.

In addition to the trading book in a strict sense, the securities portfolio held with the HTC&S business model is also included in the same governance model, which includes mainly Italian government bonds held with a view to stabilising the margin and building value reserves.

Processes for managing and methods for measuring interest rate risk and price risk

The measurement and control of market risks are carried out on a daily basis by the Risk Management Department, covering all positions subject to fair value revaluation with an impact on profit or loss and equity. The scope of the positions subject to this measurement is broader than the "regulatory trading book" (e.g. Trading book), also involving part of the positions of the banking book. Trading book), also involving part of the positions of the banking book.

The measurement and control of the market risks is performed with the Value at Risk methodology (hereinafter "VAR"); VAR is a probability indicator that measures the probable maximum loss of value (fair value) that illimity and its Subsidiaries might be affected by with reference to a given time horizon and a specific confidence level, confirmed by historic scenarios (historic simulation approach).

The daily VaR measurement is accompanied by periodic stress test analyses, which simulate the impacts on the income statement and balance sheet in the event of an unexpected shock in market values. These shocks can consist of scenarios based on extreme market events that actually happened (historical scenarios), or ad-hoc created scenarios (EBA scenarios).

The reliability of the risk measurement outputs through the VaR methodology is verified daily through the performance of backtesting.

VaR measures are compared with the targets and operational limits, on a daily basis by the Competence Line Risk. VAR measures are used together with other indicators such as sensitivities and Greeks, as well as position measures, that form the basis of level two and early warning limits.

2. Supervisory regulatory trading book: distribution of exposures in equity instruments and share indices for the main stock market countries

illimity and its Subsidiaries do not hold equity instruments and share indices in the trading book, as at the reporting date.

3. Supervisory regulatory trading book: internal models and other methods of sensitivity analysis

Over The Counter (OTC) derivatives, whose value cannot be directly observed on the market, are valued using specific models and inputs pursuant to the asset class and the characteristics of the specific financial product. The valuation of OTC derivatives takes into consideration, as well as the market variables to which the instruments are sensitive, the specific risks pertaining to the counterparties with which they are traded, in particular:

- for transactions negotiated within a netting and margining agreement (CSA), the value adjustment for credit risk is considered non-material and the valuation of the instruments is based exclusively on the underlying risk factors, in accordance with the principle of non-arbitrage;
- for transactions negotiated without a netting and margining agreement, the valuation is carried out by adding the valuation of the instrument, as if it were subject to netting and margining, to the adjustments associated with the counterparty risk (i.e. credit valuation adjustment and debt valuation adjustment).

1.2.2 Interest rate risk and price risk – banking book

The banking book consists of all the financial instruments, receivable and payable, not included in the trading book referred to in the “Market risks” section.

Qualitative information

A. General aspects, management processes and measurement methods for interest rate risk and price risk

Banking portfolio interest rate risk (IRRBB) consists of the risk that unexpected changes in interest rates will be negatively reflected on:

- formation of the net interest income, and thus, the bank's earnings (cash flow risk);
- the net present value of assets and liabilities, due to their impact on the present value of future cash flows (fair value risk);
- relative to the assets other than those allocated to the trading book, in relation to the non-timing between the maturity and the re-pricing of assets and liabilities and the short and long term off-balance sheet positions (re-pricing risk), the risk arising from changes to the slope and shape of the yield curve (yield curve risk), the hedging of interest rate risk of an exposure using an exposure with a rate that reprices in different conditions (basis risk) and risks arising from options (for example, consumers redeeming fixed-rate products when the market rates change).

To measure, control and manage interest rate risk and the prices of all the cash flows in the banking book, the impact of any unexpected changes in market conditions on profit will be analysed, and the risk-return alternatives will be evaluated, so that management decisions of illimity and its Subsidiaries can be taken.

Exposure to interest rate risk is assessed from two different perspectives. In the short term view, the “earnings perspective” approach is adopted, which focuses on the impact of changes in interest rates on the profits accrued or recognised (cash flow risk), as regards the component represented by the net interest income. For a long term view of the effects of changes in interest rates, the “economic performance perspective” approach is used, representing a method, in accordance with prudential supervisory regulations, used to assess the sensitivity of the shareholders' equity of illimity and its Subsidiaries to changes in rates (fair value risk).

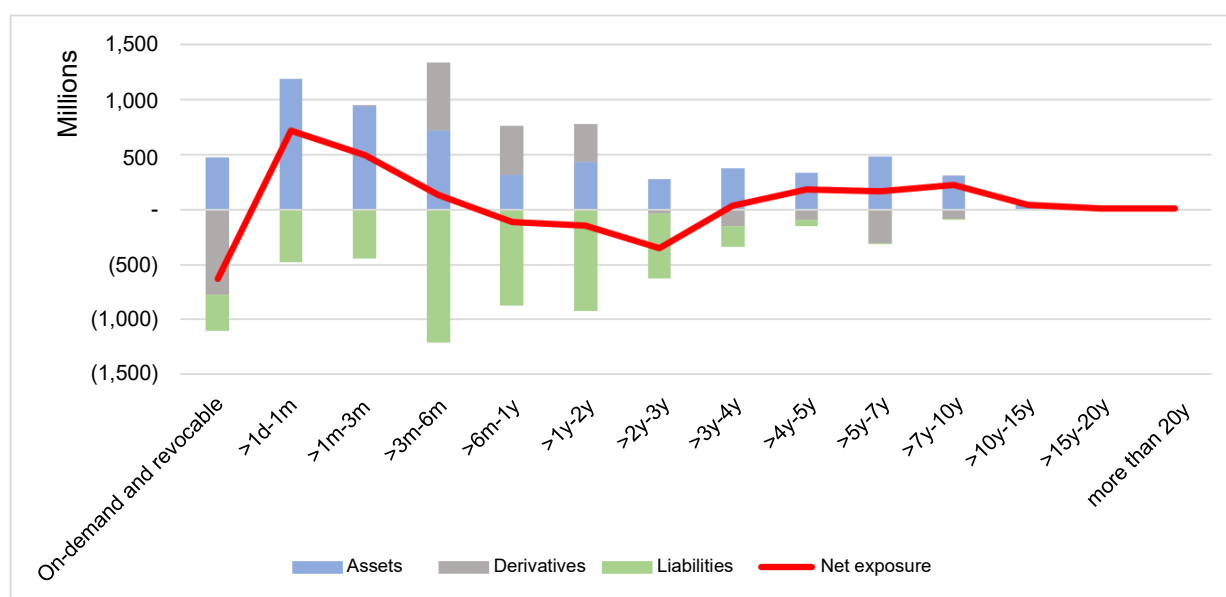
Interest rate risk management is intended to limit the impact of adverse changes to the rates curve, both in terms of economic performance and in terms of the cash flow generated by the financial statement items, and is achieved primarily through the indexing of assets and liabilities to money market benchmarks, typically the Euribor, and the balancing of the duration of the asset and liability.

2. Banking book: internal models and other methods of sensitivity analysis

IRRBB measurement is conducted - in line with the practices of the parent company Banca Ifis - using an internal full revaluation methodology. The methodology requires the calculation of economic value (EVE) and net interest income (NII) in a base case *forward* scenario and, respectively, in six and two stress scenarios. The difference between the base and worst-case stress scenarios identifies the banking book's sensitivity to interest rate risk (Δ EVE, Δ NII).

As required by law, the Bank has adopted a behavioural model to estimate the repricing of demand liabilities (NMD), which has been submitted for approval by the board bodies. The Bank is below the materiality threshold with respect to the adoption of additional behavioural models proposed by the law.

The following graphic shows the distribution by maturity bands of net imbalances of assets and liabilities in the banking book as at 30 June 2026, based on which the exposure to the interest rate risk was estimated.



As at 30 June 2026, Δ EVE and Δ NII were below the regulatory thresholds of 15% and 5% of Tier1 Capital as indicated by the *Supervisory Outlier Test* (SOT). At the reporting date, the bank exhibits sensitivity of its economic value (Δ EVE) to the +200 bps stress scenario. Conversely, the sensitivity of net interest income (Δ NII) is assessed under the assumption of a parallel downward rate shock.

1.2.3 Exchange risk

Qualitative information

A. General aspects, management processes and measurement methods for exchange risk

The exchange risk is determined on the basis of the existing mismatching between currency assets and liabilities (spot and forward), for each currency other than the euro. The main sources of risk are:

- loans and deposits in foreign currency with counterparties and retail customers;
- the holding of foreign currency financial instruments;
- the holding of any shares or units in UCIs still denominated in euros, for which it is not possible to determine the foreign currency composition of the underlying investments and/or for which the maximum foreign currency investment is not known and is binding;
- the trading of foreign banknotes.

The exchange risk is determined on the basis of the methodology proposed by the Bank of Italy and is

quantified at 8% of the net foreign exchange position. This is determined as the highest component (in absolute values) between the sum of the net long positions and the sum of the net short positions (position per currency) to which is added the exposure to the exchange rate risk implied in any investments in UCIs. The internal VAR-based model is therefore not used in the calculation of capital requirements on market risks.

Exposure to exchange risk is thus determined on the basis of the net foreign exchange position using a methodology based on the supervisory regulations. Equity investments and property and equipment are not included in the net foreign exchange position.

B. Exchange risk hedging

The exchange risk arising from exposures on the banking book is generally cancelled using systematic balancing with funding/lending | loan operations in the same currency as the original transaction, and marginally through exchange rate financial derivatives.

Given its operational integration with the parent company Banca Ifis, illimity relies on the central treasury for its foreign currency funding plans.

2. Internal models and other methods of sensitivity analysis

Foreign currency activity is extremely limited, according to policy, and the net daily position tends to be zero, excluding any foreign currency cash deposits. No internal models or other methods have been developed for sensitivity analysis.

1.3 Derivative instruments and hedging policies

1.3.1 Trading derivatives

Trading in derivatives was authorised with effect from 2021: the main type of trading derivatives used is interest rate swaps (IRS), either plain or structured (with the presence of caps and floors).

Derivatives are mainly traded in the context of over-the-counter (OTC) agreements with customers in relation to loan operations. Those derivative operations are carried out within the trading book and involve the active management of market risks, through the hedging of the derivatives with institutional counterparties.

1.3.2 Hedge accounting

Qualitative information

A. Fair value hedging assets

Since the 2022 financial year, illimity and its Subsidiaries have implemented a hedge accounting framework to develop micro fair value hedges using financial derivatives. During 2025, illimity also carried out general hedges on liabilities' time deposits (Macro Fair Value Hedge).

For hedges, illimity and its Subsidiaries apply the option, set out in IFRS 9, to continue fully applying the provisions of the accounting standard IAS 39 on "hedge accounting" (the carve-out version endorsed by the European Commission).

Risk hedging operations are aimed at neutralising potential losses attributable to a specific risk and recognisable on a given element or group of elements, if that particular risk should arise.

The type of hedge used is fair value hedging: it is intended to cover exposure to changes in the fair value (attributable to the different types of risk) of assets and liabilities recognised in the financial statements or portions thereof, of groups of assets/liabilities, of irrevocable commitments and of portfolios of financial assets and liabilities, including deposits.

The hedging implemented by illimity aims at immunising the banking book from changes in the fair value of funding through deposits and the use of securities at FVOCI caused by changes in the interest rate risk curve (interest rate risk). illimity and its subsidiaries adopt micro fair value hedges in accordance with the direction and practices of the parent company Banca Ifis.

B. Cash flow hedging assets

There are no cash flow hedges.

C. Hedging assets for foreign investments

There are no hedges of foreign investments.

D. Hedging instruments

The type of derivatives used are interest rate swaps (IRS) executed with third parties. The derivatives are not listed on regulated markets, but are traded in over the counter (OTC) systems.

Hedging derivatives, like all derivatives, are initially recognised and subsequently accounted for at fair value. A relationship is classified as a hedge, and accounted for as such, only if all the following conditions set out in IAS 39 are met:

- at the start of the hedge, there is formal documentation of the hedging relationship that describes the company's objectives in managing the risk and its strategy in carrying out the hedge. This documentation includes the identification of the hedging instrument, the hedged element or transaction, the nature of the hedged risk and how illimity Bank Spa assesses the effectiveness of the hedging strategy in offsetting the exposure to changes in the hedged element's fair value;
- the assessment concludes that the hedge is highly effective;
- the effectiveness of the hedge can be reliably measured;
- the hedge is assessed as a continuing hedging relationship and is effective for the financial years for which it was designated.

Hedging derivatives are measured at fair value: the change in the fair value of the hedged element is offset with the change in the fair value of the hedging instrument. This offsetting is measured through the recognition in the income statement of the changes in value of both the hedged element (specifically with regard to the changes generated by the risk factor for which the hedge was adopted) and the hedging instrument. Any difference or partial ineffectiveness of the hedge that may arise is then recognised in the income statement.

The effectiveness of the hedge depends on the extent to which the changes in the fair value of the hedged instrument are offset by those of the hedging instrument; the effectiveness is therefore measured by comparing the aforementioned changes, taking into account the company's intention when putting the hedge in place. The hedge is considered to be effective when the changes in the fair value of the financial hedging instrument offset, within the limits established by the 80-125% range, the changes in the hedged

instrument due to the hedged risk factor.

The effectiveness assessment is carried out on a monthly basis, using:

- prospective tests, which assess the expected effectiveness of the hedge;
- retrospective tests, which assess the degree of effectiveness achieved by the hedge in the reference period.

Fair value hedges cease to be accounted for in the following cases:

- the hedging instrument reaches maturity;
- the hedge no longer meets the aforementioned hedging criteria;
- illimity and its Subsidiaries revoke the designation.

Specifically, if the checks do not confirm the effectiveness of the hedge, from that moment the accounting of the hedging operations is suspended: the hedging derivative is reclassified under trading instruments and the hedged financial instrument reassumes the measurement criteria corresponding to its classification in the financial statements.

The main causes of ineffectiveness of the model adopted to verify hedge effectiveness could be attributable to the following:

- misalignment between the notional value of the derivative and the hedged underlying recognised on initial designation or generated subsequently, as in the case of partial redemption of deposits;
- different maturities between the set of hedged instruments and the hedging instruments (macro fair value hedges of time deposits);

Any ineffectiveness of the hedging is recognised for the purpose:

- of determining the effects to record in the income statement;
- of the assessment of the possibility of continuing to apply hedge accounting rules.

illimity and its Subsidiaries do not use dynamic hedges, as defined in IFRS 7, paragraph 23C.

E. Hedged elements

The main types of hedged element are:

- Debt securities under assets: debt securities classified under assets at FVOCI are hedged through micro fair value hedges, using interest rate swaps (IRS). Interest rate risk is hedged for the entire duration of the obligation. The dollar offset method is used to verify the effectiveness of the hedge. This method is based on the relationship between the accumulated changes (from the start of the hedge) in the fair value of the hedging instrument, attributable to the hedged risk, and the changes in the fair value of the hedged element (the so-called delta fair value), net of accrued interest.
- Bond funding: part of the bond funding is hedged against interest rate risk with micro fair value hedges, using Interest Rate Swaps (IRS). The hedging follows the methodologies provided for the FVOCI portfolio.
- Fixed term funding: fixed-term funding comprised of deposits is hedged through macro fair value hedges, using interest rate swaps (IRS) as hedging instruments. The aim of this type of hedge is to protect the net interest income against possible interest rate reductions that could narrow the spread between variable-rate loans and fixed-rate fixed-term funding. Risk Management performs ongoing monitoring and checks to assess the effectiveness of these hedges. The dollar offset method is used, in the terms indicated above, to verify the effectiveness of the hedge.

1.4 Liquidity Risk

Qualitative information

A. General aspects, management processes and measurement methods for liquidity risk

Liquidity risk is the risk of defaulting on payment obligations. It arises due to the inability to source funds or the risk of sourcing them at above-market costs (funding liquidity risk), or to the risk of mobilising assets under unfavourable conditions (market liquidity risk), thus incurring capital losses. The liquidity risk derives from the misalignment in terms of amount and/or date of realisation, of the inflows and outflows relating to all the assets, liabilities and off-balance sheet items and is correlated to the conversion of expiry date which is typically done by the banks.

The framework for measuring, monitoring and managing liquidity risk is defined in coordination with the parent company, Banca Ifis. Rules are established to achieve and maintain, through coordinated and efficient funding and lending policies, a sufficient level of diversification in sources of funding and an adequate structural balance between sources and uses of funds.

The ALM & Treasury Area, with the assistance of the Strategy & Planning Area, aims to maintain a low level of exposure to liquidity risk, by putting in place a system of controls and limits which are based on a gap analysis of financial inflows and outflows, according to categories of residual life. The primary objective of liquidity risk management is to meet payment obligations and to source additional funds from the market, while minimising costs and without affecting potential future earnings.

The liquidity risk is controlled by the Risk Management Area through the measurement, monitoring and management of the liquidity requirement using a model that analyses the net liquidity balance, supplemented by stress tests that assess the bank's capacity to cope with a series of crisis scenarios ranked by increasing levels of severity. The net liquidity balance is obtained from the operational maturity ladder (OML), by comparing the projection of expected cash flows against the counter balancing capacity over a period of up to 12 months. The cumulative sum of the expected cash flows and the counter balancing capacity for each time band quantifies the liquidity risk, evaluated in different stress scenarios.

The stress tests are intended to assess the bank's vulnerability to exceptional but possible events, and give a better assessment of the exposure to liquidity risk, of the systems used to mitigate and control that risk and of the survival period in the case of adverse scenarios. In defining the stress scenarios, a series of risk factors are considered, that can either impact the cumulative imbalance in inflows and outflows, or the liquidity reserve, for example the risk that future unexpected events may require a liquidity that is far higher than expected (contingent liability risk), or the risk of not being able to obtain necessary funds or of obtaining them at costs above market costs (funding liquidity risk).

The monitoring of the level of coverage of the expected liquidity requirements through an adequate level of liquidity reserve is accompanied by the daily monitoring of exposure on the interbank market. The bank also monitors the structural liquidity profile with a long-term maturity ladder that incorporates behavioural models and assumptions.

When these limits and early warnings are exceeded, the Contingency Funding Plan is also activated.

In line with the supervisory provisions, illimity Bank spa performs daily monitoring of the Liquidity Coverage Ratio (LCR) indicator for the purpose of strengthening the short-term liquidity risk profile by ensuring that enough high-quality liquid assets (HQLA) are available and can be immediately converted into cash on the private markets to meet the 30-day liquidity requirements in a liquidity stress scenario.

The monitoring of structural balance is also pursued through the daily measurement and monitoring of the Net Stable Funding Ratio (NSFR) structural requirement, which is aimed at promoting greater recourse to stable funding, preventing that medium and long-term operations give rise to excessive imbalances, to be funded in the short term. The ratio establishes the minimum necessary amount of funding longer than a year, in relation to the requirements arising from the liquidity characteristics and the residual term of assets and off-balance sheet exposures.

On the reporting date, illimity and its Subsidiaries do not present a high risk profile in terms of liquidity requirements; the liquidity profile is adequate in the medium/long term, reflecting the coherence between the process to construct assets and the adoption of relative funding policies, while complying with internal and regulatory risk limits.

In view of its operational integration with the parent company Banca Ifis, illimity includes in its financing plans the use of intra-group funding and deposits any liquidity surpluses with the central treasury.

Self-Securitisations

As of 30 June 2026, the Bank has no outstanding self-securitisation transactions for which it acts as originator. During the half-year, in fact, the COLT SPV and Energia Sostenibile SPV transactions were closed; the Bank had subscribed to the entirety of the securities issued by the respective vehicles for these transactions.

1.5 Operational Risks

Qualitative information

A. General aspects, management processes and methods used to measure operational risk

Operational risk is the risk of incurring losses due to inadequate or malfunctioning procedures, human resources or internal systems, or due to exogenous events. This type of risk includes internal and external fraud, errors in the performance of operational processes, interruptions to operations, unavailability of systems, cases of contractual non-fulfilment and natural disasters. This definition does not cover strategic or business risk and reputational risk, but does cover ICT and security risk and legal risk, with the latter being understood as the risk deriving from the infringement of laws or other regulations in force, or from failure to honour contractual and extra-contractual responsibilities. In some cases, operational risk may include several types of risk that can be classified, due to their causal factors, as deriving from ESG (Environmental, Social and Governance) risk. Those cases of risk, at times, may derive from the inadequacy of the internal processes of assessment or management of the environmental, social or governance impact of financial counterparties and of the Bank.

Operational risk is therefore characterised by a cause and effect, such that an adverse event, and the related operating loss, is generated by one or more triggers. This loss is defined as the entire set of negative financial effects generated by an operational risk event, as recognised in the company accounts and likely to have an impact on the income statement.

The overall operational risk management framework of illimity Bank and its Subsidiaries is based on a set of shared human and technological resources, procedures and organisational rules aimed at identifying, analysing, recording and mitigating all operational risks inherent in the current and prospective operations of the various operational units.

The primary objective of the framework is, in fact, the prevention and containment of the impact on company functions of such risk events through the *ex ante* implementation of organisational and operational controls, and *ex post* targeted mitigation measures. The guiding principles on which the operational risk prevention and mitigation framework is based include:

- increasing the efficiency and security of internal and third party-facing processes;
- increasing overall operational and IT security;
- ensuring the regulatory and organisational compliance of business activities;
- promoting the culture of risk among staff;
- mitigating the effects of the occurrence of risk events;
- transferring any risks that are not to be retained, where possible, using insurance-type contracts;
- protecting relations with stakeholders, reputation and the brand.

Insurance policies are among the available mitigation tools, offering broad protection against various types of potentially damaging events. In this regard, illimity Bank and its Subsidiaries have taken out appropriate policies covering various categories of operational risk - specifically cyber risk, property risk, employee dishonesty risk, risks regarding the integrity of repossessed real estate and the value of properties held as collateral in non-performing loan (NPL) acquisitions, and risks associated with the repudiation of advanced electronic and graphometric signatures. This insurance is subject to valuation and continuous adjustment, including based on the progressive operational and structural evolution of illimity and its Subsidiaries.

With regard to the management of critical ICT and security risks, the Group has a disaster recovery plan, which sets out the technical and organisational measures necessary to deal with the unavailability of IT systems or infrastructure. The plan aims to guarantee the functioning of critical IT procedures at alternative sites to those of production, and forms an integral part of the business continuity plan, ensuring the return to normal operations, within reasonable timing, of illimity Bank and its Subsidiaries. In line with the

supervisory instructions issued by the Bank of Italy, and in relation to the company's digital operational resilience strategy, this system is managed by the provider AltermAlnd through the internal coordination of the ICT Management area & Digital Resilience.

Furthermore, to control the economic risks arising from legal proceedings against illimity Bank or its Subsidiaries, a provision is made in the financial statements, which is appropriate for and consistent with international accounting standards. The amount of the provision is estimated on the basis of multiple factors, which mainly concern the predicted outcome of the dispute, and in particular the likelihood of losing the proceedings and the amount to be paid to the adverse party in the event of a loss.

In order to guarantee the correct management and integrated oversight of operational risk, illimity Bank and its Subsidiaries have put in place a continuous structured loss data collection (LDC) process and a process to determine the forward-looking exposure to operational risk, based on an annual Risk Self Assessment (RSA).

Through the LDC process, the main information related to the operational risk events of illimity Bank and its Subsidiaries, as well as their economic effects, is collected and analysed in a timely manner. The process extends throughout the entire illimity Bank structure, also involving the subsidiaries for which illimity carries out risk management activities as an outsourcer. The activity of reporting and gathering data also makes use of IT applications and processes that guarantee the orderly and systematic recording of events and operational losses, thereby facilitating the recording of such information for the purposes of monitoring and assessing adequate mitigation measures.

RSA activity instead aims to quantify exposure to operational risks to which illimity Bank and its Subsidiaries are exposed, based on a forward-looking self assessment activity conducted from main operating areas, or centralised in the II-level structure responsible for operational risk management. This activity starts with the definition of and agreement on possible future operational risk scenarios, is carried out through a structured process involving the assessment of the frequency, expected impact and *worst case* scenario for the main operational risk events that may characterise each organisational unit of illimity Bank and its Subsidiaries: these forward-looking estimates are then screened by the control functions based on objective criteria which are, lastly combined to provide an overall vision of expected and unexpected operational losses at an individual Subsidiary level and of illimity Bank. This is also accompanied by a qualitative assessment of the status of safeguards (processes, checks and systems and resources), with the identification of possible mitigation actions

Both key processes to identify and manage operational risk cover all illimity Bank Subsidiaries on a uniform basis, so as to effectively supplement the operational, ICT and security risk control systems, and therefore ensure a unique management framework adopted. Future actions are planned for the ongoing consolidation and monitoring of the integration of Subsidiaries in terms of risk supervision and measurement and to update internal rules.

What was observed in the previous year in terms of a low number of operational loss events with an overall economic impact below the risk appetite thresholds set for the year is also confirmed for 2026.

In general, and in line with the risk profile recorded in recent years, the most significant events detected in terms of intrinsic risk relate to the Bank's current operations, and in particular, concern shortcomings in the finalisation of transactions or in the management of processes, as well as in the management of relations with commercial counterparties, vendors and suppliers (ET 7), and to a lesser extent, non-compliance with professional obligations towards customers or the nature or characteristics of the product or service provided (ET 4), and events generated by system malfunctions and interruptions in operations (ET 6). Operational risk events that do not produce or have not produced actual economic loss effects are continuously monitored due to their potential capacity to generate future losses. As regards the subsidiaries (ARECneprix S.p.A., Fürstenberg SGR and the Abilio Group), risk events related to shortcomings in the finalisation of transactions or in the management of processes, as well as in the management of relations with commercial counterparties, vendors and suppliers (ET 7) have been recorded.

No instances of internal fraud (ET 1), external fraud (ET 2), employment-related disputes (ET 3), or losses due to external events (ET 5) were recorded.

1.6 ESG Risks

Definition of ESG risks, physical risks and transition risks

illimity and its Subsidiaries assess the profiles of impacts, risks and opportunities related to sustainability and related ESG (environmental, social and governance) factors in two separate exercises: both as part

of the activities to identify and update the Group's relevant risks ("risk taxonomy"), which are also functional to the conduct of the regulatory self-assessment exercises of capital adequacy (ICAAP) and liquidity (ILAAP) of the Banca Ifis Group; as well as part of the "Double Materiality" process by which material information on sustainability impacts, risks and opportunities (so-called IROs) is determined in order to support strategic decisions, the determination of material sustainability issues to be reported in the sustainability statements, carried out annually by the organisation. The purpose of this process is to determine the materiality of an issue in the context of reporting under Italian Legislative Decree 125/2024. A sustainability matter is material if it meets the definition of impact materiality (an inside-out perspective: the impact of illimity Bank SpA's activities on the environment and people, and thus how its operations affect pollution, biodiversity, social wellbeing, equity, etc.), financial materiality (an outside-in perspective: how environmental, social and governance factors can affect the financial performance and capital stability of illimity and its Subsidiaries, with potential negative impacts on asset value, profitability, cost of capital and reputation) or both.

Focusing on the "E" (*Environmental*) component and therefore on climate and environmental risks, the following risks have been identified:

- physical risk: indicates the impact of climate change, including extreme weather events which are more frequent and gradual climate changes, as well as environmental degradation, i.e., atmospheric, water and soil pollution, water stress, loss of biodiversity and deforestation; this type of risk also includes hydrogeological events. These can be classed as "acute" risks, if caused by extreme events such as drought, floods, cyclones, storms, heatwaves and forest fires; landslides and earthquakes, or as "chronic", if caused by gradual changes such as rising temperatures, rising sea levels, water stress, changes in atmospheric precipitation levels, loss of biodiversity and scarcity of resources. Such a risk can directly cause, for example, material damage to property and/or collaterals or a drop in productivity, or can indirectly cause subsequent events such as the interruption of production and logistical chains. This kind of risk may affect the company directly (through operational and business losses) or indirectly by having an impact on financed counterparties (with negative consequences for their credit rating and for the recovery of any collaterals);
- transition risk: indicates the financial loss that the company may incur, directly or indirectly, as a result of the process of adjusting to a low-carbon and more environmentally sustainable economy. This situation could be caused, for example, by the relatively unexpected adoption of climate-related and environmental policies, technological progress, or changes in market and customer/consumer confidence and preferences. This impact may occur directly, for example due to a lower corporate profitability or asset write-downs, or indirectly through macro-financial changes.

Focusing on the "S" (Social) component, we can see that this includes aspects related to diversity management policies, the protection of human and workers' rights, labour standards and community relations.

Focusing on the "G" (Governance) component, we can see that this includes aspects related to the composition of the corporate governance bodies, management policies and systems, transparency and reputation, exposure to the risk of sanctions, penalties, and other potential losses of various kinds.

Furthermore, ESG risks do not constitute a new category of risk, but instead represent causal factors in relation to the traditional financial risk categories, such as credit, market, liquidity and operational risk, and, in light of that, are measured and managed in the context of the risk management processes.

Material ESG risks for illimity and its Subsidiaries ("Risk Radar")

In the context of the activities carried out to identify and update the significant risks facing illimity and its Subsidiaries (the "risk radar"), which are also useful for performing the Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) regulatory exercises, as well as for the Strategic Plan, the Budget and the RAF, the assessment of the significance of the impact of ESG risks has also been included since 2024.

At the level of the individual business areas of illimity and its Subsidiaries, the level of physical, transitional and ESG risk is identified, taking into account the model, strategies and market context of the relevant business. This analysis makes it possible to measure the overall level of risk, which, when compared with

the predetermined thresholds, determines its materiality. Next, climate environmental risk scenarios characterised by the following factors are identified, mapped and analysed:

- environmental climate risk drivers of acute physical (e.g. floods, fires) and/or chronic (e.g. droughts, landslides) and transitional (e.g. government regulations, technological changes) nature;
- microeconomic (i.e. consumer effects) or macroeconomic (i.e. exchange rate effects) transmission channels;
- traditional banking risks (i.e. credit, market, operational) impacted by the climate environmental risk scenario;
- time horizon (short, medium and long term) of impact;
- financial statement items impacted by the risk scenario;
- management procedure (i.e. mitigation actions).

From this mapping activity, we identify the areas of the operations of illimity and its Subsidiaries that are most exposed to climate environmental factors such as, for example: the impact of acute or chronic physical risk on counterparties' credit rating (PD) and on the value of collaterals (LGD, haircuts on Business Plans); the impact of transition risk (regulatory changes and customer preferences) on the credit rating of counterparties (PD). The Competence Line Risk continuously monitors these areas of operations and identifies mitigation actions.

Double Materiality Assessment of ESG risks

As part of the so-called "Double Materiality Assessment" of ESG risks, the Risk Strategy & Group Controls area oversees the identification of risks within the overall list of Impacts, Risks and Opportunities (IROs), and specifically deals with their assessment in the financial materiality assessment.

The long list of IROs identified by Sustainability, in agreement with Administration, Accounting & Control and Risk Strategy & Group Controls, are validated by the Sustainability Committee and Risk Committee prior to their materiality assessment.

It should be noted that as of 4 July 2025, following the acquisition, illimity and its subsidiaries belong to the Banca Ifis Group and are subject to its management and coordination activity. Therefore, the Shareholders' Meeting of 25 September 2025 resolved to adopt the traditional management and control system, already adopted at Banca Ifis and in the Ifis Group. The management and control system is traditional and assigns strategic management to the Management Board and supervisory and control functions to the Board of Statutory Auditors, both appointed by the Shareholders' Meeting.

In order to identify the long-list of risks and opportunities related to the topics and sub-topics, the Sustainability function, assisted by Risk Strategy & Group Controls, together with the specific business, central and control Functions of reference for topics and sub-topics, performs the following activities:

- Identification of outside-in risks and opportunities for illimity and its Subsidiaries that are economically-financially material by associating the respective reference time horizon (short - medium - long);
- Consolidation of the risks identified in the ICAAP/ILAAP and the Risk Self Assessment (RSA) of Operational Risks, with regard to ESG risks;
- Completion of risks and opportunities for the topics not covered by ICAAP/ILAAP and RSA.

Sustainability risks are thus associated with classic financial risks (primarily credit, liquidity, rate, compliance, market, reputational and operational/ICT) and the 10 topics listed in AR16, just as opportunities are associated with these topics. The purpose of this process is to determine the materiality of an issue in the context of reporting under Italian Legislative Decree 125/2024.

Measurement, monitoring, reporting and management of ESG risks

illimity and its Subsidiaries assess, monitor and control exposure to ESG risks in line with supervisory expectations, Bank of Italy guidelines and emerging best practices through the internal development of methodologies and systems and the support of data provided by external info providers.

Specifically, these risks are the subject of quarterly reporting in the *RAF Tableau de Bord* intended for the Administrative Body, the Corporate Bodies, Top Management and the Supervisory Authorities. This reporting is also useful for verifying compliance with the pre-established risk limits and targets.

- Examples of some of the tools used for such reporting are given below: GHG emissions of financed counterparties, energy certifications on real estate used as a guarantee, level of transition of economic sectors);
- ESG scores/ratings resulting from the distribution of questionnaires or the application of automatic models (via info-providers), related to financed counterparties, issuers of own-portfolio securities, suppliers and partners, and the ESG rating assigned to illimity by external ratings agencies;
- Risk and loss indices (indices of the physical and transition risk of financed counterparties, indices of the physical risk of *real estate* assets, level of expected and unexpected loss of value of *collaterals* due to physical risk scenarios;
- Assessment of the sentiment of the ESG news published on social networks and in the media, relating both to counterparties/issuers/suppliers and partners and to illimity, its company representatives and the Group's brands;
- Operating losses resulting from ESG risk factors, recognised in the final balance or as a result of the assessment of prospective risk scenarios;
- ESG complaints received;
- Internal models (models used to estimate the impacts of climate-environmental scenarios on credit risk parameters (PD, LGD), model used to estimate the physical risk of the *collaterals* portfolio via the "Monte Carlo" simulation);
- Scenario analysis and stress testing: ad hoc and stress scenarios applied to specific risks and portfolios, partly borrowed from the regulatory exercises of the European Central Bank.

illimity Bank spa has developed the ESG *datalake* which serves as a corporate information system containing a number of assessment tools and which centralises internal and external data and risk estimates, their uploading processes, historicization, *data quality* and use by the various internal users (business structures, control and central functions for the *disclosure* and reporting processes) through, also, specific front ends for consulting and obtaining financial and sustainability information.

The assumption and management of ESG risks is governed by the system of risk limits and targets (the Risk Appetite Framework), which, since 2023, has been supplemented by an initial set of indicators associated with ESG risks and opportunities, both for illimity and for credit and financed counterparties, with a particular focus on climate-environmental risks. In particular, reference is made to the following indicators: ESG scores relating to financed counterparties, hydraulic and hydrogeological physical risk scores relating to *collaterals* in relation to NPL portfolios, sustainable finance targets in terms of volumes of loans disbursed/financial instruments acquired, ESG rating attributed to illimity, operational losses generated by ESG factors, illimity's emission intensity (GHG scope 1 and scope 2 emitted per employee).

Furthermore, ESG risk mitigation and governance tools include the adoption of negative screening mechanisms; the adoption of a transition strategy with which a *business origination* quota has been established for the Bank dedicated to loans and investments that are sustainable or associated with sustainability; the preparation of action plans for counterparties with high ESG risk; criteria and limits at *investment policy* level; processes for sectoral diversification of loans and geographical/type diversification of *real estate collaterals*; interventions to reskill and regenerate assets and their development from an energy perspective (e.g., support for their reskilling in terms of energy certifications, installation of solar panels, etc...) and the use of insurance cover.

2026 ESG risk profiles

illimity and its Subsidiaries are characterised by a profile of moderate exposure to ESG risks in the short and medium term - and in particular to climate-environmental risks – pursuant to the following considerations:

- Impact due to very limited physical risk scenarios, mainly related to the management of *collaterals* resulting from NPL portfolio acquisitions, collaterals relating to performing loans, repossessed properties and guarantees relating to the loans of the Alternative Investment Funds managed by illimity SGR (following the Public Tender and Exchange Offer that coincides with Furstenberg SGR), in relation to the riskiness of the geographical areas of location (ISPRA data) and the high geographical diversification thereof; furthermore, this scenario is also due to the deterioration of

the credit rating (PD) of the financed counterparty due to damage related to acute and extreme events for plants and production sites;

- Limited transition risk impact, relating to the financed counterparties and issuers of own-portfolio securities, in relation to sectoral *asset allocation*, the specific characteristics of the financed companies, and climate-environmental scenarios that have the greatest impacts on the counterparties most exposed beyond the 2026 time horizon;
- limited negative impact - in relation to the occurrence of climate-environmental scenarios - in terms of both capital (up to a maximum of approximately -30/-32 bps in the event of a medium-term stress scenario) and liquidity (with LCR and NSFR indicators that are adequately above the minimum regulatory levels, including in a stress scenario);
- absence of operating losses from ESG factors (and prospective scenarios of low-impact operating risk) and of complaints associated with sustainability profiles;
- high ESG standing of illimity and its Subsidiaries among the main stakeholders (as also shown by the ESG ratings assigned to illimity by specialist agencies);
- strong *governance* to oversee the 2023-2025 Sustainability Plan and the Plan of adaptation to the Bank of Italy's expectations with regard to climate and environmental risks.

It should be noted that, following the Public Tender and Exchange Offer with Banca IFIS, the strategic business model of illimity and its subsidiaries will undergo evolutions so that forward-looking analyses in the area of climate environmental risk will be modified.

Plan of action to adapt to the Bank of Italy's expectations

illimity and its Subsidiaries have defined, approved and implemented a Plan of action (separately for illimity Bank and Fürstenberg SGR) in order to carry out, in the 2023-2025 period, interventions aimed at achieving alignment with the Bank of Italy's expectations with regard to the integration of climate and environmental (physical and transition) risks, concerning the following contexts:

- governance and control systems, business model and corporate strategy;
- organisational system and operating processes;
- market disclosure and risk management system.

With regard to risk management profiles, the interventions concern aspects such as: risk appetite framework; KRI & reporting, assessment of materiality, risk quantification, mitigation and management measures, impacts on capital adequacy, disclosure (Pillar 3).

At the end of 2025 the work progress status shows the achievement of all 31 ESG targets so the successful conclusion of the Plan can be confirmed.

Accounting impacts

illimity and its Subsidiaries have identified and assessed the best solutions for integrating ESG risk factors, with a particular focus on climate environmental risks, into the credit risk management process and the related accounting practices. In particular:

- Investigation process: advancement of the current process, introducing a documented and formalised preliminary analysis of counterparties' ESG and climate environmental risk profiles. This analysis considers various aspects, such as collaterals and the status of the parties involved;
- Credit monitoring: introduction of monitoring tools, in addition to the existing ones, with new *early warning* indicators that also take account of ESG risks, thereby facilitating the timely identification of potential risk exposures;
- Collective adjustment framework: methodological evolution of the macroeconomic mode in order to reflect in the *expected credit* loss stressed macroeconomic scenarios and ESG variables (i.e. different ECLs) related to environmental climate risk;
- *Rating attribution* process: the integration of ESG factors into the rating assignment process, with a view to adopting *override* criteria in the presence of significant climate-environment risks, whilst maintaining a flexible approach to exceeding specific thresholds.

In addition, attention was also paid to adapting the practices used to evaluate and manage collaterals, with the aim of including, where necessary, considerations relating to the effects of climate change, in terms of both physical and transition risk, in the development of such activities.

These processes will be implemented taking into consideration the limitations relating to data availability and the need for an effective governance approach that is supported by transparent, objective documentation.

Lastly, illimity and its subsidiaries may consider the possible use of *overlay* techniques as an integral part of its strategy to deal with ESG risks, thereby providing for the possible adoption of adjustments to the existing models, such as the introduction of new models or scenarios based on *expertise*, to better reflect the impact of climate-environmental risks. These tools will be developed taking into account actual data availability, with a view to implementing them flexibly and gradually, and in line with the evolution of the applicable regulations and emerging best practices.

OTHER MATERIAL RISKS

Risk of over-leverage

This risk of over-leverage is defined by the prudential regulations as the risk that a particularly high level of indebtedness compared to the amount of own funds making illimity and its Subsidiaries vulnerable, and requiring the adoption of corrective measures to the Strategic Plan, including the sale of assets and the recognition of losses or impairment losses.

Risk exposure is measured by the Leverage Ratio (the financial leverage index, measured as the ratio between own assets and total on- and off-balance sheet assets that, not including corrections/weighting for the risk, serves as supplement to the capital requirements of the first pillar) and through other indicators that can identify any imbalances between assets and liabilities (structural and operational liquidity ladder). The strategic and operational target is to control the risk by keeping asset trends within limits that are compatible with long-term balance in order to avoid risking the company's stability.

The over-leverage risk relates to the entire financial statements, to the exposures arising from derivatives and the off-balance sheet assets, and is accepted as part of the exercise of core business. It is closely connected to planning and capital management activities; the level of exposure to risk is an expression of the guidelines and development lines elaborated by the Board of Directors. Risk exposure is mitigated through capital management and asset management allocation measures, which remain within the guidelines set out in the current Strategic Plan. Consideration is also given to the potential increase in risk connected to the recognition of expected or realised losses which reduce capital.

Settlement risk

Settlement risk is the risk connected to non-simultaneous settlements, in other words for operations on debt instruments, equity instruments, foreign currencies and goods (apart from sales with repurchase clauses or operations for the granting and acceptance on loan of securities or goods that are not liquidated after expiry of the related delivery date). Article 378 of the CRR requires a bank to calculate its requirements in terms of own funds for settlement risk by calculating the price difference it would be exposed to if that difference could result in a loss. The difference between the agreed liquidation price and the current market value would determine the risk related to operations where settlement is not simultaneous with the actual delivery.

Counterparty risk

Counterparty risk is the risk that the counterparty in an operation defaults before the final payment of the cash flows of that operation, with regard to transactions concerning financial derivatives and credit instruments traded on unregulated markets (OTC), repurchase agreements and operations with deferred settlement.

The losses involved with this type of risk are generated when the transactions with a certain counterparty have a positive value at the time of the insolvency.

Transfer risk

Transfer risk is the risk that a bank, which has exposure towards a party funded in a currency other than that of its main source of income, realises losses due to the borrower's difficulties in converting its currency into the currency of the exposure.

Sovereign risk

Sovereign risk is the risk of a reduction in the value of bonds of an issuer State, almost all of which are included in the Held to Collect and Sell (HTCS) and Held to Collect (HTC) portfolio categories, in relation to a decrease in the credit rating, or in an extreme scenario, the insolvency of the State. Exposure is regularly monitored and reported to the executive bodies.

Strategic and business risk

Strategic and business risk is the current or forward-looking risk of falling profits or capital resulting from changes to the operational context or from incorrect business decisions, the inadequate implementation of decisions, or lack of response to changes in the competitive environment.

The two components refer to strategic risk related to business interruption (for example entry on new markets or the adoption of significant operating changes) and business risk, which is the risk of a potential reduction in profits as a result of changes in the operational environment within the normal course of business (for example volatility of volumes or changes in customer preferences).

Exposure to strategic and business risk is not connected to specific operating activities but to the adequacy of the decisions and the efficiency of their implementation. In particular the risk relates to the stages of defining the business strategies and the related phases of implementation consisting of the definition of the strategic plan, commercial planning, budgeting, management control and the monitoring of markets and the competitive environment, *capital allocation* and capital management.

Compliance risk

Compliance risk is the risk of incurring legal or administrative penalties, major financial losses or damage to reputation as a result of breaches of mandatory laws (laws and regulations), or codes of self-governance (such as articles of association or codes of conduct). illimity and its Subsidiaries pay particular attention to compliance risk, considering that the adoption of the highest standard of conformity to laws and regulations is a way of maintaining one's reputation over time.

Money laundering risk

Money laundering risk is the risk of incurring legal or reputation risks as a result of potential involvement in illegal operations connected to money laundering or the financing of terrorism. illimity and its Subsidiaries have set up a specialised function within each one's organisational structure, in accordance with the current regulatory requirements that is responsible for overseeing, in a general perspective, the aforementioned management of AML risk, and for providing the necessary support and advice to business Divisions.

Reputation risk

Reputation risk is defined as "the current or forward-looking risk of a decline in profits or equity due to a negative perception of the image of illimity and its subsidiaries by customers, counterparties, shareholders, investors or Regulators". Likewise, reputation is an intangible asset of essential importance and is a distinctive feature which forms the basis for a long-term competitive advantage.

The risk relates primarily to the area of stakeholder relations. It can originate from factors outside of the business perimeter and beyond the bank's operations (for example the publication of inaccurate information or rumours, or phenomena affecting the banking system that may affect all banks indiscriminately). The primary, essential control on the management of reputation risk is the sharing by all staff, suppliers, partners and consultants of the system of values, standards and rules of conduct inspiring all.

Reputation is overseen by specific communication strategies, policies and processes and is continually monitored, for example through "sentiment analysis" instrument that identify how its image is perceived by

the media, market operators and social media. In addition, the Competence Line Risk, receives ad hoc requests via a dedicated service desk on JIRA, in order to assess the reputational risk associated with counterparty loan transactions and the onboarding of new suppliers, issuing a (non-binding) opinion that supports stakeholders in their operations.

PART F – Information on Consolidated Shareholders' Equity

Section 1 - Consolidated Shareholders' Equity

Qualitative Information

Shareholders' equity is defined by the International accounting standards as “what remains of the company's assets after deducting all the liabilities”. From a financial viewpoint, equity is the monetary amount of the funds contributed by the proprietors, or generated by the business.

B.1 Consolidated shareholders' equity: breakdown by type of enterprise

Items in shareholders' equity	Prudential consolidation	Insurance companies	Other companies	Eliminations and adjustments from consolidation	Total
1. Share capital	58,730	-	-	-	58,730
2. Share premium reserve	624,922	-	-	-	624,922
3. Reserves	(76,204)	-	-	-	(76,204)
4. Equity instruments	-	-	-	-	-
5. (Treasury shares)	(5,070)	-	-	-	(5,070)
6. Valuation reserves:	(12,101)	-	-	-	(12,101)
- Equities measured at fair value through other comprehensive income	(783)	-	-	-	(783)
- Hedging of equity securities measured at fair value through other comprehensive income	-	-	-	-	-
- Financial assets (other than equity securities) at fair value through other comprehensive income	(11,641)	-	-	-	(11,641)
- Property and equipment	-	-	-	-	-
- Intangible assets	-	-	-	-	-
- Hedging of foreign investments	-	-	-	-	-
- Cash flow hedges	-	-	-	-	-
- Hedging instruments [undesignated elements]	-	-	-	-	-
- Foreign exchange differences	-	-	-	-	-
- Non-current assets held for sale and discontinued operations	-	-	-	-	-
- Financial liabilities measured at fair value through profit or loss (changes in credit rating)	-	-	-	-	-
- Actuarial gains (losses) relating to defined benefit plans	273	-	-	-	273
- Shares of valuation reserves for equity investments measured using the equity method	50	-	-	-	50
- Financial revenues or costs relating to insurance contracts issued	-	-	-	-	-
- Financial revenues or costs relating to disposals in reinsurance	-	-	-	-	-
- Special laws regarding revaluation	-	-	-	-	-
7. Profit (loss) (+/-) for the financial year attributable to the Group and minority interests	(25,017)	-	-	-	(25,017)
Total	565,260	-	-	-	565,260

PART H – RELATED PARTY TRANSACTIONS

Related party transactions, as identified according to IAS 24, are included within the normal operations of the Bank and are settled at market conditions or on the basis of the costs incurred, if there are no suitable criteria.

During the first half of 2026, no material related-party transactions occurred that significantly affected the Group's financial position or financial performance.

It should be noted that transactions or positions with related parties, as classified in the above mentioned IAS 24, have a limited impact on the Group's economic and financial situation and cash flows.

According to IAS 24, related parties are parties:

- a) that directly or indirectly, through one or more intermediaries,
 - (i) control the entity, are controlled by it, or are under joint control (including controlling entities, subsidiaries and associates);
 - (ii) hold an equity investment in the entity to an extent that they may have considerable influence over the latter; or
 - (iii) jointly control the entity;
- b) represent an associate of the entity;
- c) represent a joint venture in which the entity participates;
- d) are one of the key management personnel of the entity or its parent company;
- e) are a close family member of one of the parties in points (a) or (d);
- f) are an entity controlled by, controlled jointly or subject to significant influence by one of the subjects in points (d) or (e), or those parties having directly or indirectly, a significant portion of voting rights; or
- g) are a pension fund for employees of the entity or of any related entity.

The Board of Directors of the Bank has approved the "Policy for transactions with entities within the single scope of the illimity Bank Group", which defines the internal policies (and relative controls) regarding transactions with related parties and connected entities.

In this regard, it should be noted that, at its meeting of 25 September 2025, the Board of Directors incorporated the guidelines and principles of the "Group Policy on transactions with related parties, connected entities and corporate representatives pursuant to art. 136 of the Consolidated Law on Finance" of the IFIS Group. Therefore, transactions with related parties and connected entities also comply with this last Policy.

1. Information on remuneration of key management personnel

The total remuneration and other benefits paid pertaining to the period to directors, statutory auditors and other key management personnel is EUR 491 thousand. It should be noted that pursuant to this disclosure, only Key Management Personnel ("KMP") of the parent company Banca IFIS have been identified as KMP. As required by IAS 24, paragraph 17, further information has been provided about the following categories of remuneration for key management personnel and employees:

(Thousands of euros)	
Category	Amount
a) short-term benefits	-
b) post-employment benefits	-
c) share-based payments	-
d) remuneration of members of the Board of Directors and the Audit and Internal Control Committee/Board of Statutory Auditors	491

2. Information on related party transactions

With regard to financial and economic relations, and remembering that key management personnel also include the directors and the Board of Statutory Auditors of the bank and directors and statutory auditors of the Group companies, the situation on the closing date of the consolidated financial statements is that shown in the following table, expressed in thousands of euros.

BALANCE SHEET			
Assets	Book value	of which with related parties	Impact of related parties
10. Cash and cash equivalents	245,253	49,879	20.34%
- To parent company		49,879	
20. Financial assets measured at fair value through profit or loss	492,493	99	0.02%
c) other financial assets mandatorily measured at fair value	481,886	99	0.02%
To other related parties		99	
40. Financial assets measured at amortised cost	4,663,853	14,360	0.31%
b) loans to customers	4,607,844	14,360	0.31%
- To other related parties		14,360	
70. Equity investments	31,096	31,096	100%
- To companies subject to significant influence		31,096	
130. Other assets	171,915	7,661	4.46%
- To parent company		7,627	
- To other related parties		34	

BALANCE SHEET			
Liabilities	Book value	of which with related parties	Impact of related parties
10. Financial liabilities measured at amortised cost	5,535,743	571,617	10.74%
a) due to banks	879,407	571,617	65.00%
- To parent company		571,617	
b) due to customers	4,145,220	22,772	0.55%
- To companies subject to significant influence		2,262	
- To key management personnel		141	
- To other related parties		20,369	
80. Other liabilities	99,072	4,948	4.99%
- To parent company		1,192	
- To companies subject to significant influence		3,167	
- To key management personnel		53	
- To other related parties		536	

INCOME STATEMENT			
Items	Book value	of which with related parties	Impact of related parties
10. Interest income and similar income	145,001	745	0.51%
20. Interest expenses and similar charges	(90,026)	(2,805)	3.12%
40. Fees and commission income	33,357	20	0.06%
110. Net profit (loss) on other financial assets and liabilities measured at fair value	13,994	22	0.16%
130. Net impairment losses/reversals for credit risks associated with:	(22,122)	121	(0.55%)
a) financial assets measured at amortised cost	(21,889)	121	(0.55%)
190. Administrative expenses:	(84,640)	(30,320)	35.82%
a) personnel expenses	(30,402)	(100)	0.33%
b) other administrative expenses	(54,238)	(30,221)	55.72%
230. Net other income/expenses	5,776	45	0.77%
250. Profit (losses) on equity investments	2,542	(1,015)	(39.93%)

PART I - SHARE-BASED PAYMENTS

Qualitative Information

Description of Share-Based Payments

As of 30 June 2026, the illimity Group has no outstanding payment agreements based on its own equity instruments.

It should be noted that the “*Long Term Incentive*” (LTI) plan - relating to the variable component - had already expired on 31 December 2025; during the 2025 financial year, the associated exercise rights were cancelled due to the failure to achieve the established targets.

For further details, please refer to the information already provided in the Consolidated Financial Statements as of 31 December 2025.

PART L - SEGMENT REPORTING

illimity Group Operating Segments

The illimity Group operates through an organisational structure comprising a single operating segment known as “Business,” supported by corporate center “Central Functions” (hereinafter also “HQ Functions”).

The Business operating segment is composed of the following divisions/products:

- Corporate Banking;
- Turnaround & Credit Opportunities;
- Investment Banking;
- ABF-Investments;
- Digital Banking;
- B-ilty;
- Non-Core business;

to which are added the following legal entities:

- Fürstenberg SGR, focused on the management of reserved alternative investment funds;
- ARECneprix, engaged in the management and enhancement of distressed loans and real estate assets;
- Abilio S.p.A., which operates in the management and sale of assets from insolvency proceedings through online auctions and a nationwide network of professionals.

It should be noted that the financial contributions of ARECneprix and Abilio to the Business operating segment’s results are included solely for the period during which illimity Bank exercised control over these entities (i.e. until the date of their disposal, an event that led to their deconsolidation from the illimity Group). Consequently, the following tables incorporate Abilio’s results up to 11 May 2026, and ARECneprix’s results up to 30 June 2026.

The “Central Functions” instead comprise cross-functional structures that support the business and manage risks. Also allocated to the HQ Functions are the results of equity investments held by the bank in Hype (until the date of its deconsolidation from the illimity Group’s scope) and in AltermAlnd, which are consolidated using the equity method.

The segment reporting is based on elements that management uses to make its operating decisions (“*management approach*”), in line with the reporting requirements of IFRS 8.

The following table presents key data summarising the performance of the illimity Group’s business segments during the first half of 2026, along with comparative information as of 31 December 2025, for balance sheet data and for the first half of 2025 for income statement data.

Financial Data Broken Down by Operating Segment

The following table reports the key data summarising the evolution of the illimity Group's business segments in 2026.

Economic performance	Business	HQ Functions	Eliminations and Consolidation Adjustments	30/06/2026
Net interest margin	54.0	-	-	54.0
Net fees and commissions	28.8	-	-	28.8
Other income	17.3	0.6	(0.4)	17.5
Total net operating income	100.2	0.6	(0.4)	100.4
Personnel expenses	(24.3)	(8.5)	-	(32.8)
Other administrative expenses and net impairment losses/reversals on property and equipment and intangible assets	(26.7)	(28.4)	0.4	(54.7)
Operating costs	(51.0)	(36.9)	0.4	(87.4)
Operating profit (loss)	49.2	(36.3)	-	12.9
Net impairment losses/reversals and other provisions	(21.2)	-	-	(21.2)
Contributions and other non-recurring expenses	(19.4)	(1.7)	-	(21.1)
Other income (expenses) on equity investments	(0.1)	2.6	-	2.5
Profit (loss) before tax	8.5	(35.3)	-	(26.8)

Amounts in millions of euros. Any discrepancy between the figures shown is due exclusively to rounding.

Financial data	Business	HQ Functions	Eliminations and Consolidation Adjustments	30/06/2026
Financial assets measured at fair value through profit or loss	492.5	-	-	492.5
Financial assets at FV through other comprehensive income	429.3	5.0	-	434.3
Financial assets measured at amortised cost	4,607.9	56.0	-	4,663.9
Hedging derivatives	31.0	-	-	31.0
Equity investments	0.2	30.9	-	31.1
Property and Equipment	30.1	15.6	(0.4)	45.3
Intangible assets	-	7.0	-	7.0
Non-current assets held for sale and discontinued operations	24.4	0.5	-	24.9
Other assets	-	506.3	-	506.3
Total assets	5,615.4	621.3	(0.4)	6,236.3

Shown below are the main financial and equity data as at 30 June 2025, restated as illustrated above.

Economic performance	Business	HQ Functions	Eliminations and Consolidation Adjustments	30/06/2025
Net interest margin	58.3	-	-	58.3
Net fees and commissions	30.9	-	-	30.9
Other income	32.9	2.1	(0.4)	34.6
Total net operating income	122.1	2.1	(0.4)	123.9
Personnel expenses	(28.5)	(12.0)	-	(40.5)
Other administrative expenses and net impairment losses/reversals on property and equipment and intangible assets	(31.9)	(38.4)	0.4	(69.9)
Operating costs	(60.4)	(50.4)	0.4	(110.5)
Operating profit (loss)	61.7	(48.3)	-	13.4
Net impairment losses/reversals and other provisions	(122.1)	(0.3)	-	(122.4)
Contributions and other non-recurring expenses	(0.1)	(5.5)	-	(5.6)
Other income (expenses) on equity investments	-	(2.5)	-	(2.5)
Profit (loss) before tax	(60.5)	(56.6)	-	(117.1)

Amounts in millions of euros. Any discrepancy between the figures shown is due exclusively to rounding.

Financial data	Business	HQ Functions	Eliminations and Consolidation Adjustments	31/12/2025
Financial assets measured at fair value through profit or loss	513.9	-	-	513.9
Financial assets at FV through other comprehensive income	538.8	5.4	-	544.2
Financial assets measured at amortised cost	5,001.5	118	-	5,119.5
Hedging derivatives	37.5	-	-	37.5
Equity investments	0.1	31.9	-	32.1
Property and Equipment	34.5	17	(0.6)	50.9
Intangible assets	34.6	10	-	44.6
Non-current assets held for sale and discontinued operations	65.5	81.3	-	146.8
Other assets	-	566.7	-	566.7
Total assets	6,226.4	830.3	(0.6)	7,056.2

Amounts in millions of euros. Any discrepancy between the figures shown is due exclusively to rounding.

Information on geographical areas

It should be noted that operating activities and income are mainly achieved in Italy. The incidence of operating activities and income achieved abroad is to be considered negligible.

Certifications of the Consolidated Financial Statements Pursuant to Article 154-bis of Italian Legislative Decree 58/1998

1. The undersigned Raffaele Zingone, as Chief Executive Officer, and Massimo Luigi Zanaboni, as Financial Reporting Officer of illimity Bank S.p.A. certify, also considering Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree 58 of 24 February 1998:
 - the adequacy in relation to the characteristics of the enterprise and
 - the effective application of the administrative and accounting procedures used to draft the consolidated condensed interim financial statements during first half 2026.
2. The adequacy of the administrative and accounting procedures used in the formation of the consolidated condensed interim financial statements as of 30 June 2026 is checked according to the “Internal Control – Integrated Framework” (CoSO) and the “Control Objective for IT and related Technologies” (Cobit), which are the benchmarks for the internal control system applicable to financial reporting and generally accepted at international level.
3. We can also certify that:
 - The consolidated condensed interim financial statements:
 - i. were drafted in conformity with the applicable international accounting standards endorsed by the European Community under the terms of Regulation (EC) 1606/2002 of the European Parliament and Council, of 19 July 2002;
 - ii. correspond to the accounting records;
 - iii. provide a true and fair view of the financial position and performance and cash flows of the issuer.
 - The directors’ report includes a reliable analysis of the progress and results of operations as well as the issuer’s situation, together with a description of the key risks and uncertainties to which they are exposed.

Milan, 3 August 2026

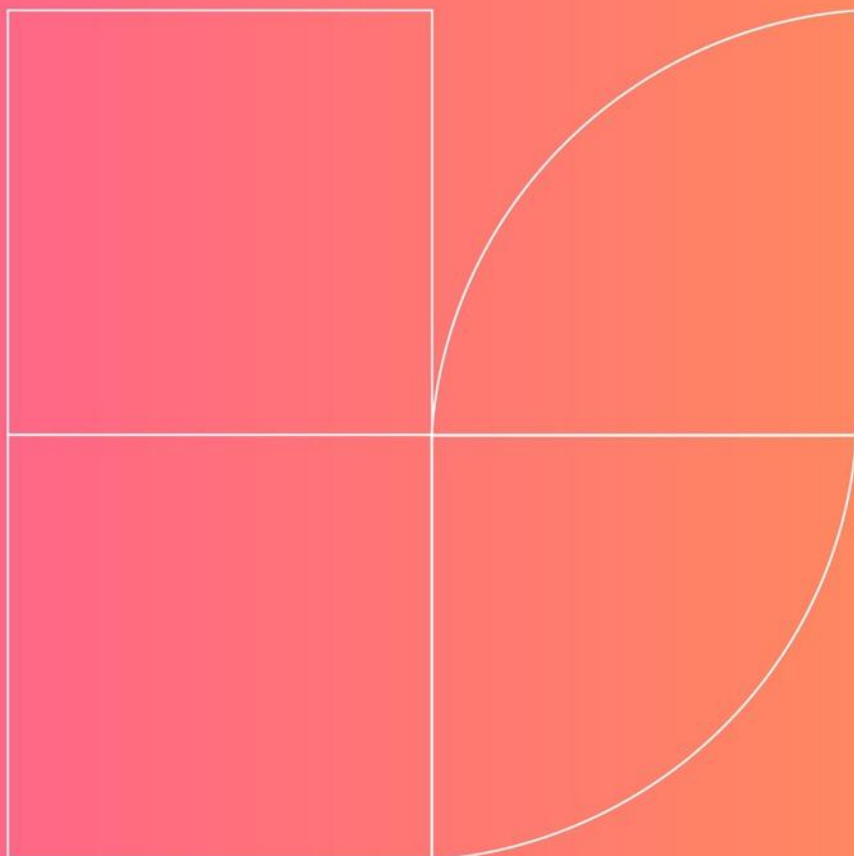
CEO

Manager Charged with preparing
The Company’s financial reports

Raffaele Zingone

Massimo Luigi Zanaboni

Independent Auditors' Report





Review report on consolidated condensed interim financial statements

To the Shareholder of

illimity Bank SpA

Foreword

We have reviewed the accompanying consolidated condensed interim financial statements of illimity Bank SpA and its subsidiaries (the “illimity Bank Group”) as of 30 June 2026, comprising the consolidated balance sheet, the consolidated income statement, the statement of consolidated comprehensive income, the statement of changes in consolidated shareholders’ equity, the consolidated cashflow statement and related notes. The directors of illimity Bank SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the accounting standard IAS 34 as issued by the International Accounting Standards Board and adopted by the European Union applicable to interim financial reporting. Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution 10867/1997. A review of consolidated condensed interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated condensed interim financial statements.

PricewaterhouseCoopers SpA

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of illimity Bank Group as of 30 June 2026 are not prepared, in all material respects, in accordance with the accounting standard IAS 34 as issued by the International Accounting Standards Board and adopted by the European Union applicable to interim financial reporting.

Other matters

The consolidated condensed interim financial statements for the period ended 30 June 2025, were reviewed, by other auditors, who on 7 August 2025 expressed an unmodified conclusion on the consolidated condensed interim financial statements.

Milan, 4 August 2026

PricewaterhouseCoopers SpA

Signed by

Pierfrancesco Anglani

(Partner)

This review 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.

Annex 1 – Reconciliation Between the Reclassified Balance Sheet and Income Statement and Financial Statements

Below are the reconciliation schemes used for the preparation of the reclassified balance sheet and income statement. Any discrepancies between the figures presented are due solely to rounding.

Reclassified Balance Sheet

Assets	Values as of 30/06/2026
Cash and cash equivalents	245,253
Loans to banks, financial entities and other institutions	56,009
Item 40. a) Loans to banks	56,009
Loans to financial entities	-
Loans to customers and investments	3,592,638
Item 40. b) Loans to customers	4,607,844
<i>To be deducted:</i>	
<i>Loans to financial entities</i>	-
<i>Government Bonds</i>	(1,015,206)
Government Bonds	1,015,206
HTCS Financial assets	434,308
FVTPL Financial assets	492,493
Investments in Equity	31,096
Goodwill	-
Other intangible assets	7,043
Item 100. Intangible assets	7,043
<i>To be deducted:</i>	
<i>Goodwill</i>	-
Other assets	362,294
Item 50. Hedging derivatives	31,027
Item 90. Property and equipment	45,282
Item 110. Tax assets	89,210
Item 120. Non-current assets held for sale and discontinued operations	24,860
Item 130. Other assets	171,915
Total Assets	6,236,340

Liabilities and shareholders' equity	Value as of 30/06/2026
Due to banks	879,270
Item 10. a) Amounts due to banks	879,407
<i>To be deducted:</i>	
<i>Lease Liabilities (IFRS 16) towards banks</i>	(137)
Due to customers	4,126,003
Item 10. b) Amounts due to customers	4,145,220
<i>To be deducted:</i>	
<i>Lease Liabilities (IFRS 16) towards customers</i>	(19,217)
Securities issued	511,116
Item 10. c) Securities issued	511,116
Other liabilities	154,691
Item 80. Other Liabilities	90,072
<i>Increase:</i>	
<i>Lease Liabilities (IFRS 16) towards customers</i>	19,217
<i>Lease Liabilities (IFRS 16) towards banks</i>	137
Item 20. Financial liabilities held for trading	10,821
Item 40. Hedging derivatives	16,608
Item 50. Fair value change of financial liabilities in generic hedged portfolio (+/-)	(5,167)
Item 60. Tax liabilities	1,028
Item 70. Liabilities associated with non-current assets held for sale and discontinued operations	-
Item 90. Employee severance pay	2,150
Item 100. Provisions for risks and charges	10,825
Shareholders' equity	565,260
Share capital and reserves	
Item 120. Valuation reserves	(12,101)
Item 150. Reserves	(76,017)
Item 160. Share premium reserves	624,922
Item 170. Share capital	54,789
Item 180. Treasury shares (-)	(5,070)
Item 190. Equity attributable to minority interests (+/-)	3,589
Item 200. Profit (loss) for the year	(24,852)
Total liabilities and shareholders' equity	6,236,340

Reclassified Income Statement

Income Statement items	Values as of 30/06/2026
Net interest margin	53,985
Item 10. Interest income and similar income	145,001
<i>To be deducted:</i>	
<i>Reclassification from item 140. Profits (Losses) on changes in contracts without derecognition</i>	-
Item 20. Interest expenses and similar charges	(90,026)
<i>Reclassification of Raisin operating components</i>	(1,679)
<i>To be deducted:</i>	
<i>IFRS 16 interest expenses</i>	689
Net fees and commissions	28,809
Item 40. Fees and commission income	33,357
Item 50. Fees and commission expense	(5,522)
<i>Reclassification of HFS fee and commission expense</i>	-
<i>To be deducted:</i>	
<i>Raisin operating components</i>	974
Net profit (loss) in hedge accounting, trading and sale of financial assets	15,467
Item 70. Dividends and similar income	647
Item 80. Net profit (loss) on trading	1,478
Item 90. Net hedging result	6
Item 100. Profits (losses) from disposal or repurchase	(658)
Item 110. Net profit (loss) on other assets and liabilities measured at fair value through profit or loss	13,994
Net profit (loss) on closed positions	953
<i>of which: Net profit (loss) on closed positions - Clients - POCI</i>	(560)
<i>of which: Net profit (loss) on closed positions - Clients - PPC</i>	(395)
<i>of which: Net profit (loss) on closed positions - Clients - Energy performing</i>	-
<i>Reclassification from item 280. Profits (losses) on disposal of investments</i>	2
Profits (Losses) on changes in contracts without derecognition	-
item 140. Profits (Losses) on changes in contracts without derecognition	-
<i>Reclassification to item 10. Interest income and similar income</i>	-
Other profits (losses) from the disposal of investments	-
Item 280. Profits (losses) on disposal of investments	(19,372)
<i>To be deducted:</i>	
<i>Reclassification to Contributions and other non-recurring expenses</i>	19,374
<i>Reclassification to Net profit (loss) on closed positions</i>	(2)
Other operating expenses and income (excluding taxes)	3,044
Item 230. Net other income/expenses	5,776
<i>To be deducted:</i>	
<i>Reclassification of recovery of other operating income/expenses to Other administrative expenses</i>	(2,732)
<i>Reclassification of contributions and other non-recurring expenses</i>	-
Total net operating income	100,352
Personnel expenses	(32,790)
Item 190. Administrative expenses: a) personnel expenses	(30,402)
<i>To be deducted:</i>	
<i>Reclassification of contributions and other non-recurring expenses</i>	(2,296)
<i>Reclassification of HR expenses from other administrative expenses</i>	(92)
Other Administrative expenses	(47,369)
Item 190. Administrative expenses: b) other administrative expenses	(54,238)
<i>Reclassification of IFRS 16 interest expenses</i>	(689)
<i>Reclassification of HR expenses to staff expenses</i>	92
<i>Reclassification of recovery of other operating income/expenses to Other administrative expenses</i>	2,732
<i>Raisin operating components</i>	705
<i>Reclassification of contributions and other non-recurring expenses</i>	4,029
Net impairment losses/reversals on property and equipment and intangible assets	(7,256)
Item 210. Net impairment losses/reversals on property and equipment	(2,873)
Item 220. Net impairment losses/reversals on intangible assets	(4,383)
Operating costs	(87,415)
Operating profit (loss)	12,937

Income Statement items	Values as of 30/06/2026
Net impairment losses/reversals for credit risk - HTC Clients	(20,920)
Item 130. Impairment losses/reversals for credit risk: a) financial assets measured at amortised cost	(21,889)
<i>Reclassification of Net profit (loss) on closed positions - HTC&S Clients - POCI to item 130b</i>	-
<i>Reclassification of Net profit (loss) on closed positions - HTC Clients - POCI off-balance to item 200</i>	14
<i>To be deducted:</i>	
<i>Impairment losses/reversals for credit risk: a) financial assets measured at amortised cost - Write-backs on Datio in solutum transactions</i>	-
<i>Net profit (loss) on closed positions - Clients - PPC</i>	395
<i>Net profit (loss) on closed positions - Clients - Energy performing</i>	-
<i>Net profit (loss) on closed positions - Clients - POCI</i>	560
Net impairment losses/reversals for credit risk - HTCS	(233)
Item 130. Impairment losses/reversals for credit risk: b) financial assets measured at fair value through other comprehensive income	(233)
<i>To be deducted:</i>	
<i>Net profit (loss) on closed positions - HTC&S Clients - POCI</i>	-
Net impairment losses/reversals for commitments and guarantees	(272)
Item 200. Net allocations to provisions for risks and charges: a) commitments and guarantees issued	(258)
<i>To be deducted:</i>	
<i>Net profit (loss) on closed positions - HTC Clients - POCI off-balance</i>	(14)
Total net impairment losses/reversals	(21,425)
Other net provisions	206
Item 200. Net allocations to provisions for risks and charges: b) other net provisions	206
<i>Reclassification of one-off components of the income statement related to extraordinary transactions</i>	-
Other income (expenses) on equity investments	2,542
Item 250. Profit (losses) on equity investments	2,542
<i>Reclassification to Contributions and other non-recurring expenses</i>	-
Contributions and other non-recurring expenses	(21,107)
<i>of which: Institutional contributions and banking system</i>	(189)
<i>of which: Personnel expenses related to integration</i>	2,296
<i>of which: Other administrative expenses related to integration</i>	(3,840)
<i>of which: Profit from the disposal of equity investments in subsidiaries</i>	(19,374)
Other profits (losses) from the disposal of investments	-
Item 280. Profits (losses) on disposal of investments	(19,372)
<i>To be deducted:</i>	
<i>Profit from the disposal of equity investments in subsidiaries</i>	19,374
<i>Reclassification to Net profit (loss) on closed positions</i>	(2)
Profit (loss) before tax	(26,847)
Income taxes for the year on continuing operations	(1,830)
Item 300. Income taxes for the year on continuing operations	(1,830)
Item 320. Profit (loss) from discontinued operations after tax	-
Item 320. Profit (loss) from discontinued operations after tax	-
Profit (loss) for the year	(25,017)
Item 340. Profit (loss) for the financial year attributable to minority interests	165
Profit (loss) for the year	(24,852)