BANCA SISTEMA

INTERIM CONSOLIDATED FINANCIAL REPORT

AT 30 JUNE 2025

CONTENTS

CONTENTS 2

DIRECTORS' REPORT AT 30 JUNE 2025 3

COMPOSITION OF THE PARENT'S MANAGEMENT BODIES 4
COMPOSITION OF THE INTERNAL COMMITTEES 5
FINANCIAL HIGHLIGHTS AT 30 JUNE 2025 6
SIGNIFICANT EVENTS FROM 1 JANUARY TO 30 JUNE 2025 8
FACTORING 11
SALARY- AND PENSION-BACKED LOANS AND QUINTOPUOI LOANS 14
COLLATERALISED LENDING AND KRUSO KAPITAL 16
FUNDING AND TREASURY ACTIVITIES 20
COMPOSITION AND STRUCTURE OF THE GROUP 22
INCOME STATEMENT RESULTS 24
THE MAIN STATEMENT OF FINANCIAL POSITION AGGREGATES 32
CAPITAL ADEQUACY 42
CAPITAL AND SHARES 45
RISK MANAGEMENT AND SUPPORT CONTROL METHODS 47
OTHER INFORMATION 49
BUSINESS OUTLOOK AND MAIN RISKS AND UNCERTAINTIES 50

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2025 51

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS 52

STATEMENT OF FINANCIAL POSITION 53
INCOME STATEMENT 55
STATEMENT OF COMPREHENSIVE INCOME 56
STATEMENT OF CHANGES IN EQUITY AT 30/06/2025 57
STATEMENT OF CHANGES IN EQUITY AT 30/06/2024 58
STATEMENT OF CASH FLOWS (INDIRECT METHOD) 59

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS 60

ACCOUNTING POLICIES 61
STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS 61
DETAILED TABLES 68

STATEMENT OF THE MANAGER IN CHARGE OF FINANCIAL REPORTING 101

INDEPENDENT AUDITORS' REPORT 103

DIRECTORS' REPORT AT 30 JUNE 2025

COMPOSITION OF THE PARENT'S MANAGEMENT BODIES

BOARD OF DIRECTORS

Chairperson	Ms. Luitgard Spögler
CEO and General Manager	Mr. Gianluca Garbi
Directors	Mr. Gianpaolo Alessandro Mr. Marco Cuniberti* Ms. Giuliana Grassia* Ms. Alessandra Grendele Mr. Daniele Pittatore Ms. Maria Gaia Soana* Mr. Andrea De Tomas*

BOARD OF STATUTORY AUDITORS

Chairperson	Mr. Guido Paolucci
Standing Auditors	Ms. Lucia Abati Ms. Anna Maria Allievi
Alternate Auditors	Mr. Marco Armarolli Ms. Daniela D'Ignazio

INDEPENDENT AUDITORS

BDO Italia S.p.A.

MANAGER IN CHARGE OF FINANCIAL REPORTING

Mr. Alexander Muz

Independent Directors are marked with an "*".

COMPOSITION OF THE INTERNAL COMMITTEES

EXECUTIVE COMMITTEE

Chairperson	Mr. Gianluca Garbi
Members	Mr. Gianpaolo Alessandro
	Ms. Alessandra Grendele

INTERNAL CONTROL, RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Chairperson	Mr. Marco Cuniberti
Members	Mr. Andrea De Tomas
	Mr. Daniele Pittatore
	Ms. Maria Gaia Soana

APPOINTMENTS COMMITTEE

Chairperson	Ms. Maria Gaia Soana
Members	Mr. Marco Cuniberti
	Ms. Giuliana Grassia

REMUNERATION COMMITTEE

Chairperson	Ms. Giuliana Grassia
Members	Mr. Andrea De Tomas
	Mr. Daniele Pittatore

SUPERVISORY BODY

Chairperson	Mr. Guido Paolucci
Members	Ms. Lucia Abati
	Ms. Annamaria Alievi

FINANCIAL HIGHLIGHTS AT 30 JUNE 2025

The Banca Sistema Group comprises the Parent, Banca Sistema S.p.A., with registered office in Milan, the subsidiaries Kruso Kapital S.p.A., Largo Augusto Servizi e Sviluppo S.r.l., the Greek company Ready Pawn Single Member S.A. (hereinafter also referred to as ProntoPegno Greece) and the Portuguese company Pignus - Credito Economico Popular SA (hereinafter also referred to as CEP), wholly owned subsidiaries of Kruso Kapital S.p.A..

The scope of consolidation also includes the auction house Kruso Art (Art-Rite S.r.l.), wholly owned by Kruso Kapital and outside the Banking Group, the Spanish Joint Venture EBNSistema Finance S.L. and the following special purpose securitisation vehicles whose receivables are not subject to derecognition: Quinto Sistema Sec. 2019 S.r.l., Quinto Sistema Sec. 2017 S.r.l. and BS IVA SPV S.r.l. The parent, Banca Sistema S.p.A., is a company registered in Italy, at Largo Augusto 1/A, ang. via Verziere 13 - 20122 Milan.

The Parent directly carries out factoring activities and operates in the salary- and pension-backed loans segment through direct origination and through the sale and purchase of receivables generated by other specialist operators, distributing its product through a network of single-company agents and specialised brokers located throughout Italy. Through its subsidiary Kruso Kapital S.p.A., the Group carries out collateralised lending activities in Italy through a network of branches, in Greece and Portugal through the subsidiaries ProntoPegno Greece and CEP, as well as auction house activities. The Group also provides factoring services in Spain and Portugal through the joint venture EBNSistema Finance.

The Parent, Banca Sistema S.p.A., is listed on the Euronext STAR Milan segment of the Euronext Growth Milan market of Borsa Italiana and the subsidiary Kruso Kapital is listed in the Professional Segment of Euronext Growth Milan.

KEY INDICATORS

30-Jun-25 | 31-Dec-24 | 30-Jun-24

Statement of financial position data (€,000)	30-Jun-25	31-Dec-24	% change
Total Assets	4,388,334	4,702,898	-6.7%
Securities Portfolio	1,111,340	1,300,313	-14.5%
Loans - Factoring	1,525,697	1,569,293	-2.8%
Loans - Salary-backed loans	652,369	701,494	-7.0%
Funding - Banks and REPOs	852,182	947,256	-10.0%
Funding - Term Deposits	2,414,217	2,565,354	-5.9%
Funding - Current Accounts	300,851	288,186	4.4%

Income statement data (€,000)	30-Jun-25	30-Jun-24	% change
Net interest income adjusted	46,431	32,490	42.9%
Net fee and commission income (expense)	13,630	15,942	-14.5%
Total income	69,797	54,790	27.4%
Personnel expense	(16,664)	(16,396)	1.6%
Other administrative expenses	(20,291)	(16,960)	19.6%
Profit for the period attributable to the owners of the Parent	14,589	5,960	144.8%

SIGNIFICANT EVENTS FROM 1 JANUARY TO 30 JUNE 2025

On 16 January 2025, the European Court of Human Rights (the "Court") issued a ruling (the "Ruling") in the case initiated in 2023 by Ontier Italia law firm on behalf of the Bank. The case sought to have the Court recognize a violation of the European Convention on Human Rights (the "Convention"). The alleged violations stemmed from the non-fulfilment by a financially distressed local authority (the "Local Authority") of its payment obligations, which had been confirmed by final court rulings issued long ago. These obligations amounted to over € 61 million in principal, plus default interest (estimated at € 43.7 million as of 31 December 2024), legal costs, and moral damages. Through the Ruling, the Court (among other things) explicitly declared that "the respondent state must, within three months, adopt appropriate measures to ensure the execution of the still-pending domestic court rulings," and that the Ruling is final and not subject to appeal. The decision aligns with the Court's established case law.

During the year, the Bank received new positive judgments and filed lawsuits with the Court similar to that closed by the judgments that found as original defaulting debtors entities belonging to the Public Administration (including other insolvent local authorities, but not only)

On 21 March 2025, the Board of Directors also approved the new Corporate Governance Project, one of the initiatives undertaken by the Bank at the request of the Supervisory Authority in connection with the findings of the aforementioned inspection. The new Corporate Governance Project, which adds an Executive Committee to the corporate governance bodies, was approved by the Shareholders' Meeting of 30 April 2025.

As previously announced on 7 February 2025, the same Shareholders' Meeting has also resolved to accelerate the replacement of part of the members of the Board of Directors and the Board of Statutory Auditors, as requested by the Bank of Italy in relation to the governance measures to be taken following the above-mentioned inspection. The Shareholders' Meeting also resolved to adjust the remuneration of the Board of Directors to take into account the establishment of the Executive Committee. The Shareholders' Meeting lastly approved the "Report on the remuneration policy and remuneration paid", first and second sections, pursuant to Article 123-ter of the Consolidated Law on Finance (TUF).

At the same meeting of 21 March 2025, the Board of Directors approved the new classification of some credit exposures as defaulted, in accordance with the findings made in the inspection report issued on 20 December 2024. These findings have highlighted issues in the rules and practices followed by the Bank to classify exposures, considered by the Supervisory Authority not fully compliant with the EBA Guidelines on the application of the definition of default.

To implement that decision, with effect from 31 March 2025, the Bank reclassified prudentially the exposures concerned, thereby increasing past due exposures to a total of € 227 million compared to the value recorded at 31 December 2024, bringing the

Group's past due total to € 333 million. These data remain subject to the outcome of the examination that the Supervisory Authority is conducting on them.

The increase mainly concerned the non-recourse factoring of exposures to public sector entities and, therefore, due to the type of underlying receivables, there continue to be no problems in terms of credit quality and likelihood of recovery. 86% of the Bank's overdue receivables, net of those referred to the Kruso Kapital Group, are attributable to public sector counterparties.

Since the date of the new classification, the affected exposures have been subject to calendar provisioning.

Since 31 March 2025, in application of the provisions introduced by the new Regulation (EU) no. 2024/1623 (CRR 3), the Group has carried out a prudential redetermination of the credit risk associated with collateralised loans. This adjustment was necessary because, according to the interpretation given by the national Supervisory Authority in its inspection report, a guarantee in gold, instead of in investment, is no longer considered admissible for the purposes of credit risk mitigation in the determination of RWAs. Essentially, collateralised loans are treated as if there were no underlying collateral, regardless of historical recovery rates, which are approximately 100%. The new CRR3 applies to the Bank while, for the subsidiary Kruso Kapital, it will be applied no earlier than 1 January 2026.

In response to a specific request from the Bank of Italy, the Board of Directors also approved an updated capital plan for the 2025–2027 period. The outcomes of the plan confirm, in substance, the profit and capital ratio targets set out in the 2024–2026 Business plan approved in May 2024. The capital plan also takes into account the expected synthetic (SRT) and traditional securitisation transactions and the recent rulings of the European Court of Human Rights. Further managerial initiatives, new securitisations, including SRT (significant risk transfer), issues of credit linked notes and new ECHR judgments are not counted for numerical purposes in the capital plan.

The Capital Plan was submitted to the Bank of Italy at the end of March 2025, along with a descriptive report detailing the key actions required by the Supervisory Authority to address the findings communicated on 20 December. The report also includes assessments from the Board of Statutory Auditors and the control functions.

On 13 February 2025, the liquidation of Specialty Finance Trust Holdings Ltd was completed, and the company was deregistered from the UK Companies Register.

On 28 March 2025, the Directors Giovanni Puglisi (Deputy Chairperson), Daniele Bonvicini, Maria Leddi and Francesca Granata and the Statutory Auditors Daniela Toscano and Luigi Ruggiero resigned, in order to facilitate the implementation of the new corporate governance project and the acceleration of the replacement of part of the Board of Directors and the Board of Statutory Auditors, as requested by the Bank of Italy with the letter of 20 December 2024. The resignations were tendered with effect from the date of the Shareholders' Meeting convened to approve the Financial Statements of Banca Sistema S.p.A. at 31 December 2024, or from 30 April 2025, concurrently with the appointment of the new Directors and Statutory Auditors by the Shareholders' Meeting.

On the same date and in order to facilitate the implementation of the new corporate governance project and to ensure the necessary continuity of the supervisory body, the Chairperson of the Board of Statutory Auditors, Lucia Abati, resigned from the office of Chairperson (but not also of the Standing Auditor), thus referring the identification of a new Chairperson of the supervisory body to the resolutions of the Shareholders' Meeting.

On 30 April 2025, the Shareholders' Meeting appointed four new directors to replace those who had resigned, in the persons of Gianpaolo Alessandro, Andrea De Tomas, Giuliana Grassia and Maria Gaia Soana. The newly appointed directors will remain in office until the expiry of those already in office, or until the date of approval of the financial statements at 31.12.2026.

On the same date, the Shareholders' Meeting also appointed the following two standing auditors, replacing those who had resigned and who will remain in office until the expiry of the one already in office, or until the date of approval of the financial statements at 31.12.2025: Anna Maria Allievi and Guido Paolucci. Mr. Guido Paolucci was also appointed Chairperson of the Board of Statutory Auditors.

Also on 30 April 2025, the Shareholders' Meeting approved the new governance project of the Bank, which, among other things, establishes the Executive Committee.

On 27 June 2025, the Board of Directors, in accordance with the provisions of the corporate governance project and as already provided for in the Bank's Articles of Association, appointed, with effect from 1 July 2025, the members of the Executive Committee as follows: Gianluca Garbi (Chief Executive Officer), Gianpaolo Alessandro (Director and anti-money laundering representative), Alessandra Grendele (Director). The Chief Executive Officer becomes the chair of the Executive Committee, in application of Article 13.4 of the Articles of Association. The Executive Committee will remain in office until the expiry of the term of office of the Board of Directors scheduled with the approval of the financial statements at 31 December 2026.

Following the announcement by Banca CF+ S.p.A. (the "Bidder") on 30 June 2025 of a voluntary public tender offer for all ordinary shares of Banca Sistema, the Board of Directors of Banca Sistema, during an extraordinary meeting held on 1 July 2025, carried out an initial examination of the relevant communication, issued pursuant to Article 102, paragraph 1 of Legislative Decree No. 58/1998 and subsequent amendments (Consolidated Law on Finance) and Article 37 of the Issuers' Regulation and continued its analyses, including those requested by the Bank of Italy, at subsequent board meetings on 18 July, 25 July and 1 August.

As of the date of approving this document, the Bank has not received any communication regarding the outcome of the sanctioning proceedings initiated by the Bank of Italy on 20 December 2024.

FACTORING

BANCA SISTEMA AND FACTORING ACTIVITIES

Banca Sistema was one of the pioneering banks in the factoring of receivables from the Public Administration, initially focused on the purchase of trade receivables from suppliers in the public health sector, and subsequently and gradually extended to other areas of the "receivables from public administrations" sector, to tax receivables and to receivables from the entertainment sector. Since its establishment, the Bank has been able to grow in the original factoring business with a prudent risk management, and to support businesses (from large multinationals to small and medium-sized enterprises) through the provision of financial and collection services, thus contributing to the businesses' growth and consolidation. Since December 2020, Banca Sistema has also been operating in Spain - where the company EBNSISTEMA Finance is located, owned by Banca Sistema together with the Spanish banking partner EBN Banco - mainly in the factoring segment for receivables from the Public Administration, specialising in the purchase of receivables mainly from entities in the public health sector.

The Bank also offers SACE- and MCC-guaranteed loans exclusively to its factoring (for a total of outstanding loans to 82 customers equal to € 201 million) and has purchased tax credits from the "Superbonus" both for compensation purposes within the limits of its tax capacity and, from the last quarter of 2023, for trading purposes.

The Bank, as Arranger and Senior Underwriter, coordinated and structured an innovative securitisation involving receivables originating from professional football clubs both at Italian and international level. The platform provides for the purchase by assignors including the Bank, on a continuous and rotating basis, of approximately € 1.2 billion in receivables deriving from football player transfers (national and international), audiovisual rights and compensatory contributions recognised to clubs in the event of relegation. This securitisation, which will take effect in the second half of 2025, is part of Banca Sistema's strategy to expand its business model in the non-traditional asset class segment and is an example of the 'originate to share' model outlined in the Group's 2024-26 strategic plan. The securitisation was also made possible thanks to a strategic partnership with international investors specialising in the sports and entertainment sector, which subscribed to the junior tranche. This operating model fully leverages the Bank's origination capabilities and improves profitability efficiency in relation to capital absorbed.

The following table shows the factoring volumes by product type:

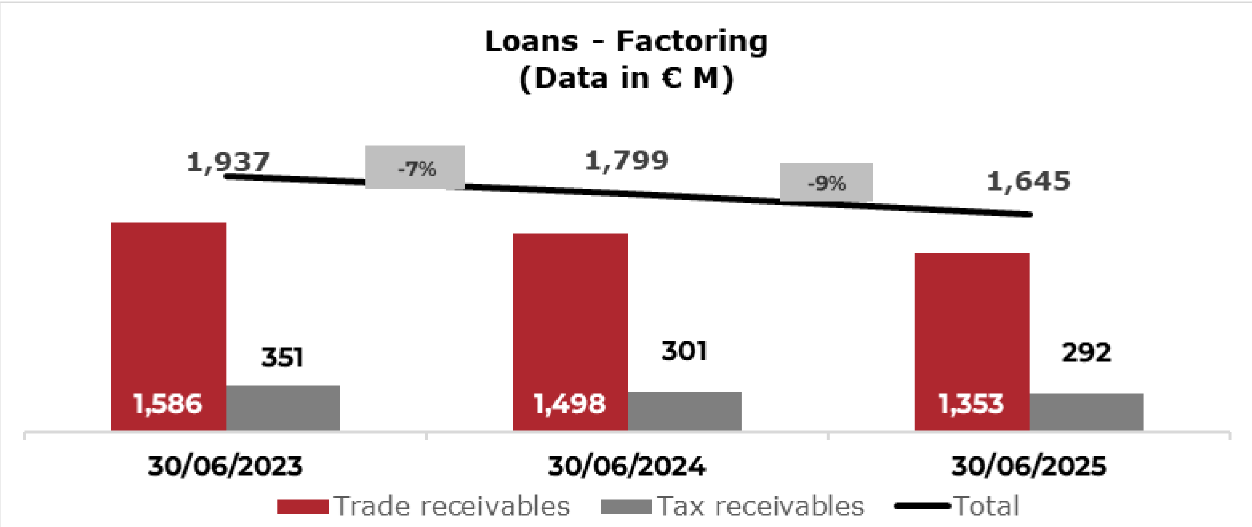
Product (millions of Euro)	First Half of 2025	First Half of 2024	€ Change	% Change
Factoring receivables	**2,264**	**2,482**	**(218)**	**-8.8%**
Trade receivables	1,993	2,282	(289)	-12.7%
of which, without recourse	*1,358*	*1,684*	*(326)*	*-19.4%*
of which, with recourse	*635*	*598*	*37*	*6.2%*
Tax receivables	*271*	*200*	*71*	*35.5%*
of which, without recourse	*271*	*200*	*71*	*35.5%*
of which, with recourse	-	-	-	n.a.
Superbonus tax credits	***35***	***311***	***(276)***	***-88.6%***
of which, for trading purposes	*35*	*311*	*(276)*	*-88.6%*
Total	**2,300**	**2,793**	**(494)**	**-17.7%**

Volumes were generated through both its own internal commercial network and other intermediaries with which the Group has entered into distribution agreements. The decrease in turnover factoring is mainly due to lower volumes on health authorities.

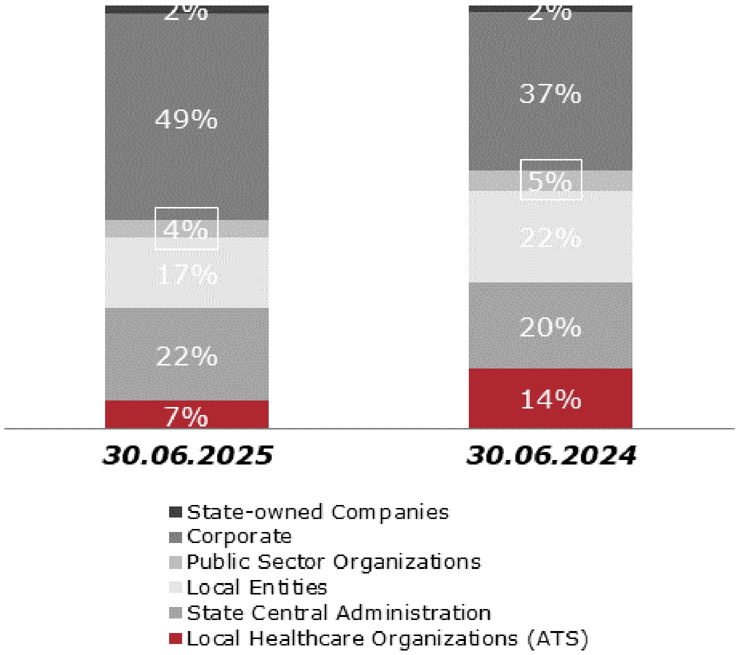
At the end of the first half of 2025, turnover factoring on the Spanish market was € 247 million (€ 28 million in the first half of 2024).

Factoring has proven to be the ideal tool both for small and medium-sized enterprises to finance their working capital and thus trade receivables, and for large companies, such as multinationals, to improve their net financial position, mitigate country risk and receive solid support in servicing and collection activities.

Loans amounted to € 1,645 million at 30 June 2025 (management figure) from € 1,799 million at 30 June 2024.



The following chart shows the ratio of debtors to the total exposure in the loans and receivables portfolio. In factoring, volumes, and consequently exposure to private debtors, increased significantly compared to the previous year, as required by the strategic lines of the 2024-2026 business plan.



Volumes related to the management of third-party portfolios amounted to € 290 million (an increase compared to the € 267 million recognised in the same period of last year).

Since 2024, the Bank has continued to operate in the servicing of some limited debt transactions and structured finance of third parties, that has included credit securitisation transactions and assistance to corporate customers in the issuance of bonds, liaising with several counterparties and institutional investors.

In two securitisation transactions related to super-bonus loans, the Bank also plays the role of senior investor and co-arranger, strengthening its position in the market.

SALARY- AND PENSION-BACKED LOANS AND QUINTOPUOI LOANS

The Assofin data in May 2025 confirms a recovery in the consumer credit market, though slower than it had seemed in the first quarter. The consolidated market figure shows a growth of 7.3% in volumes compared to the same quarter of 2024, with personal loans reporting 12%, while salary- and pension-backed loans fall to +6.7% on a consolidated basis.

The mortgage sector also slowed down in the second quarter, while maintaining a consolidated growth figure of 40.7% compared to the same period last year.

In this context, in the first half, the division recorded a decline in the volumes disbursed for salary- and pension-backed loans compared to last year (€ 63m of capital financed, -42% compared to 2024), while showing good growth in the second quarter compared to the previous one (+20%). The Division also maintained a selective volume approach in the second quarter to avoid reducing margins. This meant giving up part of the business with credit intermediaries, who are more exposed to price competition, in favour of consolidating the single-company agent channel.

For the other products, distributed through partnerships, the results were materially in line with last year.

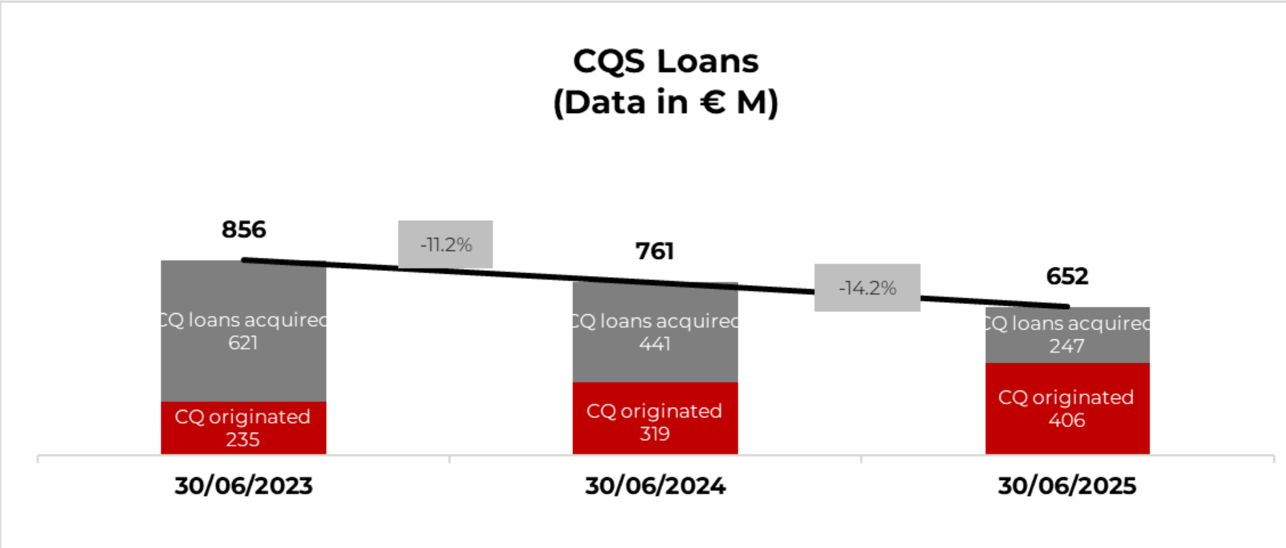
On 25 June 2025, the Bank of Italy issued a notice of approval of the application submitted for the implementation of a synthetic securitisation transaction with SRT effects on a portfolio of loans resulting from CQ transactions. Therefore, the transaction will optimise the capital absorption of the loans and receivables portfolio.

Outstanding capital continues to decrease compared to the previous quarter and stood at € 653 million at 30 June 2025, in line with the attrition of the non-recourse portfolio acquired in previous years. The portfolio component relating to receivables that was originated after 1 January 2023 (and therefore optimised in terms of margins) rises to more than 50% of the total.

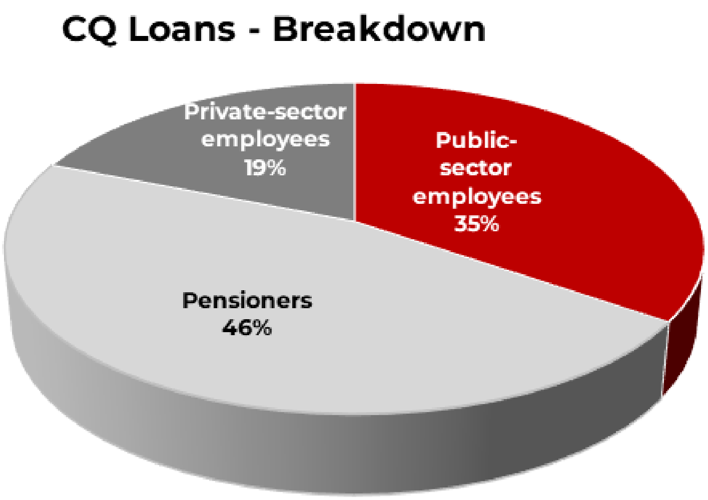
	First Half of 2025	First Half of 2024	€ Change	% Change
No. of applications (#)	3,234	5,549	(2,315)	-41.7%
of which originated	3,234	5,462	(2,228)	-40.8%
Volumes disbursed (millions of Euro)	63	109	(46)	-42.0%
of which originated	63	107	(44)	-40.9%

Below is an overview of the changes in the outstanding balance reported in the financial statements, broken down into "direct" and "indirect" components. The direct component refers to contracts originated directly through our network, while the indirect component concerns the purchase of portfolios from third-party intermediaries. In these cases, except for one acquired portfolio with an outstanding balance of € 31 million as of the reporting date, the Bank has not taken over the financing contracts with individual customers but has only acquired the credit.

The following table shows the evolution of loans by channel:



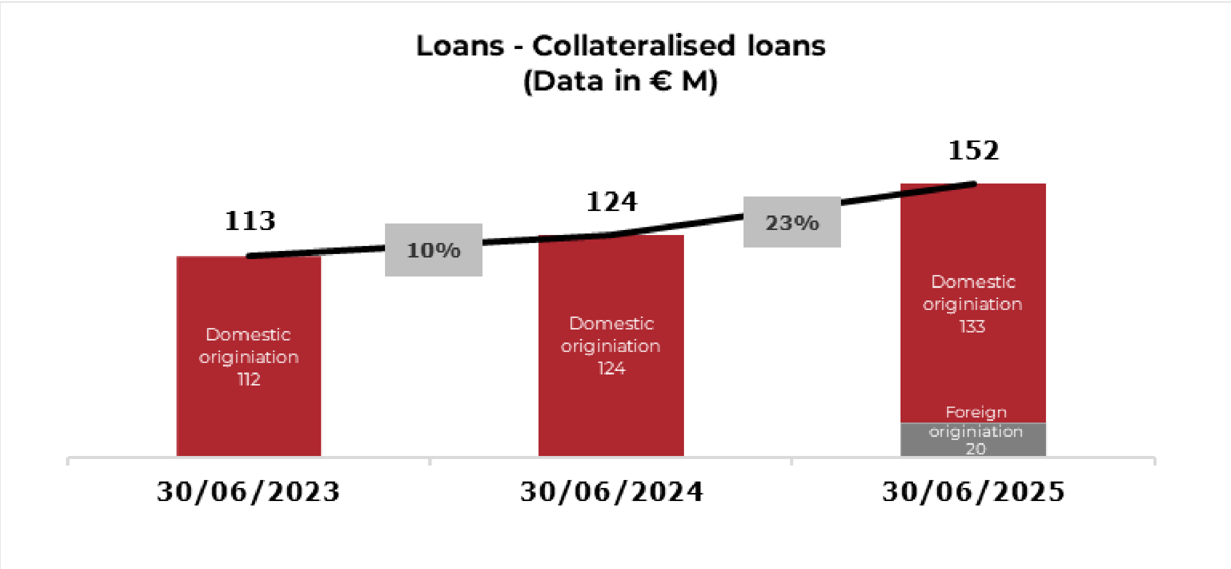
CQ Loans are split between private-sector employees (19%), pensioners (46%) and public-sector employees (35%). Therefore, over 80% of the volumes refer to pensioners and employees of Public Administration, which remains the Bank's main debtor.



COLLATERALISED LENDING AND KRUSO KAPITAL

At 30 June 2025, Kruso Kapital has approximately 96.4 thousand policies (collateralised lending), for total lending of € 152.3 million (net of the largest credit, recorded as of 30.6.2025, resulting from the conclusion of the process of final allocation of the price for the acquisition of CEP in Portugal), up by 22.9% YoY (€ 124 million), strongly increasing.

The following chart shows the performance of outstanding loans:



The assets in the balance sheet, which increased by 3.7%, consist mainly of loans and receivables with customers related to the collateralised lending business (loans and receivables with customers) and goodwill for a total of € 40.1 million. Following the conclusion of the process of final allocation of the price ("PPA") for the acquisition of CEP, goodwill decreased compared to 31.12.2024. Other intangible assets also changed compared to December 2024 due in part to the premium due for the acquisition of a portfolio of loans in Italy, part of the company's ordinary operations (€ 1.4 million, against a loans and receivables portfolio of € 8.9 million) and the registration of the CEP trademark (€ 0.4 million, net of amortisation for the period), arising from the allocation process described above.

The statement of consolidated financial position of the Kruso Kapital Group as at 30 June 2025 is provided below.

Assets (€,000)	**30.06.2025**	**31.12.2024**	**€ Change**	**% Change**
Cash and cash equivalents	7,526	9,016	(1,490)	-16.5%
Financial assets measured at amortised cost	152,849	143,879	8,970	6.2%
a) loans and receivables with banks	99	34	65	>100%
b1) loans and receivables with customers - loans	152,765	143,845	8,920	6.2%
Property and equipment	4,135	4,612	(477)	-10.3%
Intangible assets	43,771	43,264	507	1.2%
of which: goodwill	40,070	41,155	(1,085)	-2.6%
Tax assets	485	404	81	20.0%
Other assets	3,248	3,309	(61)	-1.8%
Total assets	**212,029**	**204,484**	**7,545**	**3.7%**

Liabilities and equity (€,000)	**30.06.2025**	**31.12.2024**	**€ Change**	**% Change**
Financial liabilities measured at amortised cost	143,131	141,830	1,301	0.9%
Financial liabilities designated at fair value	1,964	-	1,964	n.a.
Tax liabilities	4,111	3,998	113	2.8%
Other liabilities	7,484	7,354	130	1.8%
Post-employment benefits	819	872	(53)	-6.1%
Provisions for risks and charges	654	971	(317)	-32.6%
Share capital	24,610	24,610	-	0.0%
Reserves	24,883	20,383	4,500	22.1%
Valuation reserves	(18)	(34)	16	-47.1%
Profit (loss) for the period	4,391	4,500	(109)	-2.4%
Total liabilities and equity	**212,029**	**204,484**	**7,545**	**3.7%**

The "financial liabilities measured at amortised cost" include the auction buyer's premium of € 8.4 million. For 5 years, this amount is reported in the financial statements as due to customers, and becomes a contingent asset if not collected. Financial liabilities also include amounts due to banks (69% from Banca Sistema credit lines). The item Financial liabilities designated at fair value through profit or loss refers exclusively to the issuance (April 2025) of a Credit Linked Note, the reference underlying of which is given by a part of the portfolio of pledged receivables in Italy guaranteed by gold.

At 30.6.2025, equity amounted to € 53.9 million.

The consolidated income statement of the Kruso Kapital Group at 30 June 2025 is provided below.

Income statement (€,000)	First Half of 2025	First Half of 2024	€ Change	% Change
Total income	**17,274**	**11,493**	**5,781**	**50.3%**
Net impairment losses on loans and receivables	(74)	(82)	8	-9.8%
Net financial income (expense)	**17,200**	**11,411**	**5,789**	**50.7%**
Personnel expense	(4,704)	(4,107)	(597)	14.5%
Other administrative expenses	(4,659)	(3,318)	(1,341)	40.4%
Net impairment losses on property and equipment/intangible assets	(1,357)	(819)	(537)	65.7%
Other operating income (expense)	139	87	52	59.8%
Operating costs	**(10,581)**	**(8,157)**	**(2,424)**	**29.7%**
Gains (losses) on equity investments	190	-	190	n.a.
Pre-tax profit from continuing operations	6,809	3,254	3,555	>100%
Income taxes for the period	(2,418)	(1,348)	(1,070)	79.4%
Profit (loss) for the period of Kruso Kapital Group	**4,391**	**1,906**	**2,485**	**>100%**

Total income, amounting to € 17.3 million, increased due to:

- the increase in net interest income (€ 6.6 million, +41% YoY), which is affected by higher interest income, mainly driven by higher loans (in Italy), the contribution from CEP (a subsidiary in Portugal, consolidated in November 2024) and higher margins, which more than offset the negative impact of the premium portion (€ 0.4 million) of the portfolio purchased in January 2024 (accounted for in net interest income) and the negative impact of the PPA (€ 0.6 million) on the receivables;
- the contribution of higher net fee and commission income (€ 10.6 million, +56% YoY) driven by higher uses, the consolidation of CEP and, to a significant extent, increased contributions from loan auctions, resulting from the higher number of auctions and the higher number of lots YoY.

Credit adjustments, substantially unchanged YoY, in the first half of 2025 were driven by the new credit policies (for KK in Italy and CEP) which, in addition to the different classification of receivables, introduced new collective hedging percentages.

Operating costs of € 10.6 million were 30% higher due to:

- Higher personnel expenses essentially related to the consolidation of CEP. The number of resources is 145 as at 30.06.2025 vs 95 as at 30.06.2024;
- Higher other administrative expenses, essentially for € 1.3 million due to the consolidation of CEP (€ 0.4 million), extraordinary consultancy expenses such as those related to the structuring of Credit Linked Notes, higher IT expenses (€ 0.3 million) and other operating expenses.
- The change in value adjustments on intangible assets is mainly due to the premium portion (€ 0.3 million) of the portfolio purchased in January 2024 and to a lesser extent due to the registration of the CEP trademark following the PPA process.

The item Income from equity investments is due to the release of part of the debt relating to the portion of the deferred price (earn out) as per the contract for the acquisition of Art-Rite, following an agreement with the previous shareholders of the company.

Net income of € 4.4 million increased YoY due to the result of ordinary operations and the contribution from the item described above, which more than offset the negative effect of the release of the PPA (€ -0.45 million after tax).

FUNDING AND TREASURY ACTIVITIES

TREASURY PORTFOLIO

A treasury portfolio has been established to support the Bank's liquidity commitments almost exclusively through investment in Italian government bonds.

The balance at 30 June 2025 was equal to a nominal € 1,057 million compared to € 1,178 million at 31 December 2024.

At 30 June 2025, the nominal amount of securities in the HTCS portfolio amounted to € 1,007 million (€ 1,117 million reported at 31 December 2024) with a duration of 11.9 months (15.2 months at 31 December 2024) and a positive mark-to-market of € 5.2 million.

At 30 June 2025, the HTC portfolio amounted to € 50 million, with a duration of 32.3 months (compared to € 61 million at 31 December 2024 with a duration of 31 months).

FUNDING

At 30 June 2025, wholesale funding was about 30% of total funding (against 32% at 31 December 2024).

Securitisations with salary- and pension-backed loans as collateral also completed with a partly-paid securities structure continue to allow Banca Sistema to efficiently refinance its CQS/CQP portfolio and to continue to grow its salary- and pension-backed loan business, whose funding structure is optimised by the securitisations. The Bank also continues to adhere to the ABACO procedure introduced by the Bank of Italy which was expanded to include consumer credit.

With regard to customer deposits, the Bank continued with its strategy of diversifying its sources, at the same time favouring the most stable ones.

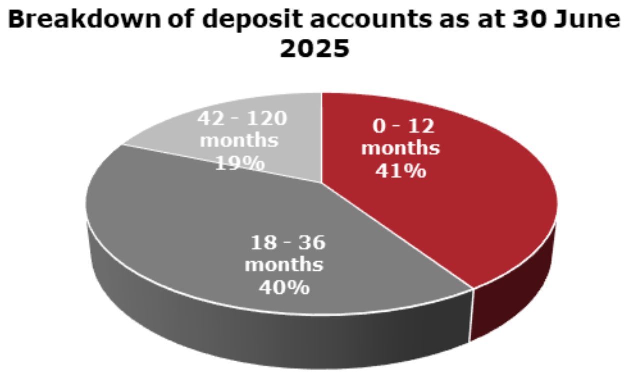
In particular, funding from private customer deposits stands at € 2.31 billion with a duration of approximately 18 months (compared to € 2.44 billion with a duration of 17 months at 31 December 2024).

As at 30 June 2025, the stock of customer deposits amounted to € 2.64 billion, 89% of which from term deposits.

Retail funding accounts for 93% of the total and is composed of the account SI Conto! Corrente and the product SI Conto! Deposito.

Total term deposits as at 30 June 2025 amounted to € 2,341 million, a decrease compared to 31 December 2024, when it amounted to € 2,477 million. The above-mentioned amount also includes total term deposits of € 1,914 million (obtained with the help of partner platforms) held with foreign entities (accounting for 83% of total deposit funding).

The breakdown of funding by term is shown below.



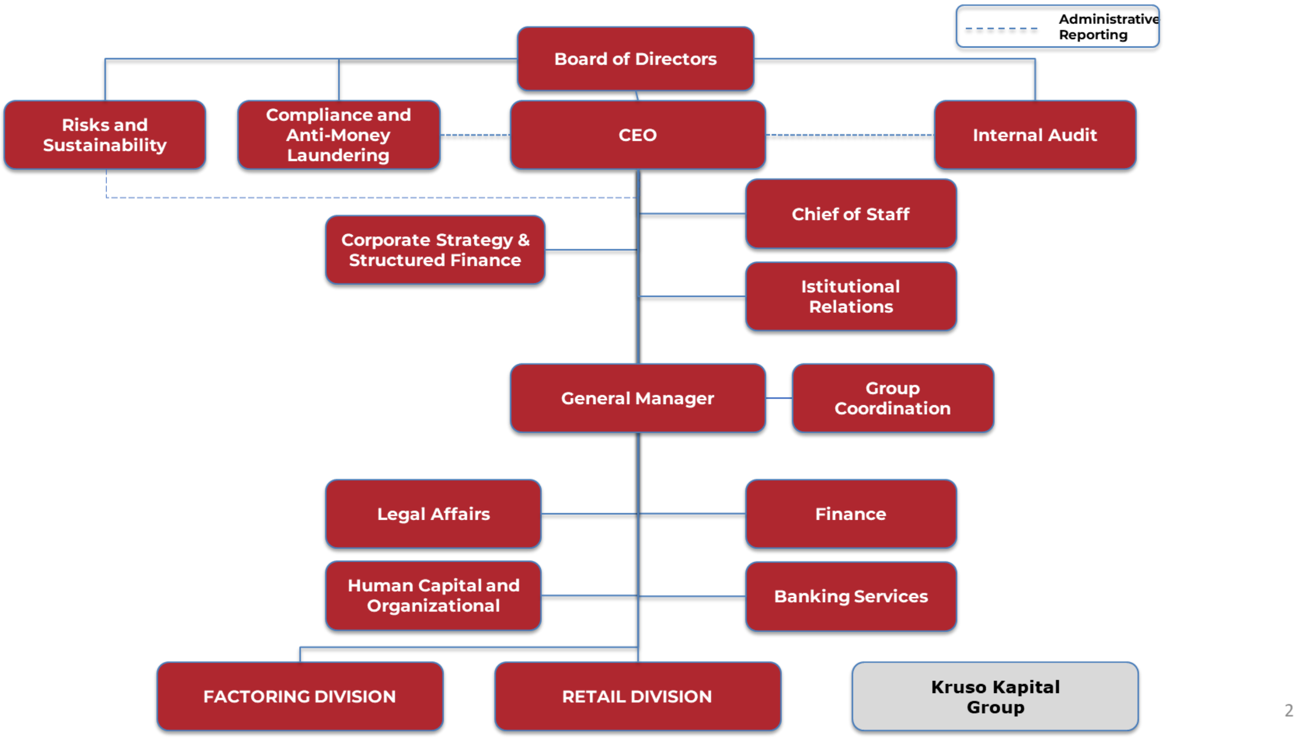
The average residual life is 17.6 months compared to 17 months at the end of 2024.

COMPOSITION AND STRUCTURE OF THE GROUP

Organisational chart

The Bank's organisational structure - based on the divisional organisational model which assigns specific powers and autonomy in terms of lending, sales and operations to each of the Factoring and Retail Financing businesses – has undergone some changes following the implementation of a comprehensive plan to strengthen the internal control system in terms of both quality and quantity, which involved hiring additional human resources, providing new IT and process automation tools, more intensive coordination between the Control Functions and between these and the Corporate Bodies, and the transfer of the organisational reporting of the Risk Department directly to the Board of Directors.

The organisational chart in force since 1 July 2025 is as follows:



HUMAN RESOURCES

As at 30 June 2025, the Group had a staff of 360, broken down by contract category as follows:

FTES	Banca Sistema	Kruso Kapital	ProntoPegno Greece	Pignus CEP	Art-Rite	Total
Senior managers	27	3	1	0	-	**31**
Middle managers (QD3 and QD4)	51	14	0	0	-	**65**
Middle managers (QD1 and QD2)	46	18	0	0	-	**64**
Other personnel	91	51	2	44	12	**200**
Total	**215**	**86**	**3**	**44**	**12**	**360**

At 30 June 2025, 9 people were recruited and hired to support business expansion or fill staff vacancies all on permanent contracts, were mainly assigned to the Factoring Division and the Corporate Centre.

The Human Capital Department has drawn up a new Group Policy setting out the principles and guidelines, including operational guidelines, for managing the selection and recruitment process. This policy governs internal job postings and the job referral programme, as well as describing AI applications related to the psychometric assessment of candidates.

In terms of skills development, after identifying professional and technical training needs related to the Group's legal and regulatory issues, on 30 June 2025, the Bank organised training sessions conducted by external trainers, with a focus on technical, professional and language training, for a total of 600 hours.

The average age of Group employees is 47 for men and 43.7 for women. The breakdown by gender is essentially balanced, with men accounting for 56.7% and women for 43.3% of the total.

INCOME STATEMENT RESULTS

Income statement (€,000)	First Half of 2025	First Half of 2024	€ Change	% Change
Net interest income	29,514	21,024	8,490	40.4%
Net trading income from Superbonus (1)	16,917	11,466	5,451	47.5%
Net interest income adjusted	**46,431**	**32,490**	**13,941**	**42.9%**
Net fee and commission income (expense)	13,630	15,942	(2,312)	-14.5%
Dividends and similar income	227	227	-	0.0%
Net trading income (expense)	99	976	(877)	-89.9%
Net hedging result	18	(6)	24	<100%
Gain from sales or repurchases of financial assets/liabilities	9,336	5,161	4,175	80.9%
Net result from financial liabilities measured at fair value	56	-	56	n.a.
Total income	**69,797**	**54,790**	**15,007**	**27.4%**
Net impairment losses on loans and receivables	(4,554)	(3,866)	(688)	17.8%
Gains/losses from contract amendments without derecognition	(4)	(2)	(2)	100.0%
Net financial income (expense)	**65,239**	**50,922**	**14,317**	**28.1%**
Personnel expense	(16,664)	(16,396)	(268)	1.6%
Other administrative expenses	(20,291)	(16,960)	(3,331)	19.6%
Net accruals to provisions for risks and charges	(3,966)	(1,391)	(2,575)	>100%
Net impairment losses on property and equipment/intangible assets	(2,108)	(1,564)	(544)	34.8%
Other operating income (expense)	1,740	(4,026)	5,766	<100%
Operating costs	**(41,289)**	**(40,337)**	**(952)**	**2.4%**
Gains (losses) on equity investments	139	(25)	164	<100%
Pre-tax profit from continuing operations	**24,089**	**10,560**	**13,529**	**>100%**
Income taxes for the period	(8,208)	(4,039)	(4,169)	>100%
Post-tax profit for the period	**15,881**	**6,521**	**9,360**	**>100%**
Profit for the period	**15,881**	**6,521**	**9,360**	**>100%**
Profit (loss) attributable to non-controlling interests	(1,292)	(561)	(731)	>100%
Profit for the period attributable to the owners of the parent	**14,589**	**5,960**	**8,629**	**>100%**

(1) The net trading income from Superbonus was reclassified from the item Trading income and restated in a separate item to supplement Net interest income.

The first half of 2025 ended with a profit of € 14.6 million, up € 8.6 million on the same period of the previous year.

Total income recorded a sustained growth of € 15.0 million, up 27.4% compared to 30 June 2024. In absolute terms, the Factoring Division remains the main contributor to the income, also thanks to the trading of tax receivables related to the Superbonus.

Net interest income (€,000)	First Half of 2025	First Half of 2024	€ Change	% Change
Interest and similar income				
Loans and receivables portfolios	71,347	81,578	(10,231)	-12.5%
Factoring	45,986	55,380	(9,394)	-17.0%
CQ	9,120	8,930	190	2.1%
Collateralised lending	8,866	6,850	2,016	29.4%
Government-backed loans to SMEs	7,375	10,418	(3,043)	-29.2%
Securities portfolio	15,820	7,108	8,712	>100%
ABS securities	1,993	-	1,993	n.a.
Other	2,032	7,098	(5,066)	-71.4%
Total interest income	**91,192**	**95,784**	**(4,592)**	**-4.8%**
Interest and similar expense				
Due to banks	(821)	(9,766)	8,945	-91.6%
Due to customers	(46,924)	(53,887)	6,963	-12.9%
Repos	(10,717)	(7,649)	(3,068)	40.1%
Securities issued	(3,215)	(3,459)	244	-7.1%
Total interest expense	**(61,677)**	**(74,761)**	**13,084**	**-17.5%**
Net interest income	**29,515**	**21,023**	**8,492**	**40.4%**
Net trading income from Superbonus	16,917	11,466	5,451	47.5%
Net interest income adjusted	**46,432**	**32,489**	**13,943**	**42.9%**

Net interest income recorded a solid growth compared to the same period of the previous year, despite the progressive decline in market interest rates. This performance reflects the maintenance of high levels of interest income, supported by employment spreads that are still large compared to the cost of funding (which started a downward trend), given a slight contraction in the average volumes employed.

The total contribution of the Factoring Division, which includes both revenues from traditional factoring transactions and those deriving from SME loans guaranteed by the State, reached € 53 million, accounting for approximately 75% of the interest income generated by the total loans and receivables portfolio. The following are added to this income: (i) the commission component associated with the factoring business; (ii) the revenues from the sale of some receivables due from private debtors; and (iii) the income realised on the purchase and subsequent realisation of Superbonus tax receivables held for trading purposes.

The component owed for late payments pursuant to Legislative Decree 231/02 (consisting of default interest and compensation) legally enforced at 30 June 2025 amounted to € 12.1 million (€ 20.9 million in the first half of 2024):

- of which € 7.7 million resulting from the current recovery estimates (€ 11.3 million in the first half of 2024);

- of which € 4.3 million (€ 7.0 million in the first half of 2024) coming from the difference between the amount collected during the period, amounting to € 9.3 million (€ 10.5 million in the first half of 2024), and that recognised on an accruals basis in previous years;
- of which € 0.1 million resulting from the current estimates for the recovery of the € 40 component of the compensation claims pursuant to Article 6 of Legislative Decree No. 231/02 (€ 2.7 million in the first half of 2024).

Following the update carried out in the first quarter of 2025, of the policy relating to the accounting of default interest for Public Administration debtors in situations of financial distress or probable default, default interest was recorded for an amount of € 10.3 million relating to positions subject to judgments by the ECHR that found the Italian State liable for the debt in cases where the debtor is in default. The reduction in the contribution due for late payments pursuant to Legislative Decree 231/02 (consisting of default interest and compensation) compared to the same period in 2024 was due to an extraordinary transfer of decrees relating to past due debtors, which led to a loss of € 2.1 million, and by a decrease in the stock, influenced by contractual resolutions of receivables within the legal scope. This sale was completed before the Bank of Italy obtained authorisation to finalise the securitisation of a CQ loans and receivables portfolio with SRT effects.

The amount of the stock of interest pursuant to Legislative Decree 231/02 accrued at 30 June 2025, relevant for the allocation model, was € 177 million (€ 149 million at the end of 2024), which becomes € 236 million when including default interest related to positions with troubled local authorities, a component for which default interest is not allocated in the financial statements, except in the case of ECHR judgments as stated above, whereas the loans and receivables recognised in the financial statements amount to € 86 million. Therefore, the amount of interest pursuant to Legislative Decree No. 231/02 accrued and not yet recognised in the income statement is € 150 million. In addition, there is further default interest related to entities such as consortia or quasi-public companies excluded from the scope of the allocation model.

The contribution from interest from the salary- and pension-backed portfolios amounted to € 9.1 million, up from the same period of the previous year due to lower prepayment on portfolios purchased in previous years, and to the higher yields on new loans originated at higher rates.

The sustained growth of the Collateralised Lending Division was confirmed: its contribution to Interest income amounted to € 8.9 million, compared to € 6.9 million in the same period of the previous year. The item includes the reversal of fair value adjustments allocated to loans and receivables with customers, recognised at the end of the first half of 2025 upon completion of the allocation process of the purchase price of CEP, for a total amount of € 570 thousand. In particular, the economic effect of the fair value difference relating to policies cancelled as at 30 June 2025 was recognised in full, during the period.

The positive contribution of the interest component from the government-backed loans to SMEs is confirmed, albeit down compared to the first half of the previous year due to a lower outstanding and a decrease in the yield indexed at a variable rate.

The contribution of the securities portfolio increased compared to 30 June 2024 thanks to an increase in the average stock of the existing portfolio and a higher average portfolio return.

"Other interest income" decreased due to a lower use in overnight deposits with the ECB and a decrease in the rate of return.

The decrease in interest expense is mainly driven by the decrease in market rates.

The Superbonus trading income of € 16.9 million is generated by the trading of these receivables and by the change in their fair value, which grew also due to higher portfolio stocks.

Net fee and commission income (€,000)	**First Half of 2025**	**First Half of 2024**	**€ Change**	**% Change**
Fee and commission income				
Factoring activities	5,102	12,853	(7,751)	-60.3%
Fee and commission income - off-premises CQ	3,075	5,833	(2,758)	-47.3%
Collateralised loans (fee and commission income)	10,486	6,686	3,800	56.8%
Collection activities	2,665	958	1,707	>100%
Other fee and commission income	403	407	(4)	-1.0%
Total fee and commission income	**21,731**	**26,737**	**(5,006)**	**-18.7%**
Fee and commission expense				
Factoring portfolio placement	(774)	(865)	91	-10.5%
Placement of other financial products	(3,150)	(3,182)	32	-1.0%
Fees - off-premises CQ	(2,824)	(5,517)	2,693	-48.8%
Other fee and commission expense	(1,353)	(1,231)	(122)	9.9%
Total fee and commission expense	**(8,101)**	**(10,795)**	**2,694**	**-25.0%**
Net fee and commission income	**13,630**	**15,942**	**(2,312)**	**-14.5%**

Net fee and commission income (expense), amounting to € 13.6 million, decreased by 15.5%, due to decrease in commissions from the factoring business.

Fee and commission income from factoring should be considered together with interest income, since it makes no difference from a management point of view whether profit is recognised in the commissions and fees item or in interest in the without recourse factoring business.

Fee and commission income from the collateral-backed loans business grew by € 3.8 million compared to the same period of the previous year thanks to the increase in the number of auctions, to the continuous growth of the business and the contribution of the newly acquired Portuguese pledge company.

Fees and commissions from collection activities include both revenues from the traditional service of reconciling third-party invoice receipts with the Public Administration amounting to € 0.6 million (-39.9% YoY) and revenues from the Master/Corporate Servicer business for third-party securitisations amounting to € 2.1 million.

Other Fee and commission income, includes commissions and fees related to current account services and auction fees related to the Art-Rite subsidiary amounting to € 0.1 million.

Fee and commission income - off-premises CQ refers to both the commissions on the salary- and pension-backed loan (CQ) origination business and the placement of third-party products totalling € 3 million, which should be considered together with the item Fees - off-premises CQ, amounting to € 2.8 million, which are composed of the commissions paid to financial advisers for the off-premises placement of the salary- and pension-backed loan product.

Fees and commissions for the placement of financial products paid to third parties are attributable to returns to third-party intermediaries for the placement and management of the SI Conto! Deposito product under the passporting regime, whereas the fee and commission expense of placing the factoring portfolios is linked to the origination costs of the factoring receivables.

Other fee and commission expense includes commissions for trading third-party securities and for interbank collections and payment services.

Net trading results (€,000)	**First Half of 2025**	**First Half of 2024**	**€ Change**	**% Change**
Trading results from financial instruments	98	976	(878)	-90.0%
Total	**98**	**976**	**(878)**	**-90.0%**

The item includes the income from trading Italian government bonds.

Gain (loss) from sales or repurchases (€,000)	**First Half of 2025**	**First Half of 2024**	**€ Change**	**% Change**
Gains from HTCS portfolio debt instruments	5,436	1,442	3,994	>100%
Gains from receivables (Factoring portfolio)	3,899	2,671	1,228	46.0%
Total	**9,335**	**5,162**	**4,173**	**80.8%**

The item gain (loss) from sales or repurchases includes, in addition to net realised gains on the securities portfolio, gains from the sale of factoring receivables.

Impairment losses on loans and receivables at 30 June 2025 amounted to € 4.6 million (€ 3.9 million at 30 June 2024). The loss rate at 30 June 2025 stands at 0.35%

compared to 0.18% recorded in 2024 (0.30% excluding an extraordinary impairment gain). Value adjustments on loans were affected overall by positive effects deriving from recoveries on positions definitively closed with the release of provisions and from the release of provisions for the full collection of receivables from municipalities previously in financial distress. At the same time, the increase is mainly attributable to unfavourable court rulings.

During the first half of the year, there was an increase in provisions for risks, mainly related to the entry of certain customers into negotiated crisis settlement procedures, albeit only in the initial stages.

Personnel expense (€,000)	First Half of 2025	First Half of 2024	€ Change	% Change
Wages and salaries	(13,072)	(13,034)	(38)	0.3%
Social security contributions and other costs	(2,680)	(2,521)	(159)	6.3%
Directors' and statutory auditors' remuneration	(911)	(842)	(69)	8.2%
Total	**(16,663)**	**(16,397)**	**(266)**	**1.6%**

The increase in personnel expense, taking into account the fact that, as indicated by the Supervisory Body, no variable component was allocated in the first half of 2025, is due to the increase in the fixed component of the remuneration, as a result of the changes in the banking contract, which apply to the majority of staff, and to the increase in the number of human resources, whose average number rose from 300 to 339, due to the inclusion in November of 44 new resources from the Portuguese company Pignus - Credito Economico Popular, which was acquired by the subsidiary Kruso Kapital.

Other administrative expenses (€,000)	First Half of 2025	First Half of 2024	€ Change	% Change
IT expenses	**5,329**	**4,637**	**692**	**14.9%**
Consultancy and professional services	**2,051**	**1,396**	**655**	**46.9%**
Regulatory development and compliance consultancy	893	798	95	11.9%
Legal and professional consultancy	937	397	540	136.0%
Audit expenses	221	201	20	10.0%
Credit-related expenses	**5,850**	**5,112**	**738**	**14.4%**
Insurance coverage expenses	2,118	797	1,321	165.7%
Credit recovery expenses	1,532	1,845	(313)	-17.0%
Origination expenses	1,043	1,282	(239)	-18.6%
Servicing and collection activities	955	946	9	1.0%
Legal dispute expenses	202	242	(40)	-16.5%
Other operating expenses	**2,421**	**1,533**	**888**	**57.9%**
Outsourcing and consultancy expenses	601	399	202	50.6%
Additional operating expenses	579	441	138	31.3%
Vehicle management expenses	370	274	96	35.0%
Association contributions	209	236	(27)	-11.4%
Cash transport expenses	136	94	42	44.7%
Insurance	526	89	437	491.0%
Advertising and communication expenses	**865**	**812**	**53**	**6.5%**
Real estate-related expenses	**1,118**	**884**	**234**	**26.5%**
Other real estate-related expenses	360	231	129	55.8%
Maintenance expenses	284	225	59	26.2%
Utility and cleaning expenses	278	235	43	18.3%
Concierge and surveillance expenses	196	193	3	1.6%
Personnel-related expenses	**1,245**	**1,339**	**(94)**	**-7.0%**
Vehicle rental and related expenses	366	452	(86)	-19.0%
Travel and representation reimbursements	427	416	11	2.6%
Other personnel-related expenses	277	244	33	13.5%
Agent-related expenses	175	227	(52)	-22.9%
Indirect taxes and duties	**1,412**	**1,247**	**165**	**13.2%**
Total operating costs	**20,291**	**16,960**	**3,331**	**19.6%**

Administrative expenses increased by 19.6%, mainly due to costs related to business development and compliance with new legislation.

Consulting expenses consisted largely of the costs incurred to comply with the feed-back received from the supervisory authority.

IT expenses include costs for services provided by the outsourcer responsible for managing legacy systems, as well as those related to IT infrastructure, increasing as a result of both increased investments and changes to legislation.

Indirect taxes and fees increased, mainly due to the increase in contributions paid in relation to enforceable injunctions activated against public administration debtors.

Net impairment losses on property and equipment/intangible assets (€,000)	First Half of 2025	First Half of 2024	€ Change	% Change
Depreciation of buildings used for operations	(403)	(413)	10	-2.4%
Depreciation of furniture and equipment	(232)	(192)	(40)	20.8%
Amortisation of value in use	(820)	(633)	(187)	29.5%
Amortisation of software	(321)	(303)	(18)	5.9%
Amortisation of other intangible assets	(331)	(22)	(309)	>100%
Total	**(2,107)**	**(1,563)**	**(544)**	**34.8%**

The impairment losses on property and equipment/intangible assets are the result of higher depreciation and amortisation for property used for business purposes, as well as the depreciation of the "right-of-use" asset following the application of IFRS 16.

Other operating income (expense) (€,000)	First Half of 2025	First Half of 2024	€ Change	% Change
Auction buyer's premiums	363	324	39	12.0%
Recovery of expenses and taxes	1,603	611	992	>100%
Deposit Scheme contribution	-	(5,145)	5,145	-100.0%
Amortisation of multiple-year improvement costs	(335)	(331)	(4)	1.2%
Other income (expense)	165	83	82	98.8%
Contingent assets and liabilities	(56)	431	(487)	<100%
Total	**1,740**	**(4,027)**	**5,767**	**<100%**

The increase in the item "Other operating income (expense)" compared to the previous year is due to the increase in recoveries of expenses from previous years and the absence of contributions to the Interbank Fund and deposit protection as these are no longer required since the Fund has reached its fundraising target.

THE MAIN STATEMENT OF FINANCIAL POSITION AGGREGATES

Assets (€,000)	30.06.2025	31.12.2024	€ Change	% Change
Cash and cash equivalents	151,145	93,437	57,708	61.8%
Financial assets measured at fair value through other comprehensive income	1,029,095	1,147,197	(118,102)	-10.3%
Financial assets measured at amortised cost	2,715,709	2,873,051	(157,342)	-5.5%
a) loans and receivables with banks	20,708	23,024	(2,316)	-10.1%
b1) loans and receivables with customers - loans	2,612,756	2,696,911	(84,155)	-3.1%
b2) loans and receivables with customers - debt instruments	82,245	153,116	(70,871)	-46.3%
Changes in fair value of portfolio hedged items (+/-)	3,348	3,557	(209)	-5.9%
Equity investments	934	984	(50)	-5.1%
Property and equipment	53,675	53,433	242	0.5%
Intangible assets	47,782	47,233	549	1.2%
of which: goodwill	43,990	45,075	(1,085)	-2.4%
Tax assets	13,910	13,415	495	3.7%
Other assets	372,736	470,591	(97,855)	-20.8%
Total assets	**4,388,334**	**4,702,898**	**(314,564)**	**-6.7%**

At 30 June 2025 total assets were down by 6.7% over the end of 2024 and equal to € 4.4 billion.

The Group's securities portfolio, as to the component of Financial assets measured at fair value through other comprehensive income ("HTCS") continues to mainly comprise Italian government bonds with an average duration of about 11.9 months (the average remaining duration at the end of 2024 was 15.2 months). The nominal amount of the government bonds held in the HTCS portfolio amounted to € 1,007 million at 30 June 2025 (€ 1,116 million at 31 December 2024). The associated valuation reserve was positive at the end of the period, amounting to € 5.2 million before the tax effect.

Loans and receivables with customers (€,000)	30.06.2025	31.12.2024	€ Change	% Change
Factoring receivables	1,525,697	1,569,293	(43,596)	-2.8%
Salary-/pension-backed loans (CQS/CQP)	652,369	701,494	(49,125)	-7.0%
Collateralised loans	152,765	143,845	8,920	6.2%
Loans to SMEs	201,325	223,702	(22,377)	-10.0%
Current accounts	565	593	(28)	-4.7%
Compensation and Guarantee Fund	77,137	55,016	22,121	40.2%
Other loans and receivables	2,899	2,968	(69)	-2.3%
Total loans	**2,612,757**	**2,696,911**	**(84,154)**	**-3.1%**
Securities	82,245	153,116	(70,871)	-46.3%
Total loans and receivables with customers	**2,695,002**	**2,850,027**	**(155,025)**	**-5.4%**

The item loans and receivables with customers under Financial assets measured at amortised cost (hereinafter HTC, or "Held to Collect"), is composed of loan receivables with customers and the "held-to-maturity securities" portfolio.

Outstanding loans for factoring receivables compared to Total loans, which excludes the amounts of the securities portfolio, were 58% (58% at the end of 2024). The volumes generated during the period amounted to € 2,264 million (€ 2,482 million at 30 June 2024).

Salary- and pension-backed loans were down from the end of the previous year, with volumes disbursed directly by the agent network amounting to € 63 million (€ 106 million at the end of the first half of 2024).

Loans to enterprises guaranteed by the State are decreasing as a result of lower disbursements, amounting to € 8.4 million in 2025.

The collateralised lending business, which is conducted through the Kruso Kapital Group, grew during the period, with loans granted at 30 June 2025 amounting to € 153 million, also thanks to the acquisition of a portfolio equal to € 8.9 million.

HTC Securities are composed of Italian government securities with an average duration of 32.3 months for an amount of € 50 million. The mark-to-market valuation of the securities at 30 June 2025 shows a pre-tax unrealised loss of € 2.4 million. The item also includes the investment in two ABS securities for an amount of € 32.2 million (€ 92 million at the end of 2024) linked to two securitisation transactions for the purchase of tax receivables, of which the Bank is a joint arranger and also holds the role of Master Servicer.

The following table shows the quality of receivables in the loans and receivables with customers item, excluding the securities positions.

Status	30.06.2025	31.12.2024	€ Change	% Change
Bad exposures - gross	188,041	179,957	8,084	4.5%
Unlikely to pay - gross	67,081	51,716	15,365	29.7%
Past due - gross	263,974	101,129	162,845	>100%
Non-performing - gross	**519,096**	**332,802**	**186,294**	**56.0%**
Performing - gross	**2,154,927**	**2,429,261**	**(274,334)**	**-11.3%**
Stage 2 - gross	79,742	58,129	21,613	37.2%
Stage 1 - gross	2,075,185	2,371,132	(295,947)	-12.5%
Total loans and receivables with customers	**2,674,023**	**2,762,063**	**(88,040)**	**-3.2%**
Individual impairment losses	**55,865**	**57,486**	**(1,621)**	**-2.8%**
Bad exposures	28,934	38,499	(9,565)	-24.8%
Unlikely to pay	25,089	18,353	6,736	36.7%
Past due	1,842	634	1,208	>100%
Collective impairment losses	**5,402**	**7,666**	**(2,264)**	**-29.5%**
Stage 2	472	313	159	50.8%
Stage 1	4,930	7,353	(2,423)	-33.0%
Total impairment losses	**61,266**	**65,152**	**(3,886)**	**-6.0%**
Net exposure	**2,612,756**	**2,696,911**	**(84,155)**	**-3.1%**

The ratio of gross non-performing loans to total gross loans rose to 19.4% compared to 12% at 31 December 2024 (17.7% and 10.2% respectively, the ratio calculated on the net values of the same periods) following a decrease in the absolute value of performing loans and an increase in non-performing loans with past due status, which remain high due to the application of the definition of default ("New DoD"). Compared to the end of 2024, the increase is due to the reclassification as past due of some overdue loan positions, in full compliance with the feedback from and constant contacts with the Bank of Italy, which during its inspection had criticised as entirely ineffective the risk mitigation measures adopted by Banca Sistema to suspend the calculation of past due amounts. These data will be analysed by the Supervisory Authority for the relevant assessments.
Past due growth is predominantly related to the factoring portfolio without recourse to Public Administration, a sector that continues, beyond the new technical rules used to represent past due data for regulatory purposes, not to present particular problems in terms of credit quality and probability of recovery. [1] Not even the expiry of the pledge is a cause for concern, since the sale of the pledged asset recovers the value of the loan and all related fees.

Below is the list of Public Administration entities that, pursuant to the rules on the new definition of default, are classified, as at 30 June 2025, as being in a state of default: Municipalities of: Cuglieri; Santi Cosma E Damiano; Abriola; Acate; Accumoli; Acerno; Aci Catena; Aci Sant'Antonio; Acireale; Acquafondata; Acquaro; Acquaviva Collecroce; Adrano; Africo; Agosta; Agrigento; Aidone; Aieta; Ailano; Albanella; Albano Laziale; Alcara Li Fusi; Alessandria; Alessandria Del Carretto; Alessandria Della Rocca; Alessano; Alezio; Alia; Alife; Almenno San Salvatore; Altavilla Irpina; Altavilla Silentina; Alto Reno Terme; Amantea; Andria; Anguillara Sabazia; Aquara; Aragona; Arce; Arcinazzo Romano; Ardore; Argusto; Arienzo; Arpaia; Arsoli; Arzano; Arzergrande; Ascea; Assemini; Atina; Aurigo; Avella; Avellino; Avola; Bagheria; Balsorano; Barano D'Ischia; Barcellona Pozzo Di Gotto; Bareggio; Bari; Baronissi; Basaluzzo; Bassano Romano; Bellegra; Belmonte Calabro; Belmonte In Sabina; Belmonte Mezzagno; Belsito; Belvedere Di Spinello; Benestare; Bergamo; Bernalda; Bianchi; Bianco; Bisacquino; Bitetto; Bogliasco; Bologna; Bolognetta; Bompensiere; Bompietro; Borgetto; Borghetto Santo Spirito; Borgia; Borgolavezzaro; Boscotrecase; Bovalino; Boville Ernica; Bracciano; Bracigliano; Brindisi; Brognaturo; Brolo; Buccheri; Buonabitacolo; Burgio; Buttigliera D'Asti; Cagli; Cagnano Amiterno; Caiazzo; Caivano; Calamonaci; Calascibetta; Calatafimi Segesta; Caltanissetta; Caltavuturo; Calvanico; Calvi Risorta; Camigliano; Cammarata; Campli; Campo Nell'Elba; Campobello Di Licata; Campobello Di Mazara; Campodarsego; Campofranco; Camporotondo Etneo; Camposano; Candida; Canicattini Bagni; Capaccio; Capena; Capizzi; Capo D'Orlando; Cardeto; Cardito; Careri; Cariati; Carlopoli; Carmiano; Carovigno; Casabona; Casal Di Principe; Casalnuovo Di Napoli; Casape; Casapesenna; Caserta; Casoria; Cassano All' Jonio; Castel Giorgio; Castel Madama; Castel San Giorgio; Castel San Giovanni; Castel Volturno; Castelfranco Di Sotto; Castelfranco In Miscano; Castellammare Del Golfo; Castellana Grotte;

The coverage ratio of non-performing loans stands at 10.8%, down from 17.3% at 31 December 2024. The figure is affected by the higher amount of overdue receivables, as indicated above.

The coverage ratio of bad loans, excluding exposures to municipalities in temporary distress, is 86.1%.

Castellaneta; Castellina Marittima; Castello Del Matese; Castello Di Cisterna; Castelnuovo Di Conza; Castelpagano; Casteltermini; Castelvecchio Subequo; Castelvenere; Castelvetrano; Castiglione Del Genovesi; Castilenti; Castrocielo; Castrofilippo; Catanzaro; Catenanuova; Caulonia; Cellole; Centola; Centuripe; Ceppaloni; Ceranova; Cerchiara Di Calabria; Cercola; Cerenzia; Cerisano; Cerreto D'Esi; Cerreto Laziale; Certosa Di Pavia; Cervaro; Cervicati; Cervinara; Cervino; Cesa; Chiaramonte Gulfi; Chiaravalle Centrale; Cicala; Cicciano; Cisternino; Citta' Di Castello; Cittareale; Civitavecchia; Civitella Paganico; Civitella Roveto; Civitella San Paolo; Cleto; Cogorno Ente; Colleferro; Cologno Monzese; Colonna; Colosimi; Colzate; Comiso; Comitini; Contigliano; Contursi Terme; Conversano; Copertino; Corfinio; Corigliano-Rossano; Corleone; Corsano; Cosoleto; Cotronei; Cremona; Crespina Lorenzana; Crispano; Cropalati; Crosia; Crotone; Crucoli; Cupra Marittima; Curinga; Cusano Mutri; Cutro; Davoli; Delianuova; Demetrio Ne' Vestini; Diamante; Domicella; Drapia; Dronero; Durazzano; Duronia; Erbusco; Fabriano; Fabrizia; Faicchio; Falciano Del Massico; Falcone; Fasano; Favara; Ferrandina; Fiamignano; Ficarazzi; Figline Vegliaturo; Filadelfia; Filandari; Fisciano; Fiuggi; Fiumara; Fiumefreddo Bruzio; Floresta; Floridia; Flumeri; Foggia; Foiano Di Val Fortore; Fontechiari; Forio; Formia; Fornelli; Francavilla Di Sicilia; Francavilla Marittima; Francavilla Sul Sinni; Francofonte; Frattamaggiore; Frosinone; Furci Siculo; Furnari; Gaggi; Gagliato; Galatone; Galatro; Gallicano Nel Lazio; Gallicchio; Gallipoli; Gallo Matese; Gasperina; Gattico-Veruno; Gela; Genzano Di Roma; Giano Vetusto; Giardinello; Giarre; Giffoni Valle Piana; Gioia Tauro; Gioiosa Ionica; Gioiosa Marea; Girifalco; Giugliano In Campania; Gizzeria; Golasecca; Grammichele; Grassano; Grisolia; Grottaminarda; Grotte; Grumo Appula; Guardavalle; Guardia Perticara; Guardia Piemontese; Guardia Sanframondi; Guidonia Montecelio; Isca Sullo Ionio; Ischia; Isola Delle Femmine; Isola Di Capo Rizzuto; Ispica; Jenne; Joppolo Giancaxio; Ladispoli; Laganadi; Lago; Lamezia Terme; Lanciano; Lanzo Torinese; Lattarico; Laureana Di Borrello; Laurino; Lavello; Lentini; Lesina; Letino; Lettere; Liberi; Librizzi; Limbadi; Locri; Longobardi; Longobucco; Longone Sabino; Lucca Sicula; Luco Dei Marsi; Lupara; Lustra; Luzzi; Macerata Campania; Maddaloni; Maenza; Magisano; Maida; Maiera'; Maierato; Maissana; Malito; Malvito; Mandatoriccio; Manocalzati; Maracalagonis; Maratea; Marcellinara; Marcianise; Mariglianella; Marigliano; Marina Di Gioiosa Ionica; Marineo; Martirano Lombardo; Martone; Mascali; Massa D'Albe; Massa Martana; Massafra; Mazara Del Vallo; Mazzarino; Mazzarrone; Melicucco; Melissa; Melito Irpino; Menaggio; Miglierina; Mignano Monte Lungo; Milazzo; Mileto; Militello In Val Di Catania; Mirabella Imbaccari; Mirto; Moiano; Molochio; Monasterace; Mondragone; Monforte San Giorgio; Mongiuffi Melia; Mongrassano; Monserrato; Montagnareale; Montalbano Elicona; Montalbano Jonico; Montalto Uffugo; Montauro; Monte Compatri; Montebello Ionico; Montecalvo Irpino; Montecorvino Pugliano; Montefalcione; Monteforte Irpino; Monteleone Di Puglia; Montemaggiore Belsito; Montemagno; Montemesola; Montemiletto; Montemilone; Montepaone; Monterosso Almo; Monterosso Calabro; Monterotondo; Montesarchio; Montescudaio; Montesilvano; Montorio Romano; Morano Calabro; Napoli; Nardodipace; Naso; Nereto; Nettuno; Nicolosi; Nocera Inferiore; Nocera Terinese; Noci; Norma; Noto; Novi Velia; Novoli; Olivadi; Oliveri; Omignano; Oppido Mamertina; Orria; Orsara Di Puglia; Orsomarso; Orte; Ortonovo; Osiglia; Ossona; Ottati; Paceco; Pago Veiano; Palagano; Palagonia; Palazzolo Acreide; Palermiti; Palermo; Palma Di Montechiaro; Palmi; Palomonte; Pantigliate; Paola; Parete; Parona; Partinico; Paterno'; Patti; Pazzano; Pellezzano; Penna In Teverina; Penna Sant'Andrea; Pennadomo; Perito; Pertosa; Pescara; Pesco Sannita; Petilia Policastro; Petina; Petriolo; Petrona'; Piaggine; Piana Degli Albanesi; Pianopoli; Piazza Armerina; Pietramelara; Pietraperzia; Pieve Ligure; Piglio; Pignataro Maggiore; Pignola; Piraino; Pisogne; Pizzo; Pizzoni; Poggio Nativo; Poggiomarino; Polia; Policoro; Polignano A Mare; Polistena; Polla; Pollena Trocchia; Pomarico; Ponte San Pietro; Pontelatone; Popoli; Porto Empedocle; Porto Venere; Portoferraio; Portopalo Di Capo Passero; Posada; Postiglione; Potenza; Pozzuoli; Prata Sannita; Pratella; Pratola Serra; Presezzo; Presicce - Acquarica; Priverno; Prizzi; Proceno; Pulsano; Qualiano; Quartu Sant'Elena; Quartucciu; Racalmuto; Raddusa; Raffadali; Ramacca; Randazzo; Rapino; Ravanusa; Realmonte; Reggio Calabria; Riace; Riardo; Ribera; Ricadi; Ricigliano; Riesi; Rieti; Rizziconi; Rocca D'Evandro; Rocca Di Neto; Rocca San Felice; Roccabernarda; Roccadaspide; Roccafiorita; Roccafluvione; Roccagorga; Roccamonfina; Roccapiemonte; Roccasecca; Roccavaldina; Roccella Ionica; Rocchetta E Croce; Rocchetta Ligure; Rodi' Milici; Rofrano; Rometta; Roseto Capo Spulico; Rosolini; Rotonda; Ruvo Di Puglia; S.Angelo D'Alife; S.Nicola Manfredi; S.Sofia D'Epiro; Salaparuta; Salemi; Salerno; Salice Salentino; Salve; San Calogero; San Cassiano; San Cataldo; San Demetrio Corone; San Floro; San Genesio Ed Uniti; San Giorgio Del Sannio; San Giorgio Morgeto; San Giovanni Gemini; San Giovanni In Fiore; San Giovanni La Punta; San Giovanni Rotondo; San Giovanni Valdarno; San Lorenzello; San Lucido; San Marco In Lamis; San Marco La Catola; San Martino Di Finita; San Martino Sannita; San Martino Valle Caudina; San Mauro Forte; San Nicola Arcella; San Nicola Dell'Alto; San Pietro Di Carida'; San Pietro In Cariano; San Pietro Infine; San Possidonio; San Roberto; San Severino Lucano; San Sossio Baronia; San Sosti; San Valentino Torio; Sannicandro Di Bari; Sannicola; Santa Cesarea Terme; Santa Cristina D'Aspromonte; Santa Croce Camerina; Santa Flavia; Santa Maria A Vico; Santa Maria Di Licodia; Santa Paolina; Santa Teresa Di Riva; Sant'Agata Di Militello; Sant'Alessio In Aspromonte; Sant'Anastasia; Sant'Andrea Apostolo Dello Jonio; Sant'Angelo A Scala; Sant'Angelo Di Brolo; Sant'Arsenio; Santo Stefano In Aspromonte; Sant'Onofrio; Sanza; Saonara; Sapri; Saracena; Sarnano; Sarno; Sassano; Satriano; Savignano Irpino; Scafati; Scala; Scalea; Scaletta Zanclea; Scandale; Sciolze; Scisciano; Scordia; Sellia Marina; Senise; Serradifalco; Serrata; Sesto Campano; Settimo San Pietro; Settingiano; Sgurgola; Siculiana; Siderno; Sinopoli; Syracusa; Solarino; Solofra; Somma Vesuviana; Sonnino; Sora; Sori; Soverato; Soveria Simeri; Spadafora; Sparanise; Sperone; Spezzano Della Sila; Spinazzola; Statte; Stella Cilento; Stignano; Stornarella; Strongoli; Tariano; Tauriano; Tauriano Telese Terme; Tempio Pausania; Terlizzi; Terranova Da Sibari; Terranova Sappo Minulio; Terrasini; Terzigno; Tessennano; Tocco Caudio; Tora E Piccilli; Torano Castello; Torchiarolo; Torino; Torre Annunziata; Torre Santa Susanna; Torrenova; Torrevecchia Pia; Torriglia; Torrita Tiberina; Trabia; Trebisacce; Trevi Nel Lazio; Triggiano; Tripi; Trivigliano; Troina; Ugento; Umbriatico; Vaglia; Vairano Patenora; Valderice; Vallelonga; Vallepietra; Vasto; Vedano Olona; Velletri; Venafro; Vernole; Veroli; Vibo Valentia; Vibonati; Vicovaro; Vietri Sul Mare; Viggiano; Vignola; Villa Castelli; Villa Literno; Villafranca Sicula; Villafranca Tirrena; Villagrande Strisaili; Villaputzu; Villicarca; Villata; Viterbo; Vittoria; Vivaro Romano; Vizzana; Zafferana Etnea; Zagarise; Zambrone; Zerbolo '; Zungri; Municipality of Motta San Giovanni; Mountain Community of Montepiano Reatino Quinta Zona; Mountain Community of Trasimeno Medio Tevere; City of Trentola Ducenta; City of Villa San Giovanni; Metropolitan City of Catania; Metropolitan City of Naples; Autonomous Province of Trento; Province of Barletta Andria Trani; Province of Brindisi; Province of Cosenza; Province of Crotone; Province of Imperia; Province of Messina; Province of Salerno; Province of Teramo; Regione Calabria; Regione Siciliana; Amm.Prov. Benevento; Provincial Administration of Rieti; Provincial Administration of Catanzaro; Roma Capitale; A.Spe.Co.N.Azienda Speciale Comune Di Noto; Aeroporto Valle D'Aosta A.V.D.A.; Agenzia Campana Per L'Edilizia Residenziale; Aric-Agenzia Regionale Di Informatica E Committenza; Automobile Club Palermo; Autorita' Di Sistema Portuale Del Mar Tirreno Centrale; Autorita' Di Sistema Portuale Del Mare Adriatico Settentrionale; Autorita' Portuale Di Messina; Azienda Pubblica Di Servizi Alla Persona Catria E Nerone; Azienda Pubblica Di Servizi Alla Persona Maria Cristina Di Savoia; Azienda Pubblica Di Servizi Alla Persona Maria De Peppo Serena E Tito Pellegrino; Azienda Pubblica Di Servizi Alla Persona S.M.A.R.; Camera Di Commercio, Industria E Agricoltura Di Bari; Cfi Consorzio Farmaceutico Intercomunale; Cirps-Consortium; Consiglio Nazionale Delle Ricerche; Consorzio Di Bonifica Int. Bacini Dello Jonio Cosentino; Consorzio Di Bonifica Integrale Dei Bacini Settentrionali Del Cosentino; Consorzio Irriguo Alburni; E.N.F.A.P.; E.R.S.U. -Ente Regionale Per Il Diritto Allo Studio Universitario; Enea Agenzia Nazionale Per Le Nuove Tecnologie, L'Energia E Lo Sviluppo Economico Sostenibile; H.A.F.S.E.; I.N.P.S. Direzione Generale; Inaf - Istituto Nazionale Di Astrofisica; Ipab Residence Salvatore Bellia San Luigi Gonzaga Costanzo Cutore; Irccs Istituto Nazionale Tumori-Fondazione Pascale; Ist.Aut. Case Popolari Di Salerno; Istituto Nazionale Per L'Assicurazione Contro Gli Infortuni Sul Lavoro - Inail; Istituto Regionale Per Lo Sviluppo Delle Attivita' Produttive; Istituto Rodigino Di Assistenza Sociale; Istituto Superiore - G.Caboto; Istituto Testasecca; Laziodisu-Ente Per Il Diritto Agli Studi Universitari Nel Lazio; Libero Consorzio Comunale Di Caltanissetta; Opera Pia Cardinale Ernesto Ruffini; Provincia Italiana Della Congregazione Dei Figli Dell'Immacolata Concezione; Residence Marino Centro Servizi Alla Persona Sieri Pepoli E Adragna Vairo; U.S. Army Hospital; Università Degli Studi Della Campania L.Vanvitelli; Universita' Degli Studi Di Bari Aldo Moro; Universita' Degli Studi Di Catania; Universita' Degli Studi Di Milano; Universita' Del Salento; Casa Di Ospitalita' S.Teresa Del Bambino Gesu'; Casa Di Riposo Di G.De Benedictis; Assemblea Regionale Siciliana; 31Fss/Fsrf Base Usafe; A.Fo.R Azienda Forestale Regione Calabria; A.R.S.A.C.-Azienda Regionale Per Lo Sviluppo Dell'Agricoltura Calabrese. Asl Alessandria Casale Monferrato; Asl Avellino; Asl Avezzano-Sulmona-L'Aquila; Asl Bari; Asl Benevento 1; Asl Brindisi; Asl Caserta; Asl Caserta 2; Asl Di Piacenza; Asl Lanciano Vasto Chieti; Asl Lecce; Asl Napoli 1 Centro; Asl Napoli 2 Nord; Asl Napoli 3 Sud; Asl Prov Foggia; Asl Rieti; Asl Roma 4; Asp Di Agrigento; Asp. N. 1 Prov. Teramo; Aou Sassari - Azienda Ospedaliera Universitaria Di Sassari; Ares Puglia - Agenzia Regionale Sanitaria Pugliese; Ares-Azienda Regionale Della Salute Regione Sardegna; Az. Ospedaliera Sant'Anna E San Sebastiano Di Caserta; Az. Ospedaliera Santobono Pausilipon; Az. Ospedaliero-Universitaria Citta' Della Salute E Della Scienza Di Torino; Az. Sanitaria Proviciale Di Trapani; Az.Osp. Universitaria San Giovanni Di Dio E R.D'Aragona; Azienda Ospedaliera A.Cardarelli; Azienda Ospedaliera Bianchi Melacrino Morelli Di Reggio Calabria; Azienda Ospedaliera Di Cosenza; Azienda Ospedaliera San Carlo Di Potenza; Azienda Ospedaliera Universitaria G.Martino Di Messina; Azienda Ospedaliera Universitaria Renato Dulbecco; Azienda Ospedaliera: Ospedali Riuniti Papardo-Piemonte; Azienda Ospedaliero Universitaria Di Cagliari; Azienda Ospedaliero Universitaria Vittorio Emanuele Ferrarotto San Bambino; Azienda Ospedaliero-Universitaria Policlinico G. Rodolico-San Marco Di Catania; Azienda Per La Tutela Della Salute - Ats Sardegna; Azienda Provinciale Per I Servizi Sanitari Della Provincia Autonoma Di Trento; Azienda Sanitaria Locale Salerno; Azienda Sanitaria Provinciale Di Catanzaro; Azienda Sanitaria Provinciale Di Cosenza; Azienda Sanitaria Provinciale Di Crotone; Azienda Sanitaria Provinciale Di Messina; Azienda Sanitaria Provinciale Di Palermo; Azienda Sanitaria Provinciale Di Ragusa; Azienda Sanitaria Provinciale Di Reggio Calabria; Azienda Sanitaria Provinciale Enna; Azienda Sanitaria Provinciale Vibo Valentia; Azienda Sanitaria Regionale Molise; Azienda Sanitaria Territoriale Di Ancona; Azienda Sanitaria Territoriale Di Ascoli Piceno; Azienda Sanitaria Universitaria Friuli Centrale; Azienda Socio Sanitaria Locale N.6 Del Medio Campidano; Azienda Socio Sanitaria Territoriale Asst Mantova; Azienda U.L.S.S. N. 16; Azienda Unita' Sanitaria Locale Di Imola; Azienda Unita' Sanitaria Locale Di Modena; Azienda Usl Di Reggio Emilia; Azienda Usl Latina; A.O.U. Maggiore Della Carita'; A.S.L. Caserta N.1; Ente Ospedaliero Ospedali Galliera.

Property and equipment includes Group properties used for operations. Their carrying amount at 31 December 2024, calculated using fair value as the accounting criterion, is € 47.4 million with a revaluation reserve, net of tax, of € 6.5 million.

The other capitalised costs include furniture, fittings and IT devices and equipment, as well as the right of use relating to the lease payments of the branches and company cars.

Intangible assets refer to goodwill of € 44.0 million, broken down as follows:

- the goodwill originating from the merger of the former subsidiary Solvi S.r.l. which took place in 2013 amounting to € 1.8 million;
- the goodwill generated by the acquisition of Atlantide S.p.A. on 3 April 2019 amounting to € 2.1 million;
- the goodwill amounting to € 28.4 million arising from the acquisition of the former Intesa Sanpaolo collateralised lending business unit completed on 13 July 2020;
- goodwill of € 1.2 million, resulting from the acquisition of Art-Rite which was completed on 2 November 2022;
- goodwill of € 10.5 million, resulting from the acquisition of Pignus - Credito Economico Popular SA, which was completed on 7 November 2024.

With reference to the latter business combination, the process of final allocation of the purchase consideration was completed at the end of the six-month period, in accordance with the provisions of IFRS 3 – Business Combinations. The final results of the Purchase Price Allocation (PPA) process are shown below:

Provisional price allocation (€,000)	
Purchase price (A)	11,559
CEP equity at 1 November 2024 (B)	(10)
Residual value to be allocated (A+B)	**11,549**
Loans and receivables with customers	1,055
Trademark	382
Deferred tax liabilities	(352)
Goodwill	10,464

The investment recognised in the financial statements relates to the joint venture with EBN Banco de Negocios S.A. in EBNSISTEMA. At the end of first half of 2025, EBN-SISTEMA originated € 50 million in loans and receivables, compared to € 28 million in 2024.

Other assets is mainly composed of "Superbonus 110" tax credits purchased for trading purposes with a carrying amount of € 326 million. Credits were purchased during the year for a nominal amount of € 35 million. This item also includes work in progress at the end of the period, advance tax payments and "Superbonus 110" tax credits of € 17 million acquired as compensation.

Comments on the main aggregates on the liability side of the statement of financial position are shown below.

Liabilities and equity (€,000)	30.06.2025	31.12.2024	€ Change	% Change
Financial liabilities measured at amortised cost	3,821,408	4,109,583	(288,175)	-7.0%
a) due to banks	98,375	127,257	(28,882)	-22.7%
b) due to customers	3,545,946	3,761,395	(215,449)	-5.7%
c) securities issued	177,087	220,931	(43,844)	-19.8%
Financial liabilities designated at fair value	1,964	-	1,964	n.a.
Hedging derivatives	3,330	3,561	(231)	-6.5%
Tax liabilities	33,640	31,809	1,831	5.8%
Liabilities associated with disposal groups	-	-	-	n.a.
Other liabilities	150,715	196,583	(45,868)	-23.3%
Post-employment benefits	5,045	5,215	(170)	-3.3%
Provisions for risks and charges	37,660	41,470	(3,810)	-9.2%
Valuation reserves	9,606	4,112	5,494	>100%
Reserves	239,353	215,740	23,613	10.9%
Equity instruments	45,500	45,500	-	0.0%
Equity attributable to non-controlling interests	15,873	14,577	1,296	8.9%
Share capital	9,651	9,651	-	0.0%
Treasury shares (-)	-	(102)	102	-100.0%
Profit for the period	14,589	25,199	(10,610)	-42.1%
Total liabilities and equity	**4,388,334**	**4,702,898**	**(314,564)**	**-6.7%**

Wholesale funding, which makes up about 28% of the total (30% at 31 December 2024), decreased in absolute terms compared to the end of 2024, due to the lower use of repurchase agreements to fund the securities portfolio.

Due to banks (€,000)	30.06.2025	31.12.2024	€ Change	% Change
Due to Central banks	-	-	-	n.a.
Due to banks	98,375	127,257	(28,882)	-22.7%
Current accounts with other banks	18,132	17,900	232	1.3%
Deposits with banks (repurchase agreements)	39,309	62,432	(23,123)	-37.0%
Financing from other banks	40,934	46,925	(5,991)	-12.8%
Total	**98,375**	**127,257**	**(28,882)**	**-22.7%**

The item "Due to banks" decreased by 22.7%, compared to 31 December 2024, due to decreased funding from other banks.

Due to customers (€,000)	30.06.2025	31.12.2024	€ Change	% Change
Term deposits	2,414,217	2,565,354	(151,137)	-5.9%
Financing (repurchase agreements)	753,807	819,999	(66,192)	-8.1%
Financing - other	36,872	47,744	(10,872)	-22.8%
Customer current accounts	300,851	288,186	12,665	4.4%
Due to assignors	31,818	34,470	(2,652)	-7.7%
Other payables	8,381	5,642	2,739	48.5%
Total	**3,545,946**	**3,761,395**	**(215,449)**	**-5.7%**

The accounting item "Due to customers" decreased compared to the end of the previous year due to a decrease in loans through repurchase agreements, while funding from deposit and current accounts remained in line. The period-end amount of term deposits decreased from the end of 2024 (-5.9%), reflecting net negative funding (net of interest accrued) of € 151 million; gross funding from the beginning of the year were € 827 million.

"Due to assignors" includes payables related to the unfunded portion of acquired receivables.

Bonds issued (€,000)	30.06.2025	31.12.2024	€ Change	% Change
Bond - AT1	45,500	45,500	-	0.0%
Bond - Tier II	-	-	-	n.a.
Bonds - other	177,087	220,931	(43,844)	-19.8%

The amount of bonds issued is lower than at 31 December 2024; the change is due to the trend of redemptions and/or further subscriptions of senior tranches of ABS financed by third-party investors.

The bonds issued are as follows:

- AT1 subordinated loan of € 8 million, with no maturity (perpetual basis) and a variable coupon starting from 19 June 2023, issued on 18 December 2012 and 18 December 2013 (reopening date);
- AT1 subordinated loan of € 37.5 million, with no maturity (perpetual basis) and a fixed coupon until 25 June 2031 at 9% issued on 25 June 2021.

Other bonds include the senior shares of the ABS in the securitisations subscribed by third-party institutional investors.

All AT1 instruments, based on their main characteristics, are classified under equity item 140 "Equity instruments".

The provision for risks and charges of € 37.7 million includes the provision for possible liabilities attributable to past acquisitions of € 1.1 million, the estimated amount of personnel-related charges mainly for the portion of the bonus for the first 9 months of 2024, the deferred portion of the bonus accrued in previous years, and the estimates related to the non-compete agreement and the 2022 retention plan, totalling € 4.9 million. The provision also includes an estimate of charges related to possible liabilities to assignors that have yet to be settled and other estimated charges for ongoing lawsuits and legal disputes amounting to € 21.1 million. Moreover, with reference to the CQ (Salary- and Pension-Backed Loans) portfolio, there is also a provision for claims, a provision for the estimated negative effect of possible early repayments on portfolios sold, as well as repayments related to the Lexitor judgment totalling € 14.6 million.

"Other liabilities" mainly include payments received after the end of the year from the assigned debtors and which were still being allocated and items being processed during the days following year-end, as well as trade payables and tax liabilities.

The reconciliation between the profit for the period and equity of the parent and the figures from the consolidated financial statements is shown below.

(€ .000)	PROFIT (LOSS)	EQUITY
Profit (loss)/equity of the parent	**11,281**	**303,126**
Assumption of value of investments	-	(47,827)
Consolidated profit (loss)/equity	4,631	79,273
Gain (loss) on equity investments	(33)	-
Adjustment to profit (loss) from discontinued operations	-	-
Equity attributable to the owners of the parent	**15,879**	**334,572**
Equity attributable to non-controlling interests	(1,292)	(15,873)
Profit (loss)/equity of the Group	**14,587**	**318,699**

CAPITAL ADEQUACY

Provisional information concerning the regulatory capital and capital adequacy of the Banca Sistema Group is shown below.

Own funds (€,000) and capital ratios	30.06.2025 Transitional	31.12.2024 Transitional	30.06.2025 Fully loaded	31.12.2024 Fully loaded
Common Equity Tier 1 (CET1)	**225,332**	**216,460**	**228,800**	**214,759**
ADDITIONAL TIER 1	45,500	45,500	45,500	45,500
Tier 1 capital (T1)	**270,832**	**261,960**	**274,300**	**260,259**
TIER2	721	396	721	396
Total Own Funds (TC)	**271,553**	**262,356**	**275,021**	**260,655**
Total risk-weighted assets	**1,637,243**	**1,631,745**	**1,637,243**	**1,631,745**
of which, credit risk	1,425,365	1,420,139	1,425,365	1,420,139
of which, market risk	7,226	8,241	7,226	8,241
of which, operational risk	203,239	202,837	203,239	202,837
of which, CVA	1,413	528	1,413	528
Ratio - CET1	**13.8%**	**13.3%**	**14.0%**	**13.2%**
Ratio - T1	**16.5%**	**16.1%**	**16.8%**	**15.9%**
Ratio - TCR	**16.6%**	**16.1%**	**16.8%**	**16.0%**

The total "fully loaded" own funds at 30 June 2025 amount to € 272 million and include 100% of the profit, as it is currently prohibited to distribute dividends. With regard to "transitional" own funds, the temporary treatment of the prudential filter provided for under Article 468 of the CRR has been applied in order to neutralise price fluctuations of securities held in the HTCs category, as recorded in the valuation reserve within equity. The filter was reintroduced on 9 July 2024 and will remain in force until the 2025 financial year.

On 27 October 2021, the European Commission published a legislative proposal ("2021 Banking Package") with the aim of completing the transposition of the prudential regulatory framework "Basel IV – CRR 3" approved by the Basel Committee on Banking Supervision (BCBS) at the end of 2017, which provides for a substantial revision of Regulation (EU) no. 575/2013 ("CRR"). As a result of the "Trilogue", on 19 June 2024, the following were published in the Official Journal of the European Union:

- Regulation (EU) 2024/1623 (CRR 3) amending the Capital Requirements Regulation and;
- Directive (EU) 2024/1619 (CRD VI), which amends the Capital Requirements Directive, on the new standards issued within the Basel framework.

In particular, Regulation (EU) 2024/1623 (CRR III) of 31 May 2024 amends Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor, with application from 1 January 2025 (subject to the postponement by one year of the application of the rules pertaining to the market risk framework).

As of 31 March 2025, the Group has started adopting the new CRR 3 provisions. The most significant impact concerns the determination of credit risk relating to collateralised loans for the non-eligibility of gold collateral, other than investment gold, to reduce credit risk in the determination of RWAs, with a resulting greater weighting of receivables from 0% to 75%.

With effect from 31 March 2025, the Bank has also reclassified past due loans, in full compliance with the feedback from the Bank of Italy, which during its inspection had criticised as entirely ineffective the risk mitigation measures previously used by Banca Sistema. These data will be analysed by the Supervisory Authority for the relevant assessments. Following this reclassification, calendar provisioning must be applied. Receivables past due at 30 June 2025 also include collateralised loans that have been considered "past-due" for more than 90 days.

At 30 June 2025, following the authorisation received from the Bank of Italy, the Group's RWAs reflect the benefits of the Significant Risk Transfer (SRT) transaction carried out on the salary-backed loan portfolio.

The consolidated capital requirements to be met by the Group as at 30 June 2025 are the following:

- CET1 ratio of 10.21%;
- TIER1 ratio of 11.71%;
- Total Capital Ratio of 13.71%.

These ratios include the Combined Buffer Requirement (CBR), i.e. 2.5% for the capital conservation buffer (CCB), 0.04% for the countercyclical capital buffer (CCyB) and 0.76% for the systemic risk buffer (SyRB), for a total buffer as at 30 June 2025 of 3.31%.

With regard to the SyRB, the calculation base as of 31 December 2024 was 0.5% of the RWA referring to credit and counterparty risk towards residents in Italy. This percentage was increased to 1.00% from 30 June 2025.

At 30 June 2025, the LCR stood at 1.208%, compared to 1.172% at 31 December 2024.

The reconciliation of equity and CET1 is provided below:

	30.06.2025	31.12.2024
Share capital	9,651	9,651
Equity instruments	45,500	45,500
Income-related and share premium reserve	239,353	215,740
Treasury shares (-)	-	(102)
Valuation reserves	9,606	4,112
Profit	14,589	25,199
Equity attributable to the owners of the parent	**318,699**	**300,100**
Dividends distributed and other foreseeable expenses	-	-
Equity assuming dividends are distributed to shareholders	**318,699**	**300,100**
Regulatory adjustments	(62,400)	(51,458)
Eligible equity attributable to non-controlling interests	14,533	13,318
Equity instruments not eligible for inclusion in CET1	(45,500)	(45,500)
Common Equity Tier 1 (CET1)	**225,332**	**216,460**

CAPITAL AND SHARES

Capital and ownership structure

The share capital of Banca Sistema is composed of 80,421,052 ordinary shares, for a total paid-in share capital of € 9,650,526.24. All outstanding shares have regular dividend entitlement from 1 January.

Based on the evidence published on Consob's website presented below, the shareholders with stakes of more than 5%, the threshold above which Italian law (art. 120 of the Consolidated Law on Finance) requires disclosure to the investee and Consob, were as follows:

Person at the top of the chain of ownership	Shareholder	% of ordinary share capital
Gianluca Garbi	SGBS Srl	23.1%
	Garbifin Srl	0.5%
	Fondazione Cassa di Risparmio di Cuneo	5.0%
	Fondazione Cassa di Risparmio di Alessandria	7.4%
	Fondazione Sicilia	7.4%
	MARKET	56.6%
TOTAL SHARES		**100.0%**

Stock performance

The shares of Banca Sistema are traded on the Mercato Telematico Azionario - Italian Equities Market (MTA) of the Italian Stock Exchange, STAR segment. The Banca Sistema stock is included in the following Italian Stock Exchange indices:

FTSE Italia All-Share Capped;

FTSE Italia All-Share;

FTSE Italia STAR;

FTSE Italia Banche;

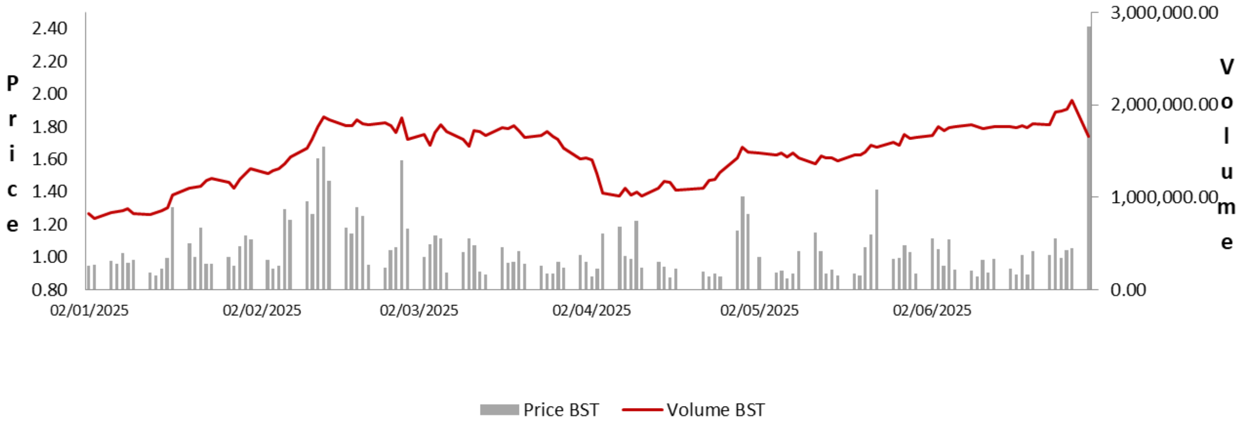
FTSE Italia Finanza;

FTSE Italia Small Cap.

In the first half of 2025, the share price of the stock fluctuated in a range between a minimum closing price of € 1.238 and a maximum closing price of € 1.964.

The price change on the last market day of the first half of 2025 when compared to the same day of the previous year was +21.7%.

During the first half of 2025, average daily volumes were just over 438,000 shares, a marked increase from the first half of 2024 when volumes were around 332,000.



RISK MANAGEMENT AND SUPPORT CONTROL METHODS

With reference to the functioning of the "Risk Management System", the Group has adopted a system based on four leading principles:

- suitable supervision by relevant bank bodies and departments;
- suitable policies and procedures to manage risks (both in terms of credit risk and the granting of loans);
- suitable methods and instruments to identify, monitor and manage risks, with suitable measuring techniques;
- thorough internal controls and independent audit.

The "Risk Management System" is monitored by the Risk and Sustainability Department, which ensures that capital adequacy and the degree of solvency with respect to its business are kept under constant control.

The Risk and Sustainability Department continuously analyses the Group's operations to fully identify the risks the Group is exposed to (risk map).

To reinforce its ability to manage corporate risks, the Group has set up a Risk, ALM and Sustainability Committee, whose mission is to help the Group define strategies, risk policies, and profitability and liquidity targets.

The Risk, ALM and Sustainability Committee continuously monitors relevant risks and any new or potential risks arising from changes in the working environment or Group forward-looking operations.

Pursuant to the eleventh amendment of Bank of Italy Circular no. 285/13, within the framework of the Internal Control System (Part I, Section IV, Chapter 3, Subsection II, Paragraph 5) the Parent entrusted the Internal Control and Risk Management Committee with the task of coordinating the second and third level Control Departments; to that end, the Committee allows the integration and interaction between these Departments, encouraging cooperation, reducing overlaps and supervising operations.

With reference to the risk management framework, the Group adopts an integrated reference framework both to identify its own risk appetite and for the internal process of determining capital adequacy. This system is the Risk Appetite Framework (RAF), designed to make sure that the growth and development aims of the Group are compatible with capital and financial solidity.

The RAF comprises monitoring and alert mechanisms and related processes to take action in order to promptly intervene in the event of discrepancies with defined targets. The framework is subject to annual review based on the strategic guidelines and regulatory changes.

The ICAAP (the Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process) allow the Group to conduct ongoing tests of its structure for determining risks and to update the related safeguards included in its RAF.

With regard to protecting against credit risk, along with the well-established second level controls and the periodic monitoring put in place by the Risk and Sustainability Department, functional requirements were implemented to allow the Group to be compliant with the new definition of default introduced starting on 1 January 2021.

Regarding the monitoring of credit risk, in February 2020 the Group, with the goal of attaining greater operating synergies, moved from a functional organisational structure to a divisional structure which aims to maximise the value of each individual line of business, making it easily comparable with its respective specialist peers.

It should also be noted that, in accordance with the obligations imposed by the applicable regulations, each year the Group publishes its report (Pillar 3) on capital adequacy, risk exposure and the general characteristics of the systems for identifying, measuring and managing risks. The report is available on the website www.bancasistema.it in the Investor Relations section.

In order to measure "Pillar 1 risks", the Group has adopted standard methods to calculate the capital requirements for Prudential Regulatory purposes. In order to evaluate "Pillar 2 risks", the Group adopts - where possible - the methods set out in the Regulatory framework or those established by trade associations. If there are no such indications, standard market practices by operators working at a level of complexity and with operations comparable to those of the Group are assessed.

OTHER INFORMATION

RESEARCH AND DEVELOPMENT ACTIVITIES

No research and development activities were carried out in 2025.

RELATED PARTY TRANSACTIONS

Related party transactions, including the relevant authorisation and disclosure procedures, are governed by the "Procedure governing related party transactions" approved by the Board of Directors and published on the internet site of the Parent, Banca Sistema S.p.A.

Transactions between Group companies and related parties were carried out in the interests of the Bank, including within the scope of ordinary operations; these transactions were carried out in accordance with market conditions and, in any event, based on mutual financial advantage and in compliance with all procedures.

ATYPICAL OR UNUSUAL TRANSACTIONS

During 2025, the Group did not carry out any atypical or unusual transactions, as defined in Consob Communication no. 6064293 of 28 July 2006.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 21 July 2025, the Bidder announced that it had filed the Offer Document with CONSOB for all legal purposes.

That said, Banca Sistema will continue to carry out its assessments and will express its opinion on the offer within the time frame and in accordance with the applicable laws and regulations, as well as with its own corporate procedures in force at the time.

After the reporting date of this Report, there were no events worthy of mention which would have had an impact on the financial position, results of operations and cash flows of the Bank and Group.

BUSINESS OUTLOOK AND MAIN RISKS AND UNCERTAINTIES

The trend observed in cost of funding is expected to consolidate in the second half of the year. The measures taken to reduce capital absorption have already managed to offset in the second quarter the negative effects recorded on capital ratios in the first quarter of 2025 resulting from the classification of certain loans as defaulted in order to take into account the findings communicated by the Bank of Italy on 20 December 2024, with regard to rules and practices adopted by the Bank, which the Supervisory Authority deemed not fully compliant with the EBA guidelines on the application of the Definition of Default.

The Bank's current capital reserves, together with the completion of securitisation transactions already initiated and to be initiated with SRT effects, will enable the Bank to increase its factoring operations in the entertainment segment with a limited absorption of capital.

With reference to the voluntary public tender offer on Banca Sistema shares launched by Banca CF+ S.p.A., it should be noted that, subject to the occurrence of the change of control event, the Group will be required to recognise in the income statement a total non-recurring amount estimated at approximately € 9.3 million.

This amount is attributable to retention agreements signed with some of the staff, currently recognised in the financial statements on an accrual basis, and to remuneration payable to the Board of Directors in the event of early termination of their appointment in accordance with resolutions passed previously by the shareholders' meetings.

It should be noted that the Group has not assumed any commitment regarding any agreements that may be entered into between the Bidder and the CEO.

Milan, 1 August 2025

On behalf of the Board of Directors

The Chairperson

Luitgard Spögler

The CEO

Gianluca Garbi

This report has been translated into the English language solely for the convenience of international readers

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2025

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

(Amounts in thousands of Euro)

	Assets	30.06.2025	31.12.2024
10.	Cash and cash equivalents	151,145	93,437
30.	Financial assets measured at fair value through other comprehensive income	1,029,095	1,147,197
40.	Financial assets measured at amortised cost	2,715,709	2,873,051
	a) loans and receivables with banks	20,708	23,024
	b) loans and receivables with customers	2,695,001	2,850,027
50.	Hedging derivatives	-	-
60.	Changes in fair value of portfolio hedged items (+/-)	3,348	3,557
70.	Equity investments	934	984
90.	Property and equipment	53,675	53,433
100.	Intangible assets	47,782	47,233
	of which:		
	goodwill	43,990	45,075
110.	*Tax assets*	13,910	13,415
	a) current	2,957	1,758
	b) deferred	10,953	11,657
130.	Other assets	372,736	470,591
	Total Assets	**4,388,334**	**4,702,898**

	Liabilities and equity	30.06.2025	31.12.2024
10.	Financial liabilities measured at amortised cost	3,821,408	4,109,583
	a) due to banks	98,375	127,257
	b) due to customers	3,545,946	3,761,395
	c) securities issued	177,087	220,931
30	Financial liabilities designated at fair value	1,964	-
40.	Hedging derivatives	3,330	3,561
60.	Tax liabilities	33,640	31,809
	a) current	2,950	1,659
	b) deferred	30,690	30,150
80.	Other liabilities	150,715	196,583
90.	Post-employment benefits	5,045	5,215
100.	Provisions for risks and charges:	37,660	41,470
	a) commitments and guarantees issued	18	28
	c) other provisions for risks and charges	37,642	41,442
120.	Valuation reserves	9,606	4,112
140.	Equity instruments	45,500	45,500
150.	Reserves	200,253	176,640
160.	Share premium	39,100	39,100
170.	Share capital	9,651	9,651
180.	Treasury shares (-)	-	(102)
190.	Equity attributable to non-controlling interests (+/-)	15,873	14,577
200.	Profit for the period/year	14,589	25,199
	Total liabilities and equity	**4,388,334**	**4,702,898**

INCOME STATEMENT

(Amounts in thousands of Euro)

		First Half of 2025	First Half of 2024
10.	Interest and similar income	91,191	95,784
	of which: interest income calculated with the effective interest method	86,139	88,893
20.	Interest and similar expense	(61,677)	(74,760)
30.	**Net interest income**	**29,514**	**21,024**
40.	Fee and commission income	21,731	26,737
50.	Fee and commission expense	(8,101)	(10,795)
60.	**Net fee and commission income (expense)**	**13,630**	**15,942**
70.	Dividends and similar income	227	227
80.	Net trading income (expense)	17,016	12,442
90.	Net gains (losses) on hedge accounting	18	(6)
100.	Gain (loss) from sales or repurchases of:	9,336	5,161
	a) financial assets measured at amortised cost	3,899	3,719
	b) financial assets measured at fair value through other comprehensiv	5,412	1,442
	c) financial liabilities	25	-
110.	Net result of financial assets and liabilities designated at fair value through P&L	56	-
110a	a) Financial assets and liabilities designated at fair value	56	-
120.	**Total income**	**69,797**	**54,790**
130.	Net impairment losses/gains on:	(4,554)	(3,866)
	a) financial assets measured at amortised cost	(4,592)	(3,722)
	b) financial assets measured at fair value through other comprehensive income	38	(144)
140.	Gains/losses from contract amendments without derecognition	(4)	(2)
150.	**Net financial income (expense)**	**65,239**	**50,922**
190.	Administrative expenses	(36,955)	(33,356)
	a) personnel expense	(16,664)	(16,396)
	b) other administrative expenses	(20,291)	(16,960)
200.	Net accruals to provisions for risks and charges	(3,966)	(1,391)
	a) commitments and guarantees issued	11	(6)
	b) other net accruals	(3,977)	(1,385)
210.	Net impairment losses on property and equipment	(1,456)	(1,238)
220.	Net impairment losses on intangible assets	(652)	(326)
230.	Other operating income (expense)	1,740	(4,026)
240.	**Operating costs**	**(41,289)**	**(40,337)**
250.	Gains (losses) on equity investments	139	(25)
290.	**Pre-tax profit (loss) from continuing operations**	**24,089**	**10,560**
300.	Income taxes	(8,208)	(4,039)
310.	**Post-tax profit from continuing operations**	**15,881**	**6,521**
320.	Post-tax profit (loss) from discontinued operations	-	-
330.	**Profit for the period**	**15,881**	**6,521**
340.	Profit (Loss) for the period attributable to non-controlling interests	(1,292)	(561)
350.	**Profit for the period attributable to the owners of the parent**	**14,589**	**5,960**

STATEMENT OF COMPREHENSIVE INCOME

(Amounts in thousands of Euro)

		First Half of 2025	First Half of 2024
10.	**Profit (loss) for the period**	**14,589**	**5,960**
uali al net	**Items, net of tax, that will not be reclassified subsequently to profit or loss**	-	-
60	Tangible assets	-	-
70.	Defined benefit plans	209	(94)
	Items, net of tax, that will be reclassified subsequently to profit or loss	**-**	**-**
140.	Financial assets (other than equity instruments) measured at fair value through other c	5,285	1,439
170.	**Total other comprehensive income (expense), net of income tax**	**5,494**	**1,345**
180.	Comprehensive income (Items 10+170)	20,083	7,305
190.	Comprehensive income attributable to non-controlling interests	-	-
200.	**Comprehensive income attributable to the owners of the parent**	**20,083**	**7,305**

STATEMENT OF CHANGES IN EQUITY AT 30/06/2025

Amounts in thousands of Euro

	Balance at 31.12.2024	Change in opening balances	Balance at 1.1.2025	Allocation of prior year profit		Changes during the year								Equity attributable to the owners of the parent at 30.06.2025	Equity attributable to non-controlling interests at 30.06.2025
							Transactions on equity								
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Repurchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Derivatives on treasury shares	Stock options	Changes in equity investments	Comprehensive income for First Half of 2025		
Share capital:																
a) ordinary shares	**9,651**		9,651												**9,651**	
b) other shares																
Share premium	**39,100**		39,100												**39,100**	
Reserves	**176,640**		176,640	25,199		(1,586)									**200,253**	
a) income-related	**176,542**		176,542	25,199		736								-	**202,477**	
b) other	**98**		98			(2,322)									**(2,224)**	
Valuation reserves	**4,112**		4,112											5,494	**9,606**	
Equity instruments	**45,500**		45,500												**45,500**	
Treasury shares	**(102)**		(102)					102								
Profit (loss) for the year	**25,199**		25,199	(25,199)										14,589	**14,589**	
Equity attributable to the owners of the parent	**300,100**		**300,100**			**(1,586)**		**102**						**20,083**	**318,699**	
Equity attributable to non-controlling interests	**14,577**		**14,577**										**1,296**			**15,873**

STATEMENT OF CHANGES IN EQUITY AT 30/06/2024

Amounts in thousands of Euro

	Balance at 31.12.2023	Change in opening balances	Balance at 1.1.2024	Allocation of prior year profit		Changes during the year									Equity attributable to the owners of the parent at 30.06.2024	Equity attributable to non-controlling interests at 30.06.2024
							Transactions on equity									
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Repurchase of treasury shares	Extraordinary dividend distribution	Change in equity instruments	Derivatives on treasury shares	Stock options	Changes in equity investments	Comprehensive income for First Half of 2024		
Share capital:																
a) ordinary shares	**9,651**		9,651												**9,651**	
b) other shares																
Share premium	**39,100**		39,100												**39,100**	
Reserves	**168,667**		168,667	11,282		(2,336)									**177,613**	
a) income-related	**167,361**		167,361	11,282		(2,378)								-	**176,265**	
b) other	**1,306**		1,306			42									**1,348**	
Valuation reserves	**(12,353)**		(12,353)											1,345	**(11,008)**	
Equity instruments	**45,500**		45,500												**45,500**	
Treasury shares	**(355)**		(355)					253							**(102)**	
Profit (loss) for the year	**16,506**		16,506	(11,282)	(5,224)									5,960	**5,960**	
Equity attributable to the owners of the parent	**266,716**		**266,716**		**(5,224)**	**(2,336)**		**253**						**7,305**	**266,714**	
Equity attributable to non-controlling interests	**10,633**		**10,633**										**3,686**			**14,319**

STATEMENT OF CASH FLOWS (INDIRECT METHOD)

Amounts in thousands of Euro

	Amount First Half of 2025	First Half of 2024
A. OPERATING ACTIVITIES		
1. Operations	**94,436**	**70,732**
Profit (loss) for the year (+/-)	14,589	5,960
Gains/losses on financial assets held for trading and other financial assets/liabilities measured at fair value through profit or loss (-/+)		
Gains/losses on hedging activities (-/+)		
Net impairment losses/gains due to credit risk (+/-)	4,554	3,722
Net impairment losses/gains on property and equipment and intangible assets (+/-)	2,108	1,564
Net accruals to provisions for risks and charges and other costs/income (+/-)	3,966	1,391
Taxes, duties and tax assets not yet paid (+/-)	5,621	3,614
Other adjustments (+/-)	63,598	54,481
2. Cash flows generated by (used for) financial assets	**377,715**	**(136,009)**
Financial assets held for trading		
Financial assets designated at fair value through profit or loss		
Other assets mandatorily measured at fair value through profit or loss		
Financial assets measured at fair value through other comprehensive income	123,596	(522,396)
Financial assets measured at amortised cost	156,430	534,365
Other assets	97,689	(147,978)
3. Cash flows generated by (used for) financial liabilities	**(412,836)**	**84,732**
Financial liabilities measured at amortised cost	(362,591)	61,263
Financial liabilities held for trading		
Financial liabilities designated at fair value through profit or loss	1,964	
Other liabilities	(52,209)	23,469
Net cash flows generated by (used for) operating activities	**59,315**	**19,455**
B. INVESTING ACTIVITIES		
1. Cash flows generated by	**-**	**-**
Sales of equity investments		
Dividends from equity investments		
Sales of property and equipment		
Sales of intangible assets		
Sales of entities and/or business units		
2. Cash flows used in	**(1,709)**	**(765)**
Purchases of equity investments		
Purchases of property and equipment	(1,517)	(104)
Purchases of intangible assets	(192)	(661)
Purchases of entities and/or business units		
Net cash flows generated by (used in) investing activities	**(1,709)**	**(765)**
C. FINANCING ACTIVITIES		
Issues/repurchases of treasury shares	102	253
Issues/repurchases of equity instruments		
Dividend and other distributions		
Net cash flows generated by (used in) financing activities	**102**	**253**
NET CASH FLOWS FOR THE PERIOD	**57,708**	**18,943**

Cash and cash equivalents at the beginning of the period	**93,437**	**250,496**
Total net cash flows for the period	57,708	18,943
Cash and cash equivalents: effect of change in exchange rates		
Cash and cash equivalents at the end of the period	**151,145**	**269,439**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

These condensed interim consolidated financial statements were drafted in accordance with Legislative Decree no. 38 of 28 February 2005, pursuant to the IFRS issued by the International Accounting Standards Board (IASB) as endorsed and in force on 30 June 2025, including the interpretation documents (SIC) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as established by EU Regulation no. 1606 of 19 July 2002.

In preparing the condensed interim consolidated financial statements, the Bank followed the instructions concerning financial statements issued by the Bank of Italy in its Regulation of 22 December 2005, the simultaneous Circular no. 262/05, the amendments and clarification notes, supplemented by the general provisions of the Italian Civil Code and other relevant legislative and regulatory provisions.

The condensed interim consolidated financial statements were drafted in summary form in accordance with IAS 34, with specific reference to the arrangements for disclosing financial information, supplemented by the other relevant legislative and regulatory standards.

The specific accounting standards adopted have not been amended compared to the financial statements at 31 December 2024.

The condensed interim consolidated financial statements were reviewed by BDO Italia S.p.A.

General basis of preparation

The condensed interim consolidated financial statements were prepared by applying IFRS and valuation criteria on a going concern basis, and in accordance with the principles of accruals and materiality of information, as well as the general principle of the precedence of economic substance over legal form.

Within the scope of drawing up the financial statements in accordance with the IFRS, bank management must make assessments, estimates and assumptions that influence the amounts of the assets, liabilities, costs and income recognised during the period.

The use of estimates is essential to preparing the financial statements. In particular, the most significant use of estimates and assumptions in the financial statements can be attributed to:

- the valuation of loans and receivables with customers: the acquisition of performing receivables from companies that supply goods and services represents the Bank's main activity. Estimating the value of these receivables is a complex activity with a high degree of uncertainty and subjectivity. Their value is estimated by using models that include numerous quantitative and qualitative elements. These include the historical data for collections, expected cash flows and the related expected recovery times, the existence of indicators of possible impairment, the valuation of any guarantees, and the impact of risks associated with the sectors in which the Bank's customers operate;
- the valuation of default interest pursuant to Legislative Decree no. 231 of 9 October 2002 on performing receivables acquired without recourse: estimating the recoverable amount of default interest is complex, with a high degree of uncertainty and subjectivity. Internally developed valuation models are used to determine these percentages, which take numerous qualitative and quantitative elements into consideration;
- the estimate related to the possible impairment losses on goodwill and equity investments recognised in the financial statements;
- the quantification and estimate made for recognising liabilities in the provisions for risks and charges, the amount or timing of which are uncertain;
- the valuation of the real estate portfolio following the transition from the cost model to the revaluation model starting from 31 December 2024. The fair value was determined through external appraisals;
- the recoverability of deferred tax assets;
- post-employment benefits and other employee benefits payable (including obligations under defined benefit plans).

It should be noted that an estimate may be adjusted following a change in the circumstances upon which it was formed, or if there is new information or more experience. Any changes in estimates are applied prospectively and therefore will have an impact on the income statement for the year in which the change takes place.

In accordance with the provisions of IFRS 15, the Group considered that the conditions were met to refine the internal accounting policy in order to enable the recognition of default interest, on the basis of the results of the model adopted to date, against public administration debtors in situations of financial distress or unlikely to pay, in the presence of a judgment of the European Court of Human Rights establishing the liability of the State in the event that the debtor is in default. This refinement meets the requirements of paragraph 34 of IAS 8, qualifying the directors' assessments as a change of estimate. The change in the accounting estimate resulted in the recording of default interest at 31 March 2025 of € 10.3 million. As indicated above, estimating the recoverable amounts of default interest is a complex activity, characterised by a high degree of uncertainty and subjectivity. Internally developed valuation models are used to determine these percentages, which take numerous qualitative and quantitative elements into consideration.

The accounting policies adopted for the drafting of the condensed interim consolidated financial statements, with reference to the classification, recognition, valuation and derecognition criteria for the various assets and liabilities, like the guidelines for recognising costs and revenue, have remained unchanged compared with those adopted in the separate and consolidated financial statements at 31 December 2024, to which reference is made, except for the following:

Financial liabilities designated at fair value through profit or loss

Recognition criteria

The financial instruments in question are recognised at the date of their subscription or issue at a value equal to their fair value, without including any transaction costs or income directly attributable to the instruments themselves. This category of liabilities includes, in particular, credit linked notes.

Measurement criteria

All liabilities measured at fair value are recognised at their fair value, with the result of the measurement recognised in the Income Statement.

Derecognition criteria

Financial liabilities measured at fair value are derecognised when the contractual rights on the related cash flows expire or when the financial liability is sold with a substantial transfer of all risks and rewards related to the liabilities.

Scope and methods of consolidation

The consolidated financial statements include the Parent, Banca Sistema S.p.A., and the companies directly or indirectly controlled by or connected with it.

The following statement shows the investments included within the scope of consolidation.

Company Names	Registered office	Type of Relationship (1)	Investment		% of votes available (2)
			Investing company	% held	
Companies					
Subject to full consolidation					
Largo Augusto Servizi e Sviluppo S.r.l.	Italy	1	Banca Sistema	100%	100%
Kruso Kapital S.p.A.	Italy	1	Banca Sistema	70.59%	70.59%
ProntoPegno Greece	Greece	1	Kruso Kapital	70.59%	70.59%
Art-Rite S.r.l.	Italy	1	Kruso Kapital	70.59%	70.59%
Pignus Credito Economico Popular S.A.	Portugal	1	Kruso Kapital	70.59%	70.59%
Consolidated using the equity method					
EBNSISTEMA Finance S.L.	Spain	7	Banca Sistema	50%	50%

Key:
(1) Type of relationship.
1. = majority of voting rights at the ordinary Shareholders' Meeting
2. = a dominant influence in the ordinary Shareholders' Meeting
3. = agreements with other shareholders
4. = other forms of control
5. = unitary management as defined in Art. 26, paragraph 1 of 'Legislative Decree 87/92'
6. = unitary management as defined in Art. 26, paragraph 2 of 'Legislative Decree 87/92'
7. = joint control (2) Available voting rights at the ordinary Shareholders' Meeting, with separate indication of effective and potential rights

The scope of consolidation also includes the following special purpose securitisation vehicles whose receivables are not subject to derecognition and which are consolidated using the full consolidation method:

Quinto Sistema Sec. 2017 S.r.l.

Quinto Sistema Sec. 2019 S.r.l.

BS IVA SPV S.r.l.

Changes in the scope of consolidation

Compared to the situation as at 31 December 2024, the scope of consolidation has not changed.

Full consolidation method

The investments in subsidiaries are consolidated using the full consolidation method. The concept of control goes beyond owning a majority of the percentage of stakes in the share capital of the subsidiary and is defined as the power of determining the management and financial policies of said subsidiary to obtain benefits from its business.

Full consolidation provides for line-by-line aggregation of the statement of financial position and income statement aggregates from the accounts of the subsidiaries. To this end, the following adjustments were made:

(a) the carrying amount of the investments held by the Parent and the corresponding part of the equity are eliminated;

(b) the portion of equity and profit or loss for the year is shown in a specific caption.

The results of the above adjustments, if positive, are shown - after allocation to the assets or liabilities of the subsidiary - as goodwill in item "130 Intangible Assets" on the date of initial consolidation. The resulting differences, if negative, are recognised in the income statement. Intra-group balances and transactions, including income, costs and dividends, are entirely eliminated. The financial results of a subsidiary acquired during the financial year are included in the consolidated financial statements from the date of acquisition. At the same time, the financial results of a transferred subsidiary are included in the consolidated financial statements up to the date on which the subsidiary is transferred. The accounts used in the preparation of the consolidated financial statements are drafted on the same date. The consolidated financial statements were drafted using consistent accounting standards for similar transactions and events. If a subsidiary uses accounting standards different from those adopted in the consolidated financial statements for similar transactions and events in similar circumstances, adjustments are made to the financial position for consolidation purposes. Detailed information with reference to art. 89 of Directive 2013/36/EU of the European Parliament and Council (CRD IV) is published at the link www.bancasistema.it/pillar3.

Consolidation at equity

Associates are consolidated at equity.

The equity method provides for the initial recognition of the investment at cost and subsequent adjustment based on the relevant share of the investee’s equity.

The differences between the value of the equity investment and the equity of the relevant investee are included in the carrying amount of the investee.

In the valuation of the relevant share, any potential voting rights are not taken into consideration.

The relevant share of the annual results of the investee is shown in a specific item of the consolidated income statement.

If there is evidence that an equity investment may be impaired, the recoverable value of said equity investment is estimated by considering the present value of future cash flows that the investment could generate, including the final disposal value of the investment.

Events after the reporting date

After the reporting date, there were no events worthy of mention in the notes to the condensed interim consolidated financial statements which would have had an impact on the financial position, results of operations and cash flows of the Bank and Group.

Information on the main items of the consolidated financial statements

The condensed interim consolidated financial statements were prepared by applying IFRS and valuation criteria on a going concern basis, and in accordance with the principles of accruals and materiality of information, as well as the general principle of the precedence of economic substance over legal form.

Within the scope of drawing up the financial statements in accordance with the IFRS, bank management must make assessments, estimates and assumptions that influence the amounts of the assets, liabilities, costs and income recognised during the period.

Other aspects

The condensed interim consolidated financial statements were approved on 1 August 2025 by the Board of Directors, which authorised their disclosure to the public in accordance with IAS 10.

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

A.3.1 Reclassified financial assets: change in business model, carrying amount and interest income

No financial instruments were transferred between portfolios.

A.3.2 Reclassified financial assets: change in business model, fair value and effects on comprehensive income

No financial assets were reclassified.

A.3.3 Reclassified financial assets: change in business model and effective interest rate

No financial assets held for trading were transferred.

A.4 - FAIR VALUE DISCLOSURE

Qualitative disclosure

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

Please refer to the accounting policies at 31 December 2024.

A.4.2 Processes and sensitivity of measurements

The carrying amount of financial assets and liabilities due within one year has been assumed to be a reasonable approximation of fair value, while for those due beyond one year, the fair value is calculated taking into account both interest rate risk and credit risk.

A.4.3 Fair value hierarchy

The following fair value hierarchy was used in order to prepare the financial statements:

Level 1- Effective market quotes

The valuation is the market price of said financial instrument subject to valuation, obtained on the basis of quotes expressed by an active market.

Level 2 - Comparable Approach

Level 3 - Mark-to-Model Approach

A.4.4 Other Information

The item is not applicable for the Group.

DETAILED TABLES

ASSETS

Cash and cash equivalents – Item 10

Cash and cash equivalents: breakdown

	30.06.2025	31.12.2024
a) Cash	1,706	1,762
b) current accounts and demand deposits with Central Banks	107,526	50,000
c) Current and deposit accounts with banks	41,913	41,674
Total	**151,145**	**93,436**

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

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

	30.06.2025			31.12.2024		
	L1	L2	L3	L1	L2	L3
1. Debt instruments	**1,023,715**			**1,142,008**		
1.1 Structured instruments						
1.2 Other debt instruments	1,023,715			1,142,008		
2. Equity instruments	**380**		**5,000**	**189**		**5,000**
3. Financing						
Total	**1,024,095**		**5,000**	**1,142,197**		**5,000**

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

Financial assets measured at amortised cost - Item 40

Financial assets measured at amortised cost: breakdown by product of the loans and receivables with banks

	30.06.2025						31.12.2024					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stage	Third stage	of which: purchased or originated credit-impaired	L1	L2	L3	First and second stage	Third stage	of which: purchased or originated credit-impaired	L1	L2	L3
A. Loans and receivables with Central Banks	**20,555**	**17**				**20,573**	**22,886**					**22,887**
1. Term deposits				X	X	X				X	X	X
2. Minimum reserve	20,555			X	X	X	22,866			X	X	X
3. Reverse repurchase agreements				X	X	X				X	X	X
4. Other		17		X	X	X	20			X	X	X
B. Loans and receivables with banks	**133**	**3**				**31**	**136**	**2**				**11**
1. Financing	**133**	**3**				**31**	**136**	**2**				**11**
1.1 Current accounts and demand deposits				X	X	X				X	X	X
1.2. Term deposits				X	X	X				X	X	X
1.3. Other financing:	133	3		X	X	X	136	2		X	X	X
- Reverse repurchase agreements				X	X	X				X	X	X
- Finance leases				X	X	X				X	X	X
- Other	133	3		X	X	X	136	2		X	X	X
2. Debt instruments												
2.1 Structured instruments												
2.2 Other debt instruments												
Total	**20,688**	**20**				**20,604**	**23,022**	**2**				**22,898**

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

Financial assets measured at amortised cost: breakdown by product of the loans and receivables with customers

	30.06.2025						31.12.2024					
	Carrying amount			Fair value			Carrying amount			Fair value		
	First and second stage	Third stage	Purchased or originated credit-impaired	L1	L2	L3	First and second stage	Third stage	Purchased or originated credit-impaired	L1	L2	L3
Financing	**2,152,438**	**456,924**	**3,393**			**2,699,526**	**2,419,947**	**273,531**	**3,433**			**2,746,863**
1.1. Current accounts	652	3		X	X	X	670	18		X	X	X
1.2. Reverse repurchase agreements				X	X	X				X	X	X
1.3. Loans	187,702	15,323		X	X	X	227,975	13,888		X	X	X
1.4. Credit cards, personal loans and salary- and pension-backed loans	626,852	9,169		X	X	X	673,666	11,693		X	X	X
1.5. Finance leases				X	X	X				X	X	X
1.6. Factoring	753,114	309,370	3,393	X	X	X	1,008,084	218,515	3,433	X	X	X
1.7. Other financing	584,118	123,059		X	X	X	509,552	29,417		X	X	X
Debt instruments	**82,246**			**47,590**	**35,263**		**153,116**			**57,539**	**95,756**	
1.1. Structured instruments												
1.2. Other debt instruments	82,246			47,590	35,263		153,116			57,539	95,756	
Total	**2,234,684**	**456,924**	**3,393**	**47,590**	**35,263**	**2,699,526**	**2,573,063**	**273,531**	**3,433**	**57,539**	**95,756**	**2,746,863**

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

Financial assets measured at amortised cost: breakdown by debtor/issuer of the loans and receivables with customers

	30.06.2025			31.12.2024		
	First and second stage	Third stage	Purchased or originated credit-impaired	First and second stage	Third stage	Purchased or originated credit-impaired
1. Debt securities	82,246			153,116		
a) General governments	50,020			61,057		
b) Other financial corporations	32,226					
of which: insurance companies						
c) Non-financial corporations				92,059		
2. Financing to:	2,152,438	456,924	3,393	2,419,947	273,531	3,433
a) General governments	522,746	360,053	3,393	742,957	218,715	3,433
b) Other financial corporations	315,986	2,245		51,637	1,710	
of which: insurance companies	915	2,077		32	1,572	
c) Non-financial corporations	831,666	54,060		745,695	38,238	
d) Households	482,040	40,566		879,658	14,868	
Total	**2,234,684**	**456,924**	**3,393**	**2,573,063**	**273,531**	**3,433**

Key:
L1 = Level 1

L2 = Level 2
L3 = Level 3

Financial assets measured at amortised cost: gross amount and total impairment losses

	Gross amount					Total impairment losses				Overall partial write-offs (*)
	First stage		Second stage	Third stage	Purchased or originated credit-impaired	First stage	Second stage	Third stage	Purchased or originated credit-impaired	
		of which instruments with low credit risk								
Debt securities	82,272					26				
Financing	2,078,272		81,444	531,620	3,396	4,956	473	55,836	3	
Total 30.06.2025	**2,160,543**		**81,444**	**531,620**	**3,396**	**4,982**	**473**	**55,836**	**3**	**-**
Total 31.12.2024	**2,547,317**	**725,601**	**56,484**	**331,015**	**3,436**	**7,402**	**313**	**57,483**	**3**	

Value adjustment of hedged assets - Item 60

Value adjustment of hedged assets: breakdown by hedged portfolio

Fair value change of hedged assets / Amount	30.06.2025	31.12.2024
1. Positive fair value change	3,348	3,557
1.1 of specific portfolios:	3,348	3,557
a) financial assets measured at amortised cost	3,348	3,557
b) financial assets measured at fair value through other comprehensive income		
1.2 overall		
2. Negative fair value change		
2.1 of specific portfolios:		
a) financial assets measured at amortised cost		
b) financial assets measured at fair value through other comprehensive income		
2.2 overall		
Total	**3,348**	**3,557**

Equity investments - Item 70

Equity investments: information on investment relationships

	Registered office	Interest %	Votes available %
A. Fully-controlled companies			
Largo Augusto Servizi e Sviluppo S.r.l.	Milano	100.00%	100.00%
Kruso Kapital S.p.A.	Milano	70.59%	70.59%
ProntoPegno Greece	Atene	70.59%	70.59%
Art-Rite S.r.l.	Milano	70.59%	70.59%
Pignus Credito Economico Popular S.A.	Lisbona	70.59%	70.59%
B. Joint ventures			
EBNSISTEMA Finance S.L.	Madrid	50.00%	50.00%

Property and equipment - Item 90

Operating property and equipment: breakdown of the assets measured at cost

	30.06.2025	31.12.2024
1 Owned	**49,015**	**48,826**
a) land	13,921	13,921
b) buildings	33,520	32,828
c) furniture	520	1,127
d) electronic equipment	1,054	950
e) other		
2 Right-of-use assets acquired under finance lease	**4,661**	**4,608**
a) land		
b) buildings	3,800	3,795
c) furniture		
d) electronic equipment		
e) other	861	813
Total	**53,676**	**53,434**
of which: obtained from the enforcement of guarantees received		

Property and equipment are recognised in the financial statements in accordance with the general acquisition cost criteria, including the related charges and any other expenses incurred to place the assets in conditions useful for the Bank, in addition to indirect costs for the portion reasonably attributable to assets that refer to the costs incurred, as at the end of the year.

Depreciation rates:

- Office furniture: 12%
- Furnishings: 15%
- Electronic machinery and miscellaneous equipment: 20%
- Assets less than Euro 516: 100%

Intangible assets - Item 100

Intangible assets: breakdown by type of asset

	30.06.2025		31.12.2024	
	Finite useful life	Indefinite useful life	Finite useful life	Indefinite useful life
A.1 Goodwill		**43,990**	**x**	**45,075**
A.2 Other intangible assets	**3,792**		**2,157**	
of which software	495		454	
A.2.1 Assets measured at cost:	3,792		2,157	
a) Internally developed assets	510		138	
b) Other	3,282		2,019	
A.2.2 Assets measured at fair value:				
a) Internally developed assets				
b) Other				
Total	**3,792**	**43,990**	**2,157**	**45,075**

Other assets - Item 130

Other assets: breakdown

	30.06.2025	31.12.2024
Superbonus tax assets	343,382	435,095
Tax advances	7,276	11,101
Work in progress	7,185	10,170
Prepayments not related to a specific item	8,876	8,219
Trade receivables	1,724	1,369
Adavance to third parties	1,351	1,340
Other	935	1,005
Leasehold improvements	1,805	2,092
Security deposits	202	200
Total	**372,736**	**470,591**

LIABILITIES

Financial liabilities measured at amortised cost - Item 10

Financial liabilities measured at amortised cost: breakdown by product of due to banks

	30.06.2025				31.12.2024			
	Carrying amount	Fair value			Carrying amount	Fair value		
		L1	L2	L3		L1	L2	L3
1. Due to Central banks		**X**	**X**	**X**		**X**	**X**	**X**
2. Due to banks	**98,375**	**X**	**X**	**X**	**127,257**	**X**	**X**	**X**
2.1 Current accounts and demand deposits	364	X	X	X	383	X	X	X
2.2 Term deposits	58,702	X	X	X	64,442	X	X	X
2.3 Financing	39,309	X	X	X		X	X	X
2.3.1 Repurchase agreements	39,309	X	X	X	62,432	X	X	X
2.3.2 Other		X	X	X		X	X	X
2.4 Commitments to repurchase own equity instruments		X	X	X		X	X	X
2.5 Lease liabilities		X	X	X		X	X	X
2.6 Other payables		X	X	X		X	X	X
Total	**98,375**			**98,375**	**127,257**			**127,257**

Key:
CA = carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

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

	30.06.2025				31.12.2024			
	Carrying amount	Fair value			Carrying amount	Fair value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and demand deposits	300,851	X	X	X	288,186	X	X	X
2. Term deposits	2,414,217	X	X	X	2,565,354	X	X	X
3. Financing	822,497	X	X	X	902,212	X	X	X
3.1 Repurchase agreements	753,807	X	X	X	819,999	X	X	X
3.2 Other	68,690	X	X	X	82,213	X	X	X
4. Commitments to repurchase own equity instruments		X	X	X		X	X	X
5. Lease liabilities		X	X	X		X	X	X
6. Other payables	8,381	X	X	X	5,643	X	X	X
Total	**3,545,946**			**3,545,946**	**3,761,395**			**3,761,395**

Other liabilities - Item 80

Other liabilities: breakdown

	30.06.2025	31.12.2024
Payments received in the reconciliation phase	66,169	98,871
Accrued expenses	18,565	15,397
Work in progress	43,132	55,210
Trade payables	7,607	9,066
Tax liabilities with the Tax Authority and other tax authorities	8,739	12,965
Finance lease liabilities	4,375	3,712
Due to employees	1,406	274
Pension repayments	641	1,088
Other	81	
Payables to group companies		
Total	**150,715**	**196,583**

Post-employment benefits - Item 90

Post-employment benefits: changes

	30.06.2025	31.12.2024
A. Opening balance	**5,215**	**4,709**
B. Increases	**617**	**1,179**
B.1 Accruals	617	1,090
B.2 Other increases		89
B.3 Business combination transactions		
C. Decreases	**787**	**673**
C.1 Payments	351	371
C.2 Other decreases	437	302
D. Closing balance	**5,045**	**5,215**

The technical valuations were conducted on the basis of the assumptions described in the following table:

Annual discount rate	3.70%
Annual inflation rate	2.00%
Annual post-employment benefits increase rate	3.00%
Annual real salary increase rate	3.17%

Provisions for risks and charges - Item 100

Provisions for risks and charges: breakdown

	30.06.2025	31.12.2024
1. Provisions for credit risk related to commitments and financial guarantees issued	18	28
2. Provisions for other commitments and other guarantees issued		
3. Internal pension funds		
4. Other provisions for risks and charges	37,642	41,442
4.1 legal and tax disputes	22,240	19,297
4.2 personnel expense	5,548	6,090
4.3 other	9,854	16,055
Total	**37,660**	**41,470**

Provisions for risks and charges: changes

	Provisions for other commitments and other guarantees issued	Pension funds	Other provisions for risks and charges	Total
A. Opening balance	**29**	**-**	**41,441**	**41,470**
B. Increases	**-**	**-**	**3,979**	**3,979**
B.1 Accruals			3,857	3,857
B.2 Discounting				-
B.3 Changes due to discount rate changes				-
B.4 Other increases			122	122
C. Decreases	**11**	**-**	**7,778**	**7,789**
C.1 Utilisations	11	-	2,578	2,589
C.2 Changes due to discount rate changes	-	-	-	-
C.3 Other decreases	-	-	5,200	5,200
D. Closing balance	**18**	**-**	**37,642**	**37,660**

Equity attributable to the owners of the parent – Items 120, 130, 140, 150, 160, 170 and 180

"Share capital" and "Treasury shares": breakdown

The share capital of Banca Sistema is composed of 80,421,052 ordinary shares, for a total paid-in share capital of € 9,650,526.24. All outstanding shares have regular dividend entitlement from 1 January.

With regard to the disclosure of the shareholders with stakes of more than 5%, the threshold above which Italian law (art. 120 of the Consolidated Law on Finance) requires disclosure to the investee and Consob, please refer to the Directors' Report, paragraph "CAPITAL AND SHARES".

The breakdown of equity attributable to the owners of the parent is shown below:

	Amount 30.06.2025	Amount 31.12.2024
1. Share capital	9,651	9,651
2. Share premium	39,100	39,100
3. Reserves	200,253	176,640
4. Equity instruments	45,500	45,500
5. (Treasury shares)		(102)
6. Valuation reserves	9,606	4,112
7. Equity attributable to non-controlling interests	15,873	14,577
8. Profit	14,589	25,199
Total	**334,572**	**314,677**

Equity attributable to non-controlling interests - Item 190

Breakdown of item 210 "Equity attributable to non-controlling interests"

	30.06.2025	31.12.2024
Equity investments in consolidated companies with significant non-controlling interests		
1. Kruso Kapital S.p.A.	16,677	15,251
2. Pignus Credito Economico Popular S.A.	116	38
3. ProntoPegno Grecia	(550)	(477)
4. Art-Rite S.r.l.	(400)	(266)
5. Quinto Sistema 2019 S.r.l.	12	12
6. Quinto Sistema 2017 S.r.l.	9	9
7. BS IVA S.r.l.	10	10
Total	**15,873**	**14,577**

INCOME STATEMENT

Interest - Items 10 and 20

Interest and similar income: breakdown

Items/Technical forms	Debt instruments	Financing	Other transactions	30.06.2025	30.06.2024
1. Financial assets measured at fair value through profit or loss:	65			65	179
1.1 Financial assets held for trading	65			65	179
1.2 Financial assets designated at fair value through profit or loss					
1.3 Other financial assets mandatorily measured at fair value through profit or loss					
2. Financial assets measured at fair value through other comprehensive income	15,533		X	15,533	6,801
3. Financial assets measured at amortised cost:	4,087	70,818		74,905	87,202
3.1 Loans and receivables with banks		1,119	X	1,119	6,024
3.2 Loans and receivables with customers	4,087	69,699	X	73,786	81,178
4. Hedging derivatives	X	X			454
5. Other assets	X	X	688	688	1,148
6. Financial liabilities	X	X	X		
Total	**19,685**	**70,818**	**688**	**91,191**	**95,784**
of which: interest income on impaired assets					
of which: interest income on finance leases	X		X		

Interest and similar expense: breakdown

Items/Technical forms	Liabilities	Securities	Other transactions	30.06.2025	30.06.2024
1. Financial liabilities measured at amortised cost	58,051	3,190		61,241	74,759
1.1 Due to Central banks		X			8,808
1.2 Due to banks	821	X		821	958
1.3 Due to customers	57,230	X		57,230	61,535
1.4 Securities issued	X	3,190		3,190	3,459
2. Financial liabilities held for trading					
3. Financial liabilities designated at fair value through profit or loss		25		25	
4. Other liabilities and provisions	X	X			
5. Hedging derivatives	X	X	411	411	
6. Financial assets	X	X	X		
Total	**58,051**	**3,215**	**411**	**61,677**	**74,759**
of which: interest expense related to lease liabilities	64	X	X	64	24

Net fee and commission income - Items 40 and 50

Fee and commission income: breakdown

	30.06.2025	30.06.2024
a) Financial instruments	63	71
1. Placement of securities	32	37
1.1 Underwritten and/or on a firm commitment basis	32	37
1.2 Without a firm commitment basis		
2. Order collection and transmission, and execution of orders on behalf of customers	25	29
2.1 Order collection and transmission for one or more financial instruments	25	29
2.2 Execution of orders on behalf of customers		
3. Other fees associated with activities related to financial instruments	6	5
of which: dealing on own account		
of which: individual asset management	6	5
b) Corporate Finance		
1. Consulenza in materia di fusioni e acquisizioni		
2. Servizi di tesoreria		
3. Altre commissioni connesse con servizi di corporate finance		
c) Investment advisory activities		
d) Clearing and settlement		
e) Custody and administration		
1. Banca depositaria		
2. Altre commissioni legate all'attività di custodia e amministrazione		
f) Central administrative services for collective asset management		
g) Fiduciary activities		
h) Payment services	31	36
1. Current accounts		1
2. Credit cards		
3. Debit and other payment cards	17	14
4. Bank transfers and other payment orders		
5. Other fees related to payment services	14	21
i) Distribution of third party services	362	794
1. Gestioni di portafogli collettive		
2. Insurance products		1
3. Altri prodotti	362	793
k) Servicing of securitisations	195	167
l) Commitments to disburse funds		
m) Financial guarantees issued	40	57
n) Financing transactions	15,535	19,474
o) Foreign currency transactions		
p) Commodities		
q) Other fee and commission income	5,505	6,138
di cui: per attività di gestione di sistemi multilaterali di scambio		
di cui: per attività di gestione di sistemi organizzati di negoziazione		
Total	**21,731**	**26,737**

Fee and commission expense: breakdown

Services/Amounts	30.06.2025	30.06.2024
a) Financial instruments	58	35
of which: trading in financial instruments	58	35
of which: placement of financial instruments		
of which: individual asset management	-	-
- Proprietary		
- Delegated to third parties		
b) Clearing and settlement	29	37
c) Custody and administration		
d) Collection and payment services	219	181
of which: credit cards, debit cards and other payment cards		
e) Servicing of securitisations		
f) Commitments to receive funds		
g) Financial guarantees received	1,034	958
of which: credit derivatives		
h) Off-premises distribution of securities, products and services	6,748	9,570
i) Foreign currency transactions		
j) Other fee and commission expense	13	14
Total	**8,101**	**10,795**

Dividends and similar income - Item 70

Dividends and similar income: breakdown

Items/Income	30.06.2025		30.06.2024	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading				
B. Other financial assets mandatorily measured at fair value through profit or loss				
C. Financial assets measured at fair value through other comprehensive income	227		227	
D. Equity investments				
Total	**227**		**227**	

Net trading income (expense) – Item 80

Net trading income (expense): breakdown

	Gains (A)	Trading income (B)	Losses (C)	Trading losses (D)	Net trading income (expense) [(A+B) - (C+D)]
1. Financial assets held for trading	**17,703**	**155**		**(841)**	**17,017**
1.1 Debt instruments		155		(55)	100
1.2 Equity instruments					
1.3 OEIC units					
1.4 Financing					
1.5 Other	17,703			(786)	16,917
2. Financial liabilities held for trading					
2.1 Debt instruments					
2.2 Payables					
2.3 Other					
3. Other financial assets and liabilities: exchange rate gains (losses)	X	X	X	X	(2)
4. Derivatives					
4.1 Financial derivatives:					
- On debt instruments and interest rates					
- On equity instruments and equity indexes					
- On currencies and gold	X	X	X	X	
- Other					
4.2 Credit derivatives					
of which: natural hedges connected to the fair value option	X	X	X	X	
Total	**17,703**	**155**		**(841)**	**17,015**

Net hedging income (expense) – Item 90

Net hedging income (expense): breakdown

		30.06.2025	30.06.2024
A.	**Gains on:**	**18**	
A.1	Fair value hedging instruments	18	
A.2	Hedged financial assets (fair value)		
A.3	Hedged financial liabilities (fair value)		
A.4	Cash-flow hedging derivatives		
A.5	Assets and liabilities denominated in currency		
Total gains on hedging activities (A)		**18**	**-**
B.	**Losses on:**		**(6)**
B.1	Fair value hedging instruments		(6)
B.2	Hedged financial assets (fair value)		
B.3	Hedged financial liabilities (fair value)		
B.4	Cash-flow hedging derivatives		
B.5	Assets and liabilities denominated in currency		
Total losses on hedging activities (B)		**-**	**(6)**
C.	**Net hedging result (A-B)**	**18**	**6**
	of which: net gains (losses) of hedge accounting on net positions		

Gain from sales or repurchases – Item 100

Gain from sales or repurchases: breakdown

	30.06.2025			30.06.2024		
	Gain	Loss	Net gain	Gain	Loss	Net gain
A. Financial assets						
1. Financial assets measured at amortised cost:	3,899		3,899	3,719		3,719
1.1 Loans and receivables with banks			-			
1.2 Loans and receivables with customers	3,899		3,899	3,719		3,719
2. Financial assets measured at fair value through other comprehensive income	6,720	(1,283)	5,437	1,441		1,441
2.1 Debt instruments	6,720	(1,283)	5,437	1,441		1,441
2.4 Financing			-			
Total assets (A)	**10,619**	**(1,283)**	**9,336**	**5,160**		**5,160**
B. Financial liabilities measured at amortised cost						
1. Due to banks						
2. Due to customers						
3. Securities issued						
Total liabilities						

Net impairment losses/gains due to credit risk – Item 130

Net impairment losses due to credit risk related to financial assets measured at amortised cost: breakdown

	Impairment losses (1)						Impairment gains (2)				30.06.2025	30.06.2024
	First stage	Second stage	Third stage		Purchased or originated credit-impaired		First stage	Second stage	Third stage	Purchased or originated credit-impaired		
			Write-offs	Other	Write-offs	Other						
A. Loans and receivables with banks							**4**				**(4)**	**(23)**
- financing							4				(4)	(23)
- debt instruments											-	
B. Loans and receivables with customers:	**889**			**8,063**			**942**			**3,414**	**4,596**	**3,745**
- financing	889			8,063			920			3,414	4,618	3,745
- debt instruments							22				(22)	
C. Total	**889**			**8,063**			**946**			**3,414**	**4,592**	**3,722**

Net impairment losses due to credit risk related to financial assets measured at fair value through other comprehensive income: breakdown

	Impairment losses (1)						Impairment gains (2)				30.06.2025	30.06.2024
	First stage	Second stage	Third stage		Purchased or originated credit-impaired		First stage	Second stage	Third stage	Purchased or originated credit-impaired		
			Write-offs	Other	Write-offs	Other						
A. Debt instruments							**38**				**(38)**	**144**
B. Financing												
- To customers											-	
- To banks											-	
Total							**38**				**(38)**	**144**

Administrative expenses – Item 190

Personnel expense: breakdown

	30.06.2025	30.06.2024
1) Employees	15,645	15,201
a) wages and salaries	10,427	9,112
b) social security charges	2,508	2,347
c) post-employment benefits		
d) pension costs		
e) accrual for post-employment benefits	829	641
f) accrual for pension and similar provisions:	-	-
- defined contribution plans		
- defined benefit plans		
g) payments to external supplementary pension funds:	173	173
- defined contribution plans	173	173
- defined benefit plans		
h) costs of share-based payment plans		
i) other employee benefits	1,708	2,928
2) Other personnel	100	359
3) Directors and statutory auditors	911	835
4) Retired personnel		
5) Recovery of costs for employees of the Bank seconded to other entities	(43)	(120)
6) Reimbursement of costs for employees of other entities seconded to the Bank	51	120
Total	**16,664**	**16,395**

Other administrative expenses: breakdown

Other administrative expenses	30.06.2025	30.06.2024
IT expenses	**5,329**	**4,637**
Consultancy and professional services	**2,051**	**1,396**
Regulatory development and compliance consultancy	893	798
Legal and professional consultancy	937	397
Audit expenses	221	201
Credit-related expenses	**5,850**	**5,112**
Insurance coverage expenses	2,118	797
Credit recovery expenses	1,532	1,845
Origination expenses	1,043	1,282
Servicing and collection activities	955	946
Legal dispute expenses	202	242
Other operating expenses	**2,421**	**1,533**
Outsourcing and consultancy expenses	601	399
Additional operating expenses	579	441
Vehicle management expenses	370	274
Association contributions	209	236
Cash transport expenses	136	94
Insurance	526	89
Advertising and communication expenses	**865**	**812**
Real estate-related expenses	**1,118**	**884**
Other real estate-related expenses	360	231
Maintenance expenses	284	225
Utility and cleaning expenses	278	235
Concierge and surveillance expenses	196	193
Personnel-related expenses	**1,245**	**1,339**
Vehicle rental and related expenses	366	452
Travel and representation reimbursements	427	416
Other personnel-related expenses	277	244
Agent-related expenses	175	227
Indirect taxes and duties	**1,412**	**1,247**
Total operating costs	**20,291**	**16,960**
Resolution fund	-	-
Extraordinary charges	-	-
Total	**20,291**	**16,960**

Income taxes – Item 300

Income taxes: breakdown

	30.06.2025	30.06.2024
1. Current taxes (-)	(10,293)	(1,450)
2. Changes in current taxes of previous years (+/-)	378	(4)
3. Decrease in current taxes for the year (+)		
3bis. Decrease in current taxes for the year due to tax assets pursuant to Law no. 214/2011 (+)		
4. Changes in deferred tax assets (+/-)	271	621
5. Changes in deferred tax liabilities (+/-)	1,436	(3,206)
6. Tax expense for the year (-) (-1+/-2+3+/-4+/-5)	(8,208)	(4,039)

Earnings per share

EPS is calculated by dividing the profit attributable to holders of ordinary shares of Banca Sistema (numerator) by the weighted average number of ordinary shares (denominator) outstanding during the year.

Earnings per share (EPS)	30.06.2025	30.06.2024
Profit for the year (thousands of Euro)	11,281	4,484
Average number of outstanding shares	80,385,645	80,296,022
Basic earnings per share (basic EPS) (in Euro)	0.140	0.056
Diluted earnings per share (diluted EPS) (in Euro)	0.140	0.056

INFORMATION CONCERNING THE GROUP'S EQUITY

OWN FUNDS AND CAPITAL RATIOS

Own funds

Quantitative disclosure

	30.06.2025
A. Common Equity Tier 1 (CET1) before application of prudential filters	263,525
of which CET 1 instruments covered by transitional measures	-
B. CET1 prudential filters (+/-)	14,533
C. CET1 including items to be deducted and the effects of the transitional regime (A+/-B)	**278,058**
D. Items to be deducted from CET1	56,194
E. Transitional regime - Impact on CET (+/-)	3,468
F. Total Common Equity Tier 1 (CET1) (C-D+/-E)	**225,332**
G. Additional Tier 1 (AT1) including items to be deducted and the effects of the transitional regime	45,500
of which AT1 instruments covered by transitional measures	-
H. Items to be deducted from AT1	-
I. Transitional regime - Impact on AT1 (+/-)	-
L. Total Additional Tier 1 (AT1) (G-H+/-I)	**45,500**
M. Tier 2 (T2) including items to be deducted and the effects of the transitional regime	721
of which T2 instruments covered by transitional measures	-
N. Items to be deducted from T2	-
O. Transitional regime - Impact on T2 (+/-)	-
P. Total Tier 2 (T2) (M-N+/-O)	**721**
Q. Total Own Funds (F+L+P)	**271,553**

Capital adequacy

Quantitative disclosure

	Unweighted amounts		Weighted amounts/requirements	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
A. EXPOSURES				
A.1 Credit and counterparty risk	5,908,622	7,405,448	1,425,364	1,420,138
1. Standardised approach	5,908,622	7,405,448	1,425,364	1,420,138
2. Internal ratings based approach				
2.1 Basic				
2.2 Advanced				
3. Securitisations				
B. CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			114,029	113,611
B.2 Credit valuation adjustment risk			113	42
B.3 Settlement risk				
B.4 Market risk			578	659
1. Standard approach			578	659
2. Internal models				
3. Concentration risk				
B.5 Operational risk			16,259	16,227
1. Standard approach			16,259	16,227
2. Internal models				
3. Concentration risk				
B.6 Other calculation elements				
B.7 Total prudential requirements			130,979	130,540
C. EXPOSURES AND CAPITAL RATIOS			**1,637,243**	**1,631,745**
C.1 Risk-weighted assets			1,637,243	1,631,745
C.2 CET1 capital/risk-weighted assets (CET1 Capital Ratio)			13.8%	13.3%
C.3 Tier 1 capital/risk-weighted assets (Tier 1 Capital Ratio)			16.5%	16.1%
C.4 Total Own Funds/risk-weighted assets (Total Capital Ratio)			16.6%	16.1%

Large exposures

As at 30 June 2025, the Group's large exposures are as follows:

a) Nominal amount € 4,793,726 (in thousands)

b) Weighted amount € 597,719 (in thousands)

c) No. of positions 19.

RELATED PARTY TRANSACTIONS

Related party transactions, including the relevant authorisation and disclosure procedures, are governed by the "Procedure governing related party transactions" approved by the Board of Directors and published on the internet site of the Parent, Banca Sistema S.p.A.

Transactions between Group companies and related parties were carried out in the interests of the Bank, including within the scope of ordinary operations; these transactions were carried out in accordance with market conditions and, in any event, on the basis of mutual financial advantage and in compliance with all procedures.

With respect to transactions with parties who exercise management and control functions in accordance with art. 136 of the Consolidated Law on Banking, they are included in the Executive Committee resolution, specifically authorised by the Board of Directors and with the approval of the Statutory Auditors, subject to compliance with the obligations provided under the Italian Civil Code with respect to matters relating to the conflict of interest of directors.

Pursuant to IAS 24, the related parties of Banca Sistema include:

- shareholders with significant influence;
- companies belonging to the banking Group;
- companies subject to significant influence;
- key management personnel;
- the close relatives of key management personnel and the companies controlled by (or connected with) such personnel or their close relatives.

Disclosure on the remuneration of key management personnel

The following data show the remuneration of key management personnel, as per IAS 24 and Bank of Italy Circular no. 262 of 22 December 2005 as subsequently updated, which requires the inclusion of the members of the Board of Statutory Auditors.

In thousands of Euro	Board of Directors	Board of Statutory Auditors	Other managers	30.06.2025
Remuneration to Board of Directors and Board of Statutory Auditors	1,264	111		1,376
Short-term benefits for employees			1,604	1,604
Post-employment benefits	75		158	234
Other long-term benefits				
Termination benefits				
Share-based payments	71		23	93
Total	**1,410**	**111**	**1,785**	**3,306**

Disclosure on related party transactions

The following table shows the assets, liabilities, guarantees and commitments as of the date of this report, differentiated by type of related party with an indication of the impact on each individual caption.

In thousands of Euro	Directors, Board of Statutory Auditors and key management personnel	Other related parties	% of caption
Loans and receivables with customers	197	33,133	1.2%
Due to customers	1,248	28,357	0.8%

The following table indicates costs and income, differentiated by type of related party.

In thousands of Euro	Directors, Board of Statutory Auditors and key management personnel	Other related parties	% of caption
Interest income		124	0.6%
Interest expense	11	118	0.2%

Details are provided below for each of the following related parties that are shareholders exceeding the 5% stake threshold in individual Group companies.

In thousands of Euro	Amount (Thousands of Euro)	Percentage (%)
LIABILITIES		
Due to customers		
Shareholders - SGBS	12	0.0%
Shareholders - Fondazione CR Alessandria	7,454	0.2%
Shareholders - Fondazione Sicilia	8	0.0%
Total Liabilities	**7,474**	**0.2%**

Valori in euro migliaia	Importo (€ migliaia)	Incidenza (%)
COSTI		
Interessi passivi		
Shareholders - SGBS	0.09	0.0%
Shareholders - Fondazione CR Alessandria	8.11	0.0%
Shareholders - Fondazione Sicilia	0.12	0.0%
Totale Costi	**8.31**	**0.0%**

SEGMENT REPORTING

For the purposes of segment reporting as per IFRS 8, the income statement is broken down by segment as follows.

Breakdown by segment as at 30 June 2025

Income statement (€,000)	Factoring Division	Retail Division	Collateralised Lending Division	Corporate Centre	Group Total
Net interest income adjusted	41,489	(1,765)	6,616	92	46,431
Net fee and commission income (expense)	3,377	(366)	10,602	17	13,630
Dividends and similar income	173	54	-	-	227
Net trading income (expense)	75	23	-	-	98
Net gains (losses) on hedge accounting	13	4	-	-	18
Gain from sales or repurchases of financial assets/liabilities	8,043	1,293	-	-	9,336
Net result of financial assets and liabilities designated at fair value through P&L	-	-	56	-	56
Total income	**53,169**	**(757)**	**17,274**	**109**	**69,797**
Net impairment losses on loans and receivables	(4,101)	(378)	(74)	(4)	(4,558)
Net financial income (expense)	**49,068**	**(1,135)**	**17,199**	**105**	**65,239**

Statement of Financial Position (€,000)	Factoring Division	Retail Division	Collateralised Lending Division	Corporate Centre	Group Total
Cash and cash equivalents	115,205	35,940	-	-	151,145
Financial assets (HTS and HTCS)	784,394	244,700	-	-	1,029,095
Loans and receivables with banks	15,765	4,943	-	-	20,708
Loans and receivables with customers	1,858,815	683,421	152,765	-	2,695,001
loans and receivables with customers - loans	1,820,689	671,527	152,765	-	2,644,982
loans and receivables with customers - debt instruments	38,126	11,894	-	-	50,020
Due to banks	-	-	-	98,375	98,375
Due to customers	31,818	-	-	3,514,128	3,545,946

This segment reporting includes the following divisions:

- Factoring Division, which includes the business segment related to the origination of trade and tax receivables with and without recourse and the management and recovery of default interest. In addition, the division includes the business segment related to the origination of state-guaranteed loans to SMEs disbursed to factoring customers and the management and recovery of receivables on behalf of third parties;

- Retail Financing Division, which includes the business segment related to the purchase of salary- and pension-backed loans (CQS/CQP) portfolios and salary- and pension-backed loans disbursed through the direct channel;
- Collateralised Lending Division, which includes the business segment related to collateral-backed loans;
- Corporate Division, which includes activities related to the management of the Group's financial resources and costs/income in support of the business activities. In particular, the cost of funding managed in the central treasury pool is allocated to the divisions via an internal transfer rate ("ITR"), while income from the management of the securities portfolio and income from liquidity management (the result of asset and liability management activities) is allocated entirely to the business divisions through a pre-defined set of drivers. The division also includes income from the management of SME loan run-offs.

The secondary disclosure by geographical segment has been omitted as immaterial, since the customers are mainly concentrated in the domestic market.

STATEMENT OF THE MANAGER IN CHARGE OF FINANCIAL REPORTING

1. The undersigned, Gianluca Garbi, CEO, and Alexander Muz, Manager in charge of financial reporting of Banca Sistema S.p.A., hereby state, having taken into account the provisions of Art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998:

- the suitability as regards the characteristics of the bank and
- the effective application of the administrative and accounting procedures for the drafting of the condensed interim financial statements, during the first half of 2025.

2. Reference model

The suitability of the administrative and accounting process for the drafting of the condensed interim financial statements at 30 June 2025 was assessed based on an internal model defined by Banca Sistema S.p.A. that was designed in a manner consistent with the framework developed by the Committee of Sponsoring Organizations of the Treadway Commission (CoSO), which represents the reference standards for the internal control system generally accepted on an international level.

3. Moreover, the undersigned hereby state that:

3.1 the condensed interim financial statements:

a) were drafted in accordance with the applicable international accounting standards endorsed by the European Union, pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;

b) match the accounting books and records;

c) are suitable for providing a true and fair view of the financial position, results of operations and cash flows of the issuer and all the companies included in the scope of consolidation.

3.2 The directors’ report includes a reliable analysis of the important events which occurred during the first half of the year and their impact on the condensed interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The directors’ report includes, moreover, a reliable analysis of the information concerning significant related party transactions.

Milan, 1 August 2025

Gianluca Garbi Chief Executive Officer	Alexander Muz Manager in charge of financial reporting

This report has been translated into the English language solely for the convenience of international readers

INDEPENDENT AUDITORS' REPORT

Banca Sistema S.p.A.

Auditor’s review report

on interim condensed consolidated financial statements

This report has been translated into English language solely for the convenience of international readers

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Auditor's review report on interim condensed consolidated financial statements

(Translation from the original Italian text)

To the shareholders of
Banca Sistema S.p.A.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements, comprising the consolidated statement of financial position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related explanatory notes, of Banca Sistema Group as of June 30, 2025.

Directors are responsible for the preparation of the interim condensed consolidated financial statements in compliance with International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution No. 10867 of July 31, 1997. A review of an interim condensed consolidated financial statements consists of making enquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an 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 interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Banca Sistema Group as of June 30, 2025 are not prepared, in all material respects, in accordance with International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

Milan, August 4, 2025

BDO Italia S.p.A.
Signed in the original by
Andrea Mezzadra
Partner

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Bari, Bologna, Brescia, Firenze, Genova, Milano, Napoli, Padova, Roma, Torino, Verona

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