REPORT AND FINANCIAL STATEMENTS
AT 31 December 2024

FINLOMBARDA S.p.A.

Sole shareholder: the Lombardy Region

Registered office and headquarters: Piazza Gae Aulenti, 1 - Tower B - 20124 Milan

Share Capital: Euro 211,000,000 fully paid-in

Tax code/VAT number and Milan Companies Register no. 01445100157 – Milan Chamber of Commerce no. 829530
no. 124 of the list of financial intermediaries (art. 106 of Legislative Decree no. 385/93 (Consolidated Banking Law)
Company subject to management and coordination by the Lombardy Region.

Board of Directors

Chair	MASCETTI ANDREA
Directors	AGLIARDI DORINO MARIO LOMBARDI MAURIZIO LEONARDO RONCALLI ELISABETTA MARIA PAOLA SIMONELLI

Board of Statutory Auditors

Chair	TUSCANO ANTONIO LIBERATO
Auditors	BELOTTI LUCA MOLINARI MARGHERITA

General Management

General Manager	RALLO GIOVANNI

Audit Firm

AUDIREVI S.p.A.

SUMMARY

REPORT ON OPERATIONS

Dear Shareholder,

2024 closed with a net profit after tax of Euro 8,220,333. Depreciation on property, plant and equipment and amortisation on intangible assets have been charged for a total of Euro 2,023,146.

The annual financial statements were prepared according to the IAS/IFRS international accounting standards and in compliance with the provisions relating to "The financial statements of IFRS intermediaries other than banking intermediaries", issued by the Bank of Italy with integrated provision of 17 November 2022 from the communication of 14 March 2023 concerning "The impacts of COVID-19 and the measures to support the economy".

1. THE MACROECONOMIC CONTEXT

1.1. The global macroeconomic context in 2024

Based on data recently published by the Bank of Italy[1], estimates for global GDP show that global growth in 2024 would stand at 3.2%, in continuity with 2023. At country level, the effect differs by country and area: while 2024 for the UK would show a growth of the previous year's levels (from 0.3% to 0.9%), for the US there would be substantial stability (2.8% vs. 2.9%) and for Japan there would be a decline in 2024 compared to 2023 levels (0.3% vs. 1.7%). China and Russia would maintain the levels of 2023 (from 5.2% to 4.9% and from 3.7% to 3.9%).

Economic activity would remain strong in the US while losing momentum in the other advanced economies. World trade as a whole is expected to grow above 3% in 2025. However, international trade could be affected by geopolitical tensions, with an impact on oil prices and natural gas prices, and a tightening of US trade policy. At its December meeting, the Federal Reserve cut its key interest rates by 25 basis points to 4.25-4.50%; subsequent cuts are expected to be more gradual due to the slower fall in inflation and the low unemployment rate. The dollar appreciated against other major currencies, including the euro. The Bank of England and the Bank of Japan left rates unchanged. China announced a package of measures to support domestic consumption and its intention to maintain an expansionary monetary stance.

[1] Bank of Italy, Economic Bulletin, Number 1 / 2025 January.

GDP growth and macroeconomic scenarios (%)					
	Growth			OECD Forecasts	
	2023	2024 (Q2)	2024 (Q3)	2024	2025
World	3.2			3.2	3.3
Japan	1.7	2.2	0.9	0.3	1.5
United Kingdom	0.3	1.8	0.6	0.9	1.7
United States	2.9	3	2.8	2.8	2.4
Brazil	3.2	3.3	4	3.2	2.3
China	5.2	4.7	4.6	4.9	4.7
India	7.8	6.7	5.4	6.8	6.9
Russia	3.7	4.1	3.1	3.9	1.1
Euro area	0.5	0.2	0.4	0.8	1.3

Source: Bank of Italy Economic Bulletin no. 1 - 2025

1.2. European Union

In 2024, economic growth in the euro area weakened, due to a lack of consumption and investment and a reduction in exports. Manufacturing performed poorly, particularly in Germany; services also recorded a weak performance. Inflation at the end of the year remains around 2%, with stability in the core component: in services the price change is still relatively high, partly reflecting delayed adjustments to past inflation. In December, Eurosystem experts revised the area's growth forecasts downwards, placing them above 1% per year in the three-year period 2025-27: inflation would stabilise around the European Central Bank's target of 2%. In December, the Governing Council of the ECB cut key interest rates by a further 25 basis points and markets expect a further reduction of around 75 basis points over the course of 2025. However, despite the gradual easing of monetary policy, credit dynamics in the euro area would remain subdued, in a context of significant uncertainty and weak demand.

1.3. International financial markets

In the quarter just ended, the IRS rates in euro contracted on the short-term part of the curve, closing in a narrowing comparison over the whole year, for all maturities. Although decreasing, the values of the short-term end of the Euribor curve (1 month vs. 6 months) remain higher. Over the whole year, the general decline in yields was confirmed, consistent with the sequence of reference rate cuts by the ECB. The stock market shows positive quarterly performances on the major indices, with the exception of the Hang Seng, and 2024 closes with double-digit annual performances for all markets (including Hong Kong). On the foreign exchange market, the euro weakened over the year against the US dollar and the pound sterling.

Following the significant increase in yields since 2022, Italian government bonds closed 2024 on a downward trend, reflecting positive factors such as the confirmation of Italian debt ratings (S&P: BBB, Fitch: BBB, Moody's: Baa3) and expectations of upcoming ECB rate cuts.

Main 10Y bond yields	dic-24	YTD change (bps)	Quarterly change (bps)	24/01/2025	Monthly change (bps)
Italy 10 Year	3,52%	-17	+6	3,66%	+14
Spain 10 Year	3,06%	+8	+13	3,19%	+13
Germany 10 Year	2,37%	+34	+24	2,57%	+20
UK 10 Year	4,57%	+104	+56	4,63%	+6
US 10 Year	4,57%	+70	+78	4,62%	+5

Italian bond yields	dic-24	YTD change (bps)	Quarterly change (bps)	24/01/2025	Monthly change (bps)
Italy 2 Year	2,42%	-56	-5	2,58%	+16
Italy 5 Year	2,87%	-19	+17	3,02%	+15
Italy 6 Year	2,98%	-20	+1	3,18%	+20
Italy 10 Year	3,52%	-17	+6	3,66%	+14
BTP-Bund spread	115	-50	-17	109	-7

Stock Markets	dic-24	Change YTD %	Quarterly change %	24/01/2025	Monthly change %
Ftse Mib Index	34.186	12,63%	0,18%	36201	5,89%
Euro Stoxx 50 Index	4.896	19,61%	9,95%	5219	6,61%
S&P 500 Index	5.882	23,31%	2,07%	6101	3,73%
HK Hang Seng Index	20.060	17,67%	-5,08%	20066	0,03%
Nikkei 225	39.895	19,22%	5,21%	39932	0,09%

Main currencies	dic-24	Change YTD %	Quarterly change %	24/01/2025	Monthly change %
Euro/Us Dollar	1,04	-6,18%	-7,01%	1,0497	1,38%
Euro/British Pound	0,83	-4,54%	-0,61%	0,84064	1,59%
Euro/Japanese Yen	162,78	4,59%	1,79%	163,68	0,55%
Euro/Swiss Franc	0,94	1,24%	-0,15%	0,95101	1,16%
US Dollar/Yuan	7,34	2,99%	4,75%	7,2443	-1,28%

EU Rates	dic-24	YTD change (bps)	Quarterly change (bps)	24/01/2025	Monthly change (bps)
IRS 2Y EUR	2,19%	-60	-10	2,40%	+21
IRS 5Y EUR	2,25%	-18	+4	2,44%	+19
IRS 10Y EUR	2,36%	-13	+2	2,51%	+15

US Rates	dic-24	Change YTD (bpP)	Quarterly change (bps)	24/01/2025	Monthly change (bps)
IRS 2Y USD	4,08%	-27	+38	4,11%	+3
IRS 5Y USD	4,04%	+23	+52	4,11%	+7
IRS 10Y USD	4,07%	+32	+48	4,16%	+9

Other	dic-24	Change YTD % / bps	Quarterly change % / bps	24/01/2025	Monthly change % / bps
MXEU Index	169,88	5,75%	-3,01%	177,57	4,53%
Italy YoY inflation	1,30%	+70	+60	1,30%	-

Euribor Rates	dic-24	Change YTD	Quarterly change	24/01/2025	Monthly change (bps)
Euribor 1M	2,85%	-100	-50	2,74%	-11
Euribor 3M	2,71%	-120	-57	2,64%	-7
Euribor 6M	2,57%	-129	-54	2,58%	+1

Our processing of Refinitiv data - 1/2025

After peaking at the end of 2022 - at over 11% - inflation has gradually declined. The latest measurement, i.e. the final data of 24 January 2025, report inflation of 1.3% (referring to the Italian situation).

After reaching their all-time lows since the introduction of the euro in early 2022, Euribor rates returned to positive territory in early 2023. After peaking in 2024, values are expected to fall relatively steadily in 2025.

First measurement of 1-month Euribor for each year

1-month Euribor									
2016	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
-0.21%	-0.37%	-0.37%	-0.36%	-0.44%	-0.57%	-0.58%	1.88%	3.86%	2.79%

1.4. The Italian economy

According to Bank of Italy estimates[2] our country's growth would slow down in 2024, compared to 2023, with quarterly fluctuations between 0 and 0.3%. As in the rest of the euro area, the weakness of manufacturing and the slowdown in services would also have weighed heavily in Italy. The stimulus injected by the National Recovery and Resilience Plan would have counteracted, at least partially, the lower activity in the residential sector. Household spending and investment would contract in 2024, while projections would see a recovery in 2025 (+1% on average over the three-year period 2025-2027).

Albeit against a backdrop of significant uncertainty, the forecast scenario would show a strengthening of foreign demand growth, a slight drop in energy commodity prices, a decline in interest rates over the three-year period in the short-term segment and a slight increase in the long-term segment.

Uncertainty would mainly depend on developments in the international scenario, with a potential shift in trade policy towards protectionism and continuing tensions arising from ongoing conflicts, which could lead to a decrease in foreign and domestic demand, downward pressure on consumer prices, possible fresh increases in commodity prices and higher inflation.

In the manufacturing sector, investments decreased in the first three quarters of 2024. The decline affected all main components except construction. Investment in machinery and equipment, which contracted sharply, was affected by the continuing sluggishness of the manufacturing cycle, as well as uncertainties surrounding the implementation of the Transition 5.0 plan[3]. On the other hand, companies' expectations of investment recovery in 2025 would be slightly better. With regard to the service sector, modest growth in activity is predicted, with better expectations for retail trade.

In the latter part of 2024, consumer confidence decreased in relation to the economic situation and employment expectations. People still turn to savings because of still high real interest rates, to the

[2] Bank of Italy, Economic Bulletin, Number 1 / 2025 January.

[3] The measure consists of an allowance, in the form of a tax credit, proportional to the expenditure incurred for new investments supporting the digital and energy transformation process of companies. The plan makes Euro 12.7 billion available to companies over the two-year period 2024-2025.

detriment of consumption. Demand for housing grew moderately in the autumn. In foreign trade, in the first three quarters of 2024, imports returned to growth (+1.2% in Q3), while exports decreased (-1.2% and -0.9% in Q2 and Q3 2024, respectively). The current account balance contracted significantly, albeit remaining in surplus (1% of GDP). The financial account showed a large surplus (Euro 28.2 billion). Non-resident investors continued to buy Italian government bonds. The net international credit position strengthened again (Euro 265.2 billion, 12.2 % of GDP). In view of the prospect of tariff increases by the United States, there could be non-negligible negative effects as it is the second largest destination, after Germany, for our exports (11% of the total in 2023, totalling Euro 63 billion). The most exposed sectors would be shipbuilding and aerospace, followed by pharmaceuticals, jewellery, eyewear, furniture, automotive, mechanical engineering and foodstuffs, which show average exposures of between 5 and 7% of the turnovers of the companies involved and between 15 and 27% of their exports. Consumer inflation remained below 2%, mainly due to the lower cost of the energy component and almost zero growth in the prices of non-energy industrial goods. Price increases in services remain relatively high, while those in foodstuffs are at lower levels. Household and corporate inflation expectations would remain moderate at close to 2%.

1.5. Labour market

Employment growth remains constant in 2024 (+0.5%), with a larger contribution from private services than industry and a marked decline in construction. There was a decrease in the unemployment rate to 6.1%, due to an increase in employment and a simultaneous decrease in the labour force, especially among women and individuals aged 15-49.

There were signs of weakening in the labour market during the period, including a reduction in hours worked per employee (-0.3% in manufacturing and services) and high use of the Wage Guarantee Fund. In the private sector, contractual wages increased (+4.2% in Q3 2024, year-on-year, for private non-agricultural labour). De facto hourly wages also increased in the third quarter (4% compared to 3.5% in the previous quarter) in industry in the narrow sense and in services, while it came to a standstill in construction. The dynamics of contractual wages would also remain strong in the first half of this year due to the large share of workers awaiting contract renewal (37% as of November 2024), mainly due to the delayed renewal of expired contracts in the construction and engineering sectors.

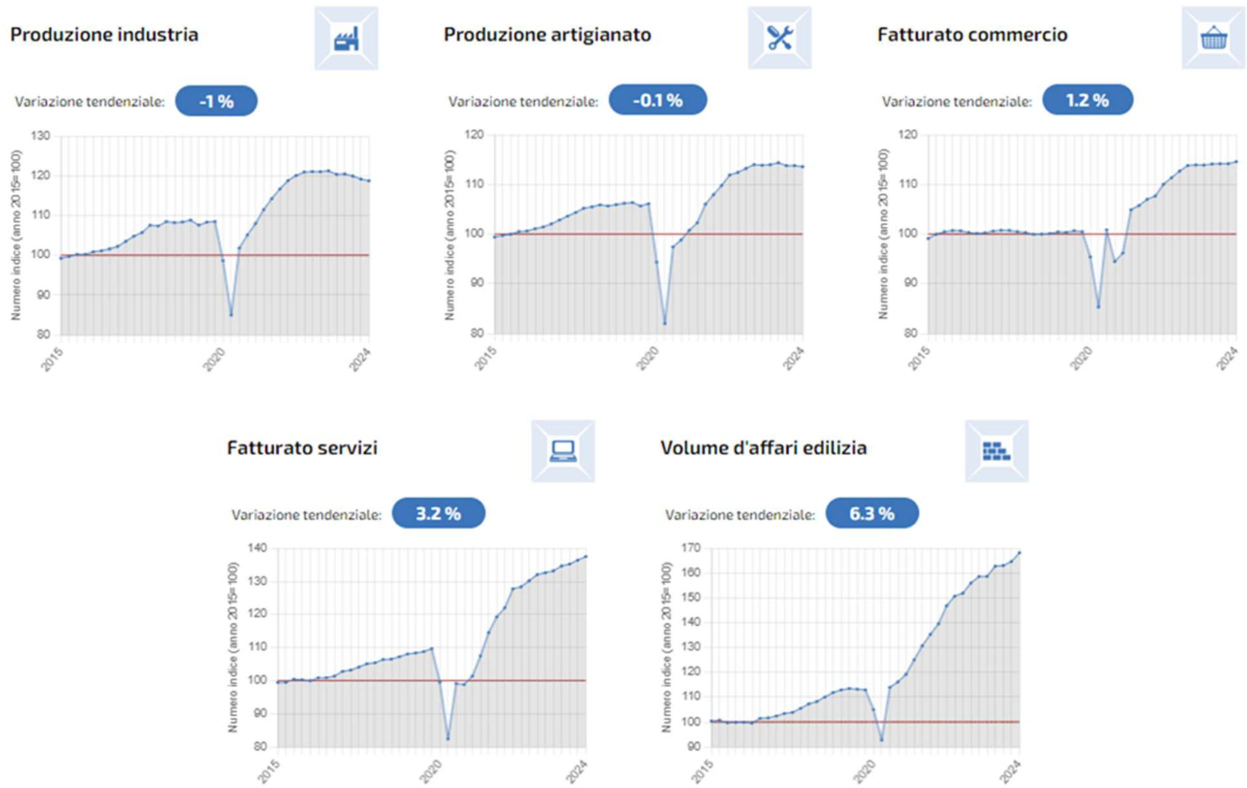
1.6. Lombardy Region

The most recent findings gathered by Unioncamere Lombardia[4]indicate that the region's economy was stagnant in 2024, primarily due to the performance of industrial production. In the third quarter this declined by 0.4% on a cyclical basis and by 1% on an annual basis. The rate of capacity utilisation fell by a few tenths of a percent compared to the previous year, with sectors recording rates below 70% (textiles, leather, footwear, transport equipment and steel). Order figures also indicate substantial stagnation, with no growth for domestic orders and 0.6% for foreign orders. Both price and employment growth slowed down. The indicator of the use of wage guarantee funds by companies shows greater difficulties for textiles, clothing, transport equipment and footwear. The chemical industry and the food sector, on the other hand, are the sectors that show better dynamics, in particular the chemical industry, with reference to domestic demand, as with the food sector, which performed positively in the foreign market.

The expectations of Lombardy's industrial enterprises indicate uncertainty, particularly with reference to expectations surrounding production and orders (foreign demand) and geopolitical risks with the subsequent fears that difficulties with commodity supplies could reappear.

On a positive note, the best opportunities according to companies would be associated with falling raw material costs and an expected recovery in foreign demand.

[4] Unioncamere Lombardia, The Economy of Lombardy. Trends in the manufacturing sector Q3 2024, Milan November 2024



Source: Unioncamere Lombardia, The Economy of Lombardy. Trends in the manufacturing sector Q3 2024, Milan November 2024

1.7. Credit market

According to the Bank of Italy's analysis,[5] the cut in official rates would be passed on to the cost of bank funding (-26 basis points between August and November 2024) and to the cost of credit: interest rates on new bank loans would have fallen between August and November from 5.1 to 4.5%, corresponding to the drop in the risk-free reference rate (3-month Euribor for floating-rate loans and 10-year IRS for fixed-rate loans). Loans to businesses would have declined further, due to a greater reliance on self-financing, in a context of persistently weak credit demand and still restrictive supply criteria. In addition, companies made net bond redemptions (Euro 1.8 billion) and the net issuances of non-financial companies decreased further compared to the autumn. Credit to households would remain weak, although home loans accelerated slightly, reflecting the moderate expansion in demand.

Since the beginning of October, ten-year yields on Italian sovereign bonds have risen (+26 basis points, to 3.8% on the ten-year maturity); the spread against the corresponding German bonds, on

[5] Op. Cit.

the other hand, has narrowed (-13 basis points to 117 points, at the beginning of January). Italian share prices rose, bucking the euro area trend, mainly due to the solid performance of the financial sector (+4.2% increase in the general stock market index between October and the beginning of January). Net borrowing in 2024 would fall to 3.8% of GDP from 7.2% in 2023. According to the recently approved budget measure, the deficit is expected to increase by 0.4, 0.6 and 1.1 percentage points of GDP in the current and two subsequent years, respectively. With specific reference to Lombardy, the trends in bank loans by sector and branch of economic activity, with reference to changes over the 12 months, are shown below.

Bank loan by economic sector (1) (percentage changes over 12 months)

			Non-financial private sector						
				Enterprises					
						Small (3)			
PERIODS	Public administration	Financial and insurance companies	Total non-financial private sector (2)	Total enterprises	Medium-large	Total small enterprises	of which producer households (4)	Consumer households	Total
Dec. 2022	-1.4	7.7	2.7	1.7	2.4	-3.8	-2.3	4.2	3.5
Mar. 2023	-0.5	4.7	1.2	0.4	1.1	-5	-3.4	2.7	1.8
Jun. 2023	-2	1.3	-1	-2.1	-1.5	-7.3	-5.6	0.9	-0.6
Sept. 2023	-2	-0.8	-3.8	-5.9	-5.6	-9	-7.2	-0.2	-3.2
Dec. 2023	-1.7	-3.2	-2.6	-3.6	-3	-8.7	-7.5	-0.7	-2.7
Mar. 2024	-3.7	-2.5	-2	-2.9	-2	-9.3	-8.1	-0.5	-2.1
Jun. 2024	-1.9	5.8	-1	-1.7	-0.8	-8.6	-7	0.2	0.2
Sept. 2024	-2.7	8.1	-0.7	-1.5	-0.8	-6.9	-5.8	0.8	0.9
Sept. 2025 (end-of-period stocks)	7,232	83,171	329,889	195,897	176,009	19,888	12,777	131,938	420,293

Source: regulatory reporting - Regional economies - Lombardy's economy - Economic update - November 2024

(1) Includes non-performing loans and repurchase agreements; changes are adjusted to take into account the effect of securitisations, reclassifications, other disposals other than securitisations, exchange rate changes, write-downs and revaluations. - (2) Also includes non-profit institutions serving families and unclassified or unclassifiable units – (3) Limited partnerships and general partnerships, simple partnerships, de facto corporations and sole proprietorships with fewer than 20 employees. – (4) Simple partnerships, de facto corporations and sole proprietorships with up to 5 employees.

Bank loans to businesses by business segment (percentage changes over 12 months and millions of euro)

Segments	Dec. 2022	Mar. 2023	Jun. 2023	Sept. 2023	Dec. 2023	Mar. 2024	Jun. 2024	Sept. 2024	End-of-period balances (Sept. 2024)
Manufacturing activities	4.3	-1.3	-5.2	-7.5	-7.2	-7.1	-6.9	-5.3	54,750
Buildings	-0.4	-2	-4.2	-6.1	-4.8	-7	-6.9	-2.7	17,313
Services	2.1	2.9	0.2	-4.9	-2	-0.7	1.9	0.4	108,378
Total	1.7	0.4	-2.1	-5.9	-3.6	-2.9	-1.7	-1.5	195,897

Source: regulatory reporting - Regional economies - Lombardy's economy - Economic update - November 2024

1.8. *Future outlook*

According to the assessments of Intesa Sanpaolo analysts,[6] the US economy would show greater resilience than expected, justifying a less expansionary monetary approach in the short term, even regardless of more inflationary policies in 2025. US growth could be 2% in 2025, if the Federal Reserve cuts rates by 50 basis points. In China, US *derisking* policies and domestic difficulties would limit growth potential, while in the Eurozone, moderate growth could be expected in 2025 (0.9%), mainly linked to the recovery of consumption, supported by the recovery of household purchasing power. However, considerable risks should be taken into account, related to developments in savings, industrial activity and trade policies. The ECB will, according to analysts, implement further gradual interest rate cuts in 2025, by a total of 100 basis points, and continue the reduction of the APP (Asset Purchase Programme, i.e. the Eurosystem-led programme for the purchase of public and private securities) and PEPP (Pandemic Emergency Purchase Programme) portfolios as well as purchases for the reinvestment of the principal repaid on maturing securities, initiated in response to the extraordinary economic and financial shock triggered by the coronavirus pandemic. In Italy, economic growth (around 1% in 2025-26) would be mainly driven by final consumption, with a gradual increase in real disposable income. The perception of risks associated with Trump's second term in office is clearly on the rise and a radical implementation of the actions anticipated by the new US president could have a negative impact on the European economy. Increased uncertainty would pose a risk to business confidence and investment, and coordinated action at European level would be essential to meet the challenges stemming from geopolitical tensions and structural change, but lack of leadership is an obstacle.

[6] V. L. Mezzomo, *From the Imaginary to the Real: The 2025 Scenario and the Political Turning Point in the United States*, Research, Macroeconomic Analysis Department, 21 January 2025.

2. THE ACTIVITY CARRIED OUT IN 2024

During the year, the company consolidated its financial intermediation activities, increasingly acting as a regional reference tool for supporting access to credit by companies and other players in the Lombardy system. Financial intermediation activities were developed through the structuring and management of *corporate banking* products with resources exclusively from the Company, capable of identifying a wide range of beneficiaries and an extensive range of purposes and needs, and much more, also with 'mixed' products, combined with regional resources and as part of co-financing with other operators in the banking/financial market. All activities carried out and products managed contribute to the implementation of specific regional policy objectives.
Similarly, the development policies of the Lombardy Region were supported by the management of subsidised finance products, based on EU (2014-2020, 2021-2027) and regional planning resources, as well as the management of initiatives involving non-repayable grants and the provision of free and customised services to businesses.

Financial intermediation products

With regard to **credit** products **using its own resources**, on the one hand, the company continued to manage co-financing measures combined with regional resources, which had already been launched in previous years, and on the other hand, it injected impetus in new initiatives, using its own resources alone or combining them with regional resources:

- **"AL VIA" Initiative**: the measure, intended for Lombardy-based SMEs to finance productive investments, consists of medium-term co-financing of up to 6 years (50% funded by Finlombarda and 50% by participating intermediaries) for a total of Euro 220 million. It is combined with a capital contribution on ROP ERDF 2014-2020 resources (from 5% to 15%) and a first-demand free guarantee equal to 70% of the co-financing disbursed, again drawn from the resources of ROP ERDF 2014-2020. In September 2020, the Initiative was revised with the introduction of the new funding line Corporate Investments FAST, in addition to the already existing lines 'Corporate Development' and 'Relaunch of Productive Areas', which also supports investments for compliance with new health and safety protocols in the post-Covid and provides a capital contribution on resources ROP ERDF 2014-2020 equal to 15%.

The cumulative amount of disbursements in 2024 was Euro 0.343 million, considering only the resources based on the portion of co-financing of Finlombarda.

- **“Credito Adesso Evolution”**, launched in April 2020 and refinanced on several occasions with a funding of Euro 1,279 million (50% from Finlombarda, 50% from banks and Confidi partners) and Euro 97.6 million in regional resources from interest subsidies. The measure in support of companies' working capital has the following characteristics: a) co-financing for a maximum of 72 months, of which a maximum of 24 months of pre-amortisation by Finlombarda (50%) and banks (50%); b) 3% interest subsidy. Disbursements in 2024 amounted to approximately Euro 2.3 million, considering only the resources based on the portion of co-financing of Finlombarda;
- “**Patrimonio Impresa”**, measure initiated in July 2021 to finance capital strengthening (with a non-repayable regional grant of 30%) and investments in strategic areas for economic recovery and revival (investment attraction, repatriation of production, reconversion and business development, digital and "green" transition) of SMEs and professionals in Lombardy. The measure has a budget of Euro 100 million for loans made available by Finlombarda, Euro 30 million for non-repayable grants and Euro 10 million for guarantees on loans granted by Finlombarda, made available by the Lombardy Region. The value of disbursements for 2024 amounted to about Euro 0.434 million on the Finlombarda share of the financing; it should be noted that 495 companies also received disbursements of around Euro 28.9 million;
- “**Plain Vanilla”,** product to support the financial needs of Lombardy companies belonging to any production sector through the disbursement of loans, unsecured or mortgage, intended to cover the costs inherent in the company's investment plan (capex) and/or operational management (opex). During 2024, 54 financing operations were approved for a total value of Euro 96.67 million and 43 sums were disbursed for a total value of Euro 77.64 million.
- "**Minibond**", instrument aimed at supporting Lombardy-based companies, in co-financing with leading operators in the financial sector, through the subscription of bonds issued by the companies to finance their investment plans and working capital requirements, or for debt refinancing. Finlombarda has dedicated a credit limit of Euro 50 million to companies that qualify as sustainable, according to the criteria 'ESG'. Since the initiative was launched, 14 transactions have been approved, of which 11 subscribed for a total subscription value (Finlombarda portion) of Euro 21.38 million against a total issue value of Euro 82 million.

- "**Crowdfunding Minibond**", instrument aimed at supporting the regional productive fabric through the subscription of minibonds, even of very low value (minimum Euro 150,000), placed through authorised crowdfunding platforms, issued by Lombardy companies to finance business investment plans, working capital requirements or to refinance debt. Finlombarda subscribed to a minibond placed through a crowdfunding platform worth Euro 1.25 million, against a total issue value of Euro 2.5 million.
- **Syndicated Loans:** the product involves the intervention of the Company in pooled financing operations as Participant to support Lombardy companies that will have to carry out investment programmes with high financial requirements. The initiative involves a credit limit dedicated to transactions carried out using the guarantees issued by SACE S.p.A - CDP Group amounting to Euro 200 million and a credit limit dedicated to *leveraged and acquisition financing* transactions amounting to Euro 65 million. Since the initiative was launched, 15 pooled transactions have been approved for a total amount of Euro 612.6 million (of which Euro 92 million the Finlombarda share).
- **"Financing for the Vocational Education and Training System (IeFP)",** an initiative launched in 2024 to support the training offer of the regional vocational education and training system (IeFP) through the granting of advance financing to the Accredited IeFP Entities recipients of the "dual IeFP budget 2024/2025" granted by the Lombardy Region and of interest subsidies to reduce the charges deriving from the financing granted. Three institutes were financed for a total value of Euro 6.81 million.
- **"Re-Impresa",** an initiative aimed at supporting Lombardy-based companies that have undertaken a restructuring process and need new resources to finance the relaunch phase of their business, taking advantage of some of the instruments provided for by the Business Crisis and Insolvency Code; the product provides for the granting of a loan by Finlombarda backed by a regional public guarantee. To date, financing of Euro 1.14 million has been granted.
- **"Basket Bond Filiere Lombardia",** an initiative launched towards the end of the financial year financed with European funds from the Lombardy Region's ERDF PR 21-27 and managed by Finlombarda, which supports projects with a positive impact on the supply chain through a financial instrument in the form of Basket Bonds (portfolios of minibonds issued by several companies) assisted by a public guarantee and a non-repayable contribution to cover initial losses and issuance costs, respectively. Finlombarda participates in the initiative as

manager of the guarantee fund and as a 50% subscriber, with its own resources, together with Cassa Depositi e Prestiti S.p.A., of the notes issued by the securitisation SPV.

- "**Fondo RipreSA**", product launched in 2024 to financially support the sector of non-profit care homes (RSAs) accredited with the Regional Health System, through the granting of mortgage loans from 18 months to 10 years (which can be increased to 15 for SMEs) for amounts between Euro 100 thousand and Euro 1 million (and in any case, no more than 10% of the average turnover in the last two financial years) assisted by a free regional guarantee. Six financing transactions were approved for a total value of Euro 6.74 million.
- "**Credito F.A.C.I.L.E.**", an alternative finance product developed in collaboration with the October social lending platform, in response to the liquidity needs of Lombardy businesses during the economic recovery phase from the pandemic event. Finlombarda subscribed notes issued by the October SME IV Alternative Investment Fund managed by October Factory SGR and dedicated to the granting of loans through the October platform. The investment period ended in 2022 and the resources contributed by Finlombarda, amounting to Euro 6.4 million, were used to disburse sixty loans to SMEs in Lombardy.

Subsidised finance products

With regard to the financial instruments with EU resources from the 2014-2020 programming period, efforts continued to manage the interventions already started in previous years, as this programming cycle is in the conclusion phase. In particular, we mention the measures FREE (Regional Energy Efficiency Fund), Al Via, R&D Line for SMEs (FRIM ERDF 2020), R&D Line for Aggregations, Credit Fund for Agroindustry (Operation 4.2 RDP-FEASR), Intraprendo Line, Counter-guarantee Line, FRIM ERDF 2020 "Research & Development", Internationalisation Line.

As regards the **financial instruments with EU resources of the 2021-2027 programming**, in 2024 the management activity covered several measures:

- **"Internationalisation line 2021-2027" - Projects for competitiveness in foreign markets**, which supports the internationalisation of Lombardy companies by supporting the implementation of structured development programmes aimed at starting up and/or consolidating their business in foreign markets. The subsidy, which may not exceed a total amount of Euro 350,000, is granted and disbursed up to 100% of eligible expenses, of which 80% in the form of subsidised loans and 20% in the form of non-repayable grants, with a minimum investment of Euro 35,000.

- **"Research and innovate"** (first and second implementing tender), which supports investment in industrial research, experimental development and process innovation (including digital) by Lombardy SMEs. The facility, which fully covers the eligible project investment, provides for an interest-free loan combined with a non-repayable (capital) contribution from a minimum of Euro 80,000 up to a maximum of Euro 1 million.
- **"Investment Attraction Line",** which supports the attraction of new investments and the consolidation/development of existing investments related to the start-up of a new operational headquarters or the expansion of an existing operational headquarters by SMEs and MidCaps in Lombardy. The facility consists of a free regional guarantee on a medium-long term loan granted by the financing entities and aimed at obtaining the necessary financial resources for the investment and a non-repayable grant, for investments between Euro 200,000 and Euro 10,000,000.
- "**Green Line**", which supports investments in energy efficiency in production facilities through the reduction of energy consumption and energy recovery and/or greenhouse gas capture by SMEs and large enterprises in Lombardy. The facility consists of a free regional guarantee on a medium-long term loan granted by the financing entities and aimed at obtaining the necessary financial resources for the investment and a non-repayable grant, for investments between Euro 100,000 and Euro 3,000,0000.
- "**Company Development Line**", which supports investments in the strengthening of production and organisational flexibility and the enhancement of resilience to endogenous and exogenous shocks, with particular reference to the use of new digital technologies, by Lombardy's SMEs and MidCaps. The facility consists of a free regional guarantee on a medium-long term loan granted by the financing entities and aimed at obtaining the necessary financial resources for the investment and a non-repayable grant, for investments between Euro 100,000 and Euro 3,000,0000.
- "**Microcredit**", which facilitates start-up or business development projects by SMEs and self-employed VAT-registered persons, through the direct involvement of microcredit operators and Confidi affiliated with the Lombardy Region. The facility makes provision for a regional loan with a nominal interest rate of zero, combined with a loan granted on market terms by a microcredit operator with an agreement with the Lombardy Region, both covering 100% of the eligible expenses for a maximum eligible amount of between Euro 15,000 and Euro 75,000, which can be increased to Euro 100,000 if the beneficiary is a limited liability company.

- "**Lombardia Venture**", which supports access to venture capital by Lombardy's companies and attracts other venture capital investments in companies through a partnership approach with private investors. The measure has an endowment of Euro 40 million and provides for the subscription by a "fund of funds", managed by Finlombarda, of minority interests in three venture capital funds - selected by means of a regional public tender procedure - (United Ventures III Lombardia managed by United Ventures SGR S.p.A, Indaco Ventures I - Parallel Lombardia managed by Indaco SGR S.p.A. and Fondo Parallelo LV 360 managed by 360 CAPITAL), which started investing in the venture capital of 'deep tech' start-ups and scale-ups (excluding pre-seed and seed stages) in Lombardy;
- "**Measure for the strengthening of production chains and industrial ecosystems**": which facilitates and supports the strengthening of regional production chains and industrial ecosystems in global value chains in order to increase, also in line with the EU industrial strategy, the innovation capacity, production and investment of enterprises through the implementation of supply chain projects related to one of the following project

  (i) the competitive strengthening of supply chains and industrial ecosystems, (ii) the establishment and development of new supply chains, (iii) the environmental, social and economic sustainability of supply chains and the circular economy, and (iv) innovation, technological improvement and digitisation of supply chains. The measure provides for a loan to cover a maximum of 60% of the eligible expenses accrued and up to Euro 2.5 million, duration between 3 and 6 years with a fixed rate of 1.5%, combined with a contribution to cover a maximum of 10% of the eligible expenses accrued and within the limits of the aid scheme (for experimental development activities only, a non-repayable contribution is envisaged).

As far as **financial initiatives with autonomous regional resources are concerned,** Finlombarda continued to manage the applications already presented which include, among others, the call for applications for the “Fund for credit support for cooperative enterprises”, “Fund for the capitalisation of cooperative enterprises and the “Fund for financial support to agricultural enterprises for operating credit”, for which a new branch was opened in November 2024, to support the needs for the liquidity needed to operate agricultural enterprises through the granting of interest subsidies.

In December 2024, the 'Credito Adesso Lombardia Factoring' measure was also launched to facilitate access to credit, in the short-term, for Lombardy SMEs belonging to one of the supply chains recognised by the Lombardy Region by financing temporary cash needs through the mobilisation of receivables due from other companies belonging to the same supply chain. The measure involves a regional guarantee issued free of charge in favour of the financing entities contracted with the Lombardy Region and in the interest of the beneficiaries to cover the non-repayment of eligible financial operations (advance credit lines).

In 2024, Finlombarda also continued to manage the initiative involving the **financing of investments of Local Lombardy entities** through a portion of the resources from the "programme for economic recovery" on the "Initiatives for economic recovery" Fund pertaining to the initiatives referred to in Regional Council Decree no. XI/4525 of 7 April 2021, amounting to Euro 91 million for Lombardy's municipalities.

Regarding regional tenders without repayment for the development of local competitiveness, the Company provided technical assistance for a number of initiatives:

- **Tourism and Attractiveness - second edition**, support to the competitiveness of hotel and non-hotel open-air accommodation structures;
- **Lombardy Region - Cariplo Foundation Joint Notice**, for the granting of contributions to support the transfer of knowledge in the Advanced Materials sector;
- **Distretti del Commercio**, concession of contributions directly to local authorities and indirectly to companies and aspiring entrepreneurs for projects of urban economic territorial reconstruction within the commercial districts of Lombardy;
- **Ripresa 2021,** provision of grants for Lombardy SMEs that intend to invest in their own development and with initiatives focused on digital and green transition and on safety at work;
- **Tech Fast Lombardia,** provision of grants in favour of Lombardy SMEs that intend to carry out projects of experimental development and process innovation (including digital) related to the areas of specialisation of the Strategy of Regional Intelligent Specialisation (S3) of the Lombardy Region;
- **Recovery 2022 -** Energy efficiency line of the production process of micro, small and medium manufacturing enterprises for the provision of grants that intend to start investments in the energy efficiency of their production site;
- **Trade Districts 2022-2024**, provision of grants to support both direct investments by economic operators and initiatives to develop the urban context and the local area carried out by local authorities;
- **ALL - Attrattività Locale Lombardia (Local Lombardy Appeal**), provision of grants to Lombardy's municipalities for the implementation of projects for the enhancement and

redevelopment of publicly owned real estate, with the aim of enhancing the appeal of the reference territories from a tourist, economic and social point of view;

- **Social Housing**, technical assistance activities for the implementation of social housing policies;
- **Tourism and Attractiveness (3rd edition)** for the upgrading of hotel and non-hotel accommodation facilities managed in the legal form of a business enterprise in operation at the date of application and the construction of new hotel and non-hotel accommodation facilities managed in the legal form of a business enterprise;
- **AT social**, technical assistance for the measure to support the implementation of projects to carry out activities of general interest by voluntary organisations, social promotion associations and third sector foundations pursuant to Articles 72 and 73 of Legislative Decree No. 117/2017;
- **Brevetti 2023**, to support Lombardy's SMEs or freelancers in obtaining new European and international patents or patent extensions at European or international level for industrial inventions, in order to promote the innovative capacity of Lombardy's economic system by protecting its intellectual property assets.

Business Services

On the **business services and consulting for the Lombardy Region** front, in 2024 the company continued to provide free customised services to companies, with a focus on competitiveness in key areas such as innovation, sustainability and internationalisation. The initiatives implemented bolstered the integration of services provided through the "Simpler" project (European EEN - Enterprise Europe Network) and the Open Innovation platform of the Lombardy Region that supports the development of open innovation ecosystems.

The online service 'Enterprise Challenge' was further developed and promoted, an initiative aimed at spreading the culture of open innovation through the promotion and support of open innovation challenges, at regional, national and international level, realised both directly and through the tools made available by the platform. In 2024, a total of 24 challenges were promoted, of which 16 international challenges realised in cooperation with Enterprise Europe Network and 8 in cooperation with local and national players. The international challenges involved several countries including: Poland, Moldova, the Netherlands, France, Singapore, Spain and were realised in cooperation with leading local players.

The activity of promoting collaborative proposals for research, technology transfer and innovation projects in cooperation with *Enterprise Europe Network* continued. During 2024, a total of 783 collaboration opportunities were promoted, of which 301 referred to technology transfer and innovation projects, 122 to the identification of expertise to form research partnerships and 360 to commercial collaboration projects. Following the publication of the collaboration proposals, 47 companies were assisted and expressed their interest in contacting international proposers. In addition, more than 50 individual consultancy services and 120 international partner searches were provided, supporting companies in participating in European tenders and managing B2B events, which saw more than 100 meetings between companies.

The company also organised and co-organised with Simpler project partners, 50 local events, including webinars and workshops, focusing on topics such as innovation, artificial intelligence, sustainability, European funding programmes and digitisation. At the international level, 21 matchmaking events were held, fostering transnational business and technology collaborations. These activities resulted in the signing of 12 international partnership agreements between companies in Lombardy and abroad.

In addition to offering services, consultancy continued to support strategic planning and governance in the field of research and innovation, with particular reference to the analysis and monitoring of initiatives funded by the PNRR (National Recovery and Resilience Plan) in mission 4 'From research to enterprise' in the Lombardy region. As part of the activities related to Regional Law no. 29/2016 "Lombardy is research and innovation", Finlombarda supported the Lombardy Region in the drafting of the Evaluation Clause, an obligation required by the law to allow the Regional Council to evaluate its implementation and the results gradually obtained in promoting and supporting the development of the Lombardy research and innovation system.

During 2024, Finlombarda also supported the General Directorate for the Environment and Climate, as part of the "Culture of Sustainability" Table, in creating an initiative on sustainable finance that helped to improve the culture of sustainability among companies and financial intermediaries, to identify projects to be financed with regional measures, also in collaboration with the credit sector, to improve regional measures in support of sustainability as well as to strengthen existing relationships and create new ones with important regional and local stakeholders. Participating companies were provided with a **sustainability analysis service** (sustainability assessment and ESG rating calculation) to identify areas for improvement for the individual company, and participated in in-depth sessions aimed at identifying investments with a view to a 'green' transition, thus facilitating access to sustainable financing.

In 2024, Finlombarda started providing technical support to the Directorate General for Universities, Research and Innovation under the framework of the **European GreenGov project** whose objective is to support European regions and local authorities of all sizes in understanding the EU taxonomy, and turn the implementation of DNSH (Do Not Significant Harm) into an opportunity to improve the governance of funding programmes. The project will last four years.

Finlombarda's action, also in terms of institutional relations and communication, reflects the strategic role played by the company as a financial institution for promotion that works for a more sustainable, competitive and attractive economic development of the territory, with a special focus on the international positioning of companies, innovative and strategic technological sectors and investments in supply chain projects.

Specifically, the communication and institutional relations activities vis-à-vis the main European, national and regional and internal stakeholders consisted of:

- institutional appointments, collaborations (InnovUP and AssoFintech) and agreements (ANCI, the Lombardy Federation of BCCs and Assintel) for adequate knowledge of regional concession measures and financial products under management;
- insights into current economic and financial issues in various formats;

- promotion of success stories of funded and assisted enterprises related to the topic of sustainability and innovation;
- enhancement of financial instruments managed and financed with EU funds under the Lombardy ERDF 21-27 PR;
- consolidation of institutional relations with the European Parliament and the European Commission, thanks to the coordination, within the networks of EAPB (European Association of Public Banks), ANFIR (National Association of Regional Financial Institutions) and GIURI (Informal Group of Italian Representative Offices), of expert groups and specialised commissions on the use of financial instruments in the implementation of European funds and their policies (cohesion policies first and foremost);
- coordination of the 'ANFIR Financial Instruments Commission' and co-coordination, together with the Investment Bank of Berlin, of the 'EAPB Expert Group on Cohesion Policies and Financial Instruments

In 2024, Finlombarda's new institutional website went live through the reorganisation of the content to make it easier and more immediate for the user to navigate and search for funding opportunities of interest, as well as more attractive graphics and the possibility of mobile navigation.

3. SUMMARY OF 2024 RESULTS

3.1. *Income statement*

The following table shows the results achieved during the year (Euro):

Reclassified Income Statement	31/12/2024	31/12/2023
OPERATING INCOME - OP. INCOME	**27,730,951**	**28,791,042**
PURCHASES OF GOODS AND SERVICES	-3,029,306	-3,119,823
VALUE ADDED	24,701,645	25,671,219
PERSONNEL COSTS	-13,421,450	-13,480,875
EBITDA	11,280,195	12,190,344
AMORTISATION AND DEPRECIATION	-2,023,146	-477,514
OPERATING PROFIT FROM OPERATIONS	9,257,048	11,712,830
OTHER INCOME/(EXPENSES)	509,061	62,306
OPERATING PROFIT - EBIT	**9,766,109**	**11,775,136**
FINANCIAL INCOME/(EXPENSES)	2,459,685	305,210
INCOME BEFORE TAXES	12,225,794	12,080,346
(TAXES)	-4,005,461	-4,096,227
NET PROFIT - RN	**8,220,333**	**7,984,119**

Net interest and other banking income came to Euro 27,730,951, Euro 1,060,091 lower than the previous year (-3.68%).

Under net interest and other banking income, there was a decrease in net interest income of Euro 953,458 (-6.43%), with growth in both interest income, deriving from loans receivable and current account balances, and interest expense, mainly due to the increase in interest rates, only falling from the last quarter of 2024. With regard to other financial income and expenses, there was a slight drop in dividends and similar income equal to 17.4%, due mainly to the relegation of the October SME IV coupons. The net result of financial assets valued at fair value is negative for Euro 199 thousand (last year, it was positive for Euro 457 thousand), due essentially to the loss recorded following the final liquidation of the Next fund, amounting Euro 302 thousand; finally, profit on the sale or repurchase of financial assets at amortised cost/fair value with an impact on comprehensive income of Euro 247 thousand (compared to a profit of the previous year equal to Euro 220 thousand).
Fee and commission income amounted to Euro 13,786,516, an increase over 2023 (+4.74%), due to the increase in fees and commissions from EU contracts, which were key in the start of activities

regarding the new 2021-2027 EU programming, and a greater use of the operating grant, which amounted to Euro 11,577,000 (+Euro 964,000 over 2023). Personnel expenses amounted to Euro 13,421,450 thousand, down slightly by about Euro 59 thousand from last year. Costs for other administrative expenses also recorded a slight decrease compared to 2023 equal to approximately Euro 90 thousand, settling at Euro 3,029,306.

Depreciation of tangible assets amounted to Euro 1,650,265, in application of IFRS16 on the company office lease agreement and on car rental, while amortisation of intangible assets amounted to Euro 373 thousand, down by about Euro 104 thousand compared to 2023, due to the capitalisation of evolutionary maintenance on the management system. With regard to write-backs/adjustments on assets at amortised cost and comprehensive income, there was a change from write-backs of Euro 305 thousand in 2023 to write-backs of Euro 2,496 thousand in 2024, a change of Euro +2,191 thousand.

It should be noted that assets at amortised cost show write-backs of Euro 2,386 thousand, also due to the revision of the PD curves (starting from the position as at 31 March 2024) of loans receivable in the portfolio classified as stage 1 and 2; with regard to financial assets at fair value with an impact on comprehensive income, write-backs of Euro 110 thousand were recorded, essentially due to the decrease in credit risk on securities in the portfolios.

In conclusion, net profit in 2024 amounted to Euro 8,220,333, an increase compared to Euro 7,984,119 in 2023.

3.2. Balance sheet

The main balance sheet changes during 2024 are summarised in the following table, in which assets and liabilities have been reclassified to show the invested capital, the sources of financing and their key components.

INVESTED CAPITAL	2024		2023	
	EURO	%	EURO	%
RECEIVABLES	473,858,455		545,634,837	
MISCELLANEOUS RECEIVABLES	6,142,833		7,794,341	
DEFERRED LIQUIDITY	480,001,288	81.93	553,429,178	87.37
MISCELLANEOUS PAYABLES	-5,212,642		-6,326,447	
TAX PAYABLES	-3,927,744		-3,989,302	
TOTAL AMOUNTS DUE	-9,140,386	-1.56	-10,315,749	-1.63
NET OPERATING WORKING CAPITAL - NOWC	**470,860,902**	**80.37**	**543,113,429**	**85.74**
INTANGIBLE ASSETS	984		206,195	
PROPERTY, PLANT AND EQUIPMENT	9,916,703		11,502,046	
FINANCIAL ASSETS	106,757,001		80,213,187	
NET FIXED ASSETS	**116,674,688**	**19.91**	**91,921,428**	**14.51**
OTHER MEDIUM/LONG-TERM NON-FINANCIAL LIABILITIES	-71,030	-0.01	-95,501	-0.02
PROVISION FOR SEVERANCE INDEMNITIES	-1,568,061	-0.27	-1,493,925	-0.24
ADJUSTED INVESTED CAPITAL	**585,896,499**	**100.00**	**633,445,432**	**100.00**

SOURCES OF FUNDS	2024		2023	
	EURO	%	EURO	%
SHORT-TERM FINANCIAL LIABILITIES	0		0	
IMMEDIATE LIQUIDITY	-143,229,541		-176,570,828	
SHORT-TERM FINANCIAL POSITION	**-143,229,541**	**-24.45**	**-176,570,828**	**-27.87**
MEDIUM/LONG-TERM AMOUNTS DUE TO BANKS	475,510,977		558,435,597	
OTHER FINANCIAL FUNDS	0		0	
OTHER MEDIUM/LONG-TERM LOANS	0		0	
MEDIUM/LONG-TERM FINANCIAL LIABILITIES	475,510,978	81.16	558,435,597	88.16
TOTAL MINORITY INTERESTS	**332,281,437**	**56.71**	**381,864,770**	**60.28**
SHARE CAPITAL	211,000,000		211,000,000	
RESERVES	34,394,729		32,596,543	
RESULT FOR THE YEAR:	8,220,333		7,984,119	
EQUITY	**253,615,062**	**43.29**	**251,580,662**	**39.72**
TOTAL SOURCES OF FUNDS	**585,896,499**	**100.00**	**633,445,432**	**100.00**

We highlight the figure for adjusted invested capital, which fell from Euro 633 million to Euro 586 million as a result of the decline in loans to customers for financing in 2024, and in financial assets at fair value, as well as the related change in indebtedness. The decrease in cash and cash equivalents is offset by the increase in the HTCS portfolio.

We also point out that tangible assets do not represent the purchase of assets, but rather the valuation in application of IFRS 16 of the rental contract for the company car and the lease agreement for the building in which the company is based. The property in which the company is based is in rent free until 31 December 2023. The lease instalments will run from 1 January 2024, as will the amortisation schedule under IFRS16.

On the financial liabilities side, 2024 saw the placement of Euro 10 million of bonds, issued under the EMTN Programme, with a four-year term and repayment in a lump sum at maturity. In December, a new line, not yet operational, was also signed with the European Investment Bank (EIB) for a total amount of Euro 150 million. A 20% share of the total financing amount will be allocated to support green projects, such as energy production from renewable sources and investments in energy efficiency.

Lastly, the following indices have been prepared on the basis of the above figures.

	2024	2023
PROFITABILITY RATIOS		
ROE **(RN/MP)**	3.2%	3.2%
RONA **(EBIT/CIR)**	1.7%	1.9%
ROS **(EBIT/M. INTERM.)**	35.2%	40.9%
LIQUIDITY/SOLVENCY ANALYSIS		
PRIMARY LIQUIDITY - ACID TEST (CURR. ASS./CURR. LIAB.)	128.2%	127.5%
ANALYSIS OF FINANCIAL SOLIDITY/STRUCTURE		
GLOBAL LEVEL OF DEBT (MIN.INT./ EQUITY)	191.7%	226.7%

As for the profitability of operations, the ROE ratio remained constant compared to 2023, driven by the increase in operating profit; by contrast, the ROS and RONA posted a significant decrease compared to 2023. Primary liquidity remains constant, while the overall debt ratio decreases significantly, also due to the amortisation of financing lines. On the financial front, the Company maintains a high degree of solvency. In fact, capital absorption amounts to Euro 39.4 million, corresponding to 8% of weighted assets, as required by the regulations on financial intermediaries.

Core capital amounts to Euro 244.9 million (in 2023, it was Euro 240.7 million). At the end of 2024, both the Tier 1 capital ratio and the Total Capital ratio reached 49.75% (see tables 4.2.1.2 and 4.2.2.2 of the explanatory notes, part D).

4. OTHER INFORMATION

In terms of corporate governance, note should be taken of the appointment on 26 February 2024 of Director Elisabetta Maria Roncalli to replace Director Emanuela Saccon, who resigned at the end of the previous year, and the appointment on 13 January 2025 of Director Paola Simonelli to replace Director Sara Anita Speranza, who resigned on 30 October 2024. The changes that occurred were due to personal physiological reasons. Paola Luretti, Alternate Auditor, was appointed on 6 May 2024 to replace Alternate Auditor Massimo Giudici who resigned on 25 October 2023.
Therefore, the administrative body is composed of the Chairman Andrea Mascetti and the Directors Paola Simonelli, Elisabetta Maria Roncalli, Dorino Mario Agliardi and Maurizio Leonardo Lombardi; the auditing body is composed of the Chairman Antonio Liberato Tuscano, the Standing Auditors Luca Belotti and Margherita Molinari and the Alternate Auditors Donata Colombo and Paola Luretti. The office of both bodies will expire upon approval of the financial statements on 31 December 2025. On 2 July 2024, the Shareholders' Meeting renewed the appointment of General Manager Giovanni Rallo for a term of 5 years, until 2 July 2029.

Within the deadlines established by the relevant regulations, the Company identified and notified the Register of Companies of the beneficial owners identified collectively as the members of the Board of Directors and, in addition, the General Manager according to the 'residual criterion' set forth in Article 20(5) of Legislative Decree No. 231/2207.

On 19 April 2024, the Board of Directors renewed the composition of the Company's Supervisory Board, appointing Giancarlo Enrico Besia as Chairman, Ms. Isabella Spreafico, Manager of the Coordination Structure of the functions pertaining to Investee Companies and Dependent Entities of the Central Directorate for Institutional, General and Investee Companies of the Lombardy Region, and Mr. Vito Noceti, Head of the Risk Management function, as an internal member, establishing his term of office until the approval of the financial statements as of 31 December 2025.

The Company has approximately Euro 244.9 million of own funds. Risk-weighted assets (RWA) amount to Euro 492.3 million.

During 2024, the Company paid Euro 7,590,000 to the sole shareholder, Lombardy Region, consistent with the provisions of the Shareholders' Meeting of 6 May 2024 in which the Shareholder approved the distribution in its favour of the reserve pursuant to Article 14 of Regional Law 33/2008.

In accordance with the relevant regulations (Bank of Italy Circular no. 288/2015), financial intermediaries must periodically verify their capital adequacy by expanding the range of risks to be assessed with respect to Pillar 1. This activity is carried out as part of the ICAAP (Internal Capital Adequacy Assessment Process).

For the purposes of ICAAP, in line with the principle of proportionality laid down by the Supervisory Authorities, Finlombarda is classified as a Class 3 intermediary and has adopted standard measurement methods for quantifiable risks, while non-quantifiable risks have been assessed on a qualitative basis, focusing on the controls put in place by the Company. We would point out, in accordance with the regulations for the preparation of the financial statements, that no costs that could be classified as research and development expenses were incurred in 2024. There were no transactions during the year involving treasury shares, whether directly or through trust companies or intermediaries. As a result, the Company does not have any treasury shares at 31 December 2024. As required under the regulations for financial intermediaries, the public Company also publishes on its website the required disclosures to the general public on capital adequacy and risk exposure, also called "Pillar 3 of Basel 2" in accordance with Circular 288/2015 and subsequent updates of the Bank of Italy.
The Company's main financial assets include bank sight deposits, receivables for services, investments in securities and the loans that it has granted. The main purpose of these instruments, with the exception of trade receivables, is to ensure efficient and profitable use of liquidity, while maintaining a very low risk profile. The Company has not entered into any derivative transactions in currency other than the Euro and is exposed to exchange risk only indirectly through participation in

mutual fund units. However, since the position is less than 2% with respect to regulatory capital, it is not recorded.
As for the more general lending situation, action was taken during the year against debtors and guarantors for the recovery of past due loans. The main risks generated by the Company's financial instruments are credit risk, market risk, interest rate risk and liquidity risk. However, given the composition of the investments portfolio of Finlombarda, the composition of its receivables arising from the provision of services, almost entirely to the Lombardy Region, and the high standing of the counterparties, also confirmed by the improved revision of the PD curve in April 2024, we can confirm that the financial risks are essentially attributable to more than sustainable values, without prejudice to the effects, currently unforeseeable on the global economy, and attributable the geopolitical crisis in Europe and the Middle East, the fluctuations in inflation, any imposition of customs duties on EU countries and their countermeasures as well as policies put in place by the Central Banks.

The operating grant represents the component of revenues recognised by the Lombardy Region to the Company for services rendered in the context of in-house providing, regulated by the Framework Agreement governing the relationship between the Company and the Sole Shareholder for the period 2022-2024.

The Company has embarked on a path of alignment with supervisory expectations on climate and environmental risks that aims to adopt a sustainable growth model based on the integration of environmental, social and governance (ESG) factors.
In this regard, an Action Plan is being implemented that defines the details of the planned initiatives for the following areas: governance, business model and strategy, organisational structure and company processes, risk management system, information to the market and details of the planned initiatives.
During 2024, the company performed a materiality analysis on the loan portfolio and it showed a limited exposure of the portfolio to ESG risks.
As it did in 2023, the Company continued: in delivering specific training courses; in adopting work-life balance measures through the implementation of agile work in compliance with the provisions of the sector's CCNL (National Collective Labour Agreement); it continued its support service activities for Lombardy companies on issues related to ESG policies and their implementation.
It should also be noted that the Business Plan includes a new financial initiative line dedicated to environmental issues.

It should be noted that the Company did not and does not have any role in any project financed with PNRR - National Recovery and Resilience Plan funds to date.

5. Equity investments

Finlombarda holds the following equity investments:

Investees	Equity data at	Equity value at the equity date	% ownership	Value at 31.12/2024 (equity % ownership)	Value of equity investment at 31. 12. 2024
SKIAREA VALCHIAVENNA S.P.A.	30/06/2024	11,781,408.00	0.69%	81,291.72	56,976
BIC LA FUCINA - CENTRO EUROPEO DI IMPRESA E INNOVAZIONE - IN CORSO PROCEDURA FALLIMENTARE (IN BANKRUPTCY	31/12/2012	- 1,303,958.00	5.26%	- 68,588.19	1
					56,977

During the year, the Company continued to implement its plan to divest its subsidiaries: on 27 November 2024, the equity investment in Centro Tessile Cotoniero S.p.A. was also sold directly to the latter.

Only Skiarea Valchiavenna S.p.A., and BIC La Fucina, whose bankruptcy proceedings are still pending, remain within the scope of the investee companies. For Skiarea Valchiavenna S.p.A., at the request of the shareholder Lombardy Region, the Company started the procedure for the cash liquidation of its stake in accordance with Article 2437-quater of the Italian Civil Code.

6. Data on subsidiaries

At 31 December 2024, the Company does not have any subsidiaries.

7. Intercompany dealings and related party transactions

Related party transactions are presented in Part D – Other Information, Section 6 – Related party transactions of the Explanatory Notes.

8. Human resources and organisation

The number of company employees at the end of 2024 was 148, while at 31 December 2023, the company employed 146 staff; there were 2 temporary workers active at the end of 2024 (compared to 8 in 2023). As in previous years, in 2024, the Company evaluated the performance of its employees and the company bonus was defined, following agreement with the trade unions in accordance with art. 51 of the National Labour Contract for 2024. On 10 December 2024, the renewal of the second-level company contract was signed between the Company and the relevant trade unions; the document was defined on the basis of the subjects defined by the CCNL and applicable regulations, and is valid for all employees. The main topics defined are: supplementary insurance policies, supplementary pension, meal vouchers, flexible working hours, applicable paid and unpaid leave, management of part-time work, and the amounts, constraints and conditions relating to the company bonus under Article 51. The agreement is in substantial continuity with the previous one, and is valid from 1 January 2025 until 31 December 2027. The training courses that have been provided to personnel are related to topics considered mandatory by industry regulations, safety at work, and specialist subjects, both individual and group; in addition, a management training programme, launched at the end of 2023, was completed for managers and office managers in February and March. A business English course was also launched for all managers, with the help of the FONDIR interprofessional fund. Finally, a pilot staff skills development project was launched, currently targeting 21 company employees, with the aim of increasing knowledge of Finlombarda's activities, improving cross-functional collaboration and developing the skills needed for the professional growth of the people involved. The project mainly involves 'job rotation' activities (temporary shadowing of employees involved with colleagues from other organisational units), team building and internal training. To date, the Company has consolidated its organisational profile, as well as its body of regulations, which are constantly and continuously updated.

During the year, Information Systems:

- introduced new security measures on workstations, laptops and mobile phones and on the administrative management of office automation software tools;
- revised the Business Continuity Plan and updated the IT Security and Management Regulations; - continued activities to finalise the supply contract for the new management platform (2025-2032);
- released the new institutional portal in the cloud environment and prepared the application platform of the new intranet portal that will be released during the first half of 2025.

9. EVENTS AFTER THE END OF THE YEAR

In the first quarter of 2025, the ECB continued the trend of lowering the cost of borrowing in the euro area by intervening twice, at the end of January and at the beginning of March, with an overall cut of 0.50%, bringing the deposit rate down from 3% to 2.50%. Underlying this decision is the observation that inflation is moving downwards towards the medium-term target of 2% later this year. Of note is the cooperation agreement signed in January 2025 with Cassa Centrale Banca with the aim of fostering joint projects for companies with investment programmes for the primary sector and agricultural credit in particular. At the beginning of February 2025, the 'framework convention' with the Lombardy Region was renewed for the three-year period 2025-2027, with a view to guaranteeing the assistance, support and implementation of regional policies, in compliance with its statutory purposes, current regulations and supervisory provisions. Therefore, Finlombarda's commitment continues both in supporting the Regional Council in a series of 'activities' by guaranteeing the management of administrative procedures, with adequate levels of transparency vis-à-vis applicants and beneficiaries, and in implementing the 'Multiannual Programme of Activities' in line with regional planning acts, during the financial years included in the regional budget. Also in February 2025, in order to foster the competitiveness, growth and development of SMEs in the agrifood supply chain in Lombardy, an 'Agrifood Basket Bond' programme was launched, allocating up to a maximum of Euro 75 million from Finlombarda and Mediocredito Centrale, as investors, for the development programmes of Lombardy's agrifood companies. The programme will make use of the public guarantee of the SME Guarantee Fund, which will result in more advantageous financial conditions for the issuing companies.

10. BUSINESS OUTLOOK

The Company intends to pursue its programme of development and consolidation of lending in favour of the Lombardy production fabric, known to be the driving force behind the Italian production fabric. In this regard, last December, the 2025-2027 three-year budget was approved, which encapsulates the company's strategies for the next three years.

Also in 2025, the grounding of new initiatives to facilitate access to credit and the flooding of the pool of possible beneficiaries through new liquidity instruments will continue.

11. PROPOSAL FOR ALLOCATION OF PROFIT

Dear Shareholder,

We thank you for your confidence and submit for your approval the Financial Statements at 31 December 2024, which closed with a profit of Euro 8,220,332.95.

Before formulating the proposal for the distribution of the profit for the year, we would like to thank the General Manager, the Managers, the Middle Managers and the entire Personnel for their commitment and professionalism, as well as the Board of Directors and the Board of Auditors.

We therefore propose that you allocate the net profit of Euro 8,220,332.95 as follows:

- 10% to Legal reserve	Euro	822,033.30
- 10% to Extraordinary statutory reserve	Euro	822,033.30
- 10% to Statutory risk reserve	Euro	822,033.30
- reserve pursuant to article 14, R.L. no. 33/2008	Euro	5,754,233.05

Milan, 31 March 2025

THE BOARD OF DIRECTORS
The Chairman
(Andrea MASCETTI)

FINANCIAL STATEMENTS

BALANCE SHEET

	Asset items	31/12/2024	31/12/2023
10.	Cash and cash equivalents	143,229,541	176,570,828
20.	Financial assets measured at fair value through profit or loss (IFRS 7 par. 8 lett. a))	10,489,388	17,109,668
	a) financial assets held for trading;		
	b) financial assets designated at fair value;		
	c) other financial assets mandatorily measured at fair value	10,489,388	17,109,668
30.	Financial assets measured at fair value through other comprehensive income (IFRS 7 par. 8 lett. h))	96,267,614	63,103,519
40.	Financial assets measured at amortised cost (IFRS 7 par. 8 lett. f))	473,858,455	545,634,837
	a) due from banks		
	b) due from financial entities		
	c) due from customers	473,858,455	545,634,837
50.	Hedging derivatives		
60.	Value adjustment of financial assets with generic hedges (+/-)		
70.	Equity investments		
80.	Property, plant and equipment	9,916,703	11,502,046
90.	Intangible assets	984	206,195
	of which:		
	- goodwill		
100.	Tax assets	4,083,626	2,705,158
	a) current	3,316,566	1,077,359
	b) deferred	767,060	1,627,799
110.	Non-current assets and groups of assets held for sale		
120	Other assets	2,059,206	5,089,183
	Total assets	**739,905,517**	**821,921,434**

	Liabilities and equity items	31/12/2024	31/12/2023
10.	Financial liabilities measured at amortised cost (IFRS 7 par. 8 lett. g))	475,510,977	558,435,598
	a) payables	415,268,167	508,424,405
	b) securities issued	60,242,810	50,011,193
20.	Financial liabilities held for trading		
30.	Financial liabilities designated at fair value (IFRS 7 par. 8 lett. e))		
40.	Hedging derivatives		
50.	Value adjustment to financial liabilities with generic hedges (+/-)		
60.	Tax liabilities	3,927,744	3,989,302
	a) current	3,927,744	3,989,302
	b) deferred		
70.	Liabilities associated with assets held for sale		
80.	Other liabilities	5,212,643	6,326,447
90.	Employee severance indemnities	1,568,061	1,493,925
100.	Provisions for risks and charges:	71,030	95,501
	a) commitments and guarantees given	1,030	11,149
	b) pension and similar commitments		
	c) other provisions for risks and charges	70,000	84,352
110.	Share capital	211,000,000	211,000,000
120.	Treasury shares (-)		
130.	Equity instruments		
140.	Share premium reserve	127,823	127,823
150.	Reserves	34,210,379	33,655,335
160.	Valuation reserves	56,527	-1,186,615
170.	Net profit (loss) for the year (+/-)	8,220,333	7,984,119
	Total liabilities and equity	**739,905,517**	**821,921,434**

INCOME STATEMENT

	Items	31/12/2024	31/12/2023
10.	Interest and similar income	35,587,954	33,101,807
	of which: interest income calculated using the effective interest method	35,587,954	33,101,807
20.	Interest and similar expenses	-21,706,842	-18,267,236
30.	**Net interest income**	**13,881,112**	**14,834,571**
40.	Fee and commission income	13,786,516	13,162,758
50.	Fee and commission expenses	-228,481	-179,176
60.	**Net commission income**	**13,558,035**	**12,983,582**
70.	Dividends and similar income	244,387	295,860
80.	Net trading income		
90.	Net hedging gains (losses)		
100.	Gains (losses) on disposal or repurchase of:	247,184	220,306
	a) financial assets measured at amortised cost	-6,740	-7,711
	b) financial assets measured at fair value through other comprehensive income	253,924	228,017
	c) financial liabilities		
110.	Net income from other assets and financial liabilities measured at fair value through profit or loss	-199,767	456,723
	a) financial assets and liabilities designated at fair value		
	b) other financial assets mandatorily measured at fair value	-199,767	456,723
120.	**Operating income**	**27,730,951**	**28,791,042**
130.	Net adjustments/writebacks for credit risk of:	2,495,988	305,210
	a) financial assets measured at amortised cost	2,385,600	593,619
	b) financial assets measured at fair value through other comprehensive income	110,388	-288,409
140.	Gains/losses from contractual amendments without cancellations	-36,303	
150.	**Profit from financial management**	**30,190,636**	**29,096,252**
160.	Administrative expenses:	-16,450,756	-16,600,698
	a) personnel costs	-13,421,450	-13,480,875
	b) other administrative expenses	-3,029,306	-3,119,823
170.	Net provisions for risks and charges	-1,030	-14,352
	a) commitments and guarantees given	-1,030	
	b) other net allocations		-14,352
180.	Impairment/reversal of impairment of property, plant and equipment	-1,650,265	-434
190.	Impairment/reversal of impairment of intangible assets	-372,881	-477,080
200.	Other operating expenses/income	510,091	76,658
210.	**Operating costs**	**-17,964,842**	**-17,015,906**
220.	Gains (losses) on equity investments		
230.	Net result of fair value measurement of property, plant and equipment and intangible assets		
240.	Goodwill impairments		
250.	Gains (losses) on disposal of investments		
260.	**Profit (Loss) from ordinary operations before taxes**	12,225,794	12,080,346
270.	Income taxes on ordinary operations	-4,005,461	-4,096,227
280.	**Profit (Loss) from ordinary operations after taxes**	8,220,333	7,984,119
290.	Profit (loss) from discontinued operations after taxes		
300.	**Net profit (loss) for the year**	**8,220,333**	**7,984,119**

STATEMENT OF COMPREHENSIVE INCOME

	STATEMENT OF COMPREHENSIVE INCOME		
	Items	31/12/2024	31/12/2023
10	Net profit (loss) for the year	8,220,333	7,984,119
	Other comprehensive income after tax without reversal to income statement		
20	Equities designated at fair value through other comprehensive income	160,925	
30	Financial liabilities designated at fair value through profit or loss (changes in own creditworthiness)		
40	Hedging of equities designated at fair value through other comprehensive income		
50	Property, plant and equipment		
60	Intangible assets		
70	Defined benefit plans	0	-38,238
80	Non-current assets and groups of assets held for sale		
90	Share of valuation reserves of equity investments valued at equity		
	Other comprehensive income after tax with reversal to income statement		
100	Foreign investment hedges		
110	Exchange differences		
120	Cash flow hedges		
130	Hedges (non designated elements)		
140	Financial assets (other than equities) measured at fair value through other comprehensive income	0	1,736,664
150	Non-current assets and groups of assets held for sale		
160	Share of valuation reserves of equity investments valued at equity		
170	**Total other comprehensive income, after tax**	160,925	1,698,426
180	**Comprehensive income (item 10+170)**	**8,381,258**	**9,682,545**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Statement of changes in equity at 31/12/2024

Description	Balances at 31.12.2023	Change opening balances	Balances at 01.01.2024	Allocation of result from previous year		Changes in the year						Comprehensive income at 31.12.2024	Equity at 31.12.2024
							Transactions on equity						
				Reserves	Dividends and other destinations	Change in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Other Changes		
Share capital	211,000		211,000										211,000
Share premium reserve	128		128										128
Reserves:													
a) of profits	24,071		24,071	7,984		- 7,590						161	24,626
b) other	9,584		9,584										9,584
Valuation reserves	-1,187		-1,187								-174	1,417	57
Equity instruments													
Treasury shares													
Net profit (loss) for the year	7,984		7,984	-7,984								8,220	8,220
Shareholders' equity	**251,580**		**251,580**	**0**	**0**	**-7,590**					**-174**	**9,798**	**253,615**

Amounts in thousands of Euro

The share capital, fully subscribed and paid, amounts to Euro 211,000,000 and consists of 2,110,000 ordinary shares with a par value of Euro 100 each. On 06 May 2024, the Ordinary Shareholders' Meeting decided to allocate the net profit for the year of Euro 7,984,119 as follows: 10% to the legal reserve, Euro 798,412, 10% to the extraordinary statutory reserve, Euro 798,412; 10% to the statutory risk reserve, Euro 798,412, and Euro 5,588,833 to the equity reserve established under art. 14 of Regional Law no. 33/2008. The same Shareholders' Meeting resolved to distribute the reserve pursuant to Article 14 in the amount of Euro 7,590,000.

All equity reserves can be used to cover any losses and should the Company deem it necessary, they can be used to increase the share capital. The reserves include one that was established under art. 14 of Regional Law no. 33/2008, with which Finlombarda is authorised to make financial advances only for initiatives to implement the Regional Development Programme using the funds that it has received under management. Excluding the legal reserve and the share premium reserve, all of the other reserves are distributable.

Statement of changes in equity at 31/12/2023

Description	Balances at 31.12.2022	Change opening balances*	Balances at 01.01.2023	Allocation of result from previous year		Changes in the year						Comprehensive income at 31.12.2023	Equity at 31.12.2023
							Transactions on equity						
				Reserves	Dividends and other destinations	Change in reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Changes in equity instruments	Other Changes		
Share capital	211,000		211,000										211,000
Share premium reserve	128		128										128
Reserves:													
a) of profits	21,138		21,138	2,568							364		24,071
b) other	9,584		9,584										9,584
Valuation reserves	-3,651		-3,651			2,464							-1,187
Equity instruments													
Treasury shares													
Net profit (loss) for the year	2,568		2,568	-2,568								7,984	7,984
Shareholders' equity	240,768	0	240,768			2,464					364	7,984	251,580

Amounts in thousands of Euro

CASH FLOW STATEMENT

The Company has adopted the indirect method for preparing the cash flow statement (in Euro).

A . OPERATING ACTIVITIES	31/12/2024	31/12/2023
1. Management	**7,474,500**	**8,097,394**
- Result for the year	8,220,333	7,984,119
- gains/losses on financial assets held for trading and financial assets/liabilities measured at fair value	199,767	- 456,723
- net hedging gains/losses		
- net impairment adjustments	- 2,459,685	- 305,210
- net impairment on property, plant and equipment and intangible assets	2,023,146	477,514
- net provisions for risks and charges and other costs/revenues	- 509,061	- 62,306
- unpaid taxes and duties		
- net impairment adjustments on disposal groups, net of tax effect	-	460,000
- other adjustments		
2. Cash generated/absorbed by financing activities:	**49,143,994**	**16,139,761**
- financial assets held for trading		
- financial assets designated at fair value		
- financial assets mandatorily measured at fair value	6,420,513	4,184,944
- financial assets measured at fair value through other comprehensive income	- 33,053,706	30,986,881
- financial assets measured at amortised cost	74,125,678	- 16,089,138
- other assets	1,651,509	- 2,942,927
3. Cash generated/absorbed by financial liabilities:	**- 83,541,256**	**123,822,647**
- financial liabilities at amortised cost	- 82,924,620	119,484,103
- financial liabilities held for trading		
- financial liabilities designated at fair value		
- other liabilities	- 616,636	4,338,544
Net cash generated/absorbed by operating activities (A)	**- 26,922,761**	**148,059,802**
B. INVESTING ACTIVITIES		
1. Cash generated by:		
- sales of equity investments		
- dividends received from equity investments		
- sales of property, plant and equipment		
- sales of intangible assets		
- sales of business divisions		
2. Cash absorbed by:	**- 232,592**	**- 11,710,962**
- purchases of equity investments		
- purchases of property, plant and equipment	- 64,922	- 11,502,480
- purchases of intangible assets	- 167,670	- 208,482
- purchases of business divisions		
Net cash generated/absorbed by investing activities (B)	**- 232,592**	**- 11,710,962**
C. FINANCING ACTIVITIES		
- issue/purchase of treasury shares		
- issue/purchase of equity instruments		
- change in equity	- 6,185,933	**2,828,007**
- distribution of dividends and other uses		
Net cash generated/absorbed by financing activities (C)	**- 6,185,933**	**2,828,007**
NET CASH GENERATED/ABSORBED IN THE YEAR (D=A+/B+/-C)	**- 33,341,287**	**139,176,846**

RECONCILIATION	31/12/2024	31/12/2023
Cash and cash equivalents at beginning of year	176,570,828	37,393,981
Total net cash generated/absorbed in the year	(33,341,287)	139,176,846
Cash and cash equivalents at end of year	143,229,541	176,570,828

EXPLANATORY NOTES

PART A – FINANCIAL STATEMENT POLICIES (A.1 – GENERAL PART)

SECTION 1: DECLARATION OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

These financial statements are prepared in accordance with the international accounting standards IAS/IFRS (including the interpretations by SIC and IFRIC) issued by the International Accounting Standards Board (IASB) as established by European Community Regulation no. 1606 of 19 July 2002 and subsequent regulations adopted by the European Commission.
The accounting standard IFRS 9, issued by the IASB in July 2014 and adopted by the European Commission through Regulation no. 2067/2016, replaces IAS 39 from 1 January 2018, which until 31 December 2017 has regulated the classification and measurement of financial instruments.
IFRS 9 comprises three different areas: classification and measurement of financial instruments, impairment and hedge accounting.

As of 1 January 2019, the international accounting standard IFRS 16 "Leases" came into force, which was published by the IASB on 13 January 2016 and its endorsement at EU level was through the publication in the Official Journal of the European Union of Regulation (EU) no. 2017/1986 of 09 November 2017. In the current year, two contracts were recognised that required the application of the standard, i.e. a contract for the rental of a company car and a lease agreement for the company headquarters. In the first case, the asset was recorded on the basis of future cash flows and the depreciation schedule was developed, whereas in the case of the lease fee, the asset was recorded on the basis of expected contractual flows, however with a rent free period until 31/12/2023. The amortisation schedule runs from 1 January 2024.

With regard to the tables and explanatory notes, the financial statements are prepared in accordance with the Bank of Italy's guidelines for intermediaries operating in the financial sector enrolled on the special list in compliance with the Instructions of 17 November 2022 entitled "IFRS financial statements of financial intermediaries other than banks", supplemented by the communication of 14 March 2023 concerning "the impacts of COVID-19 and measures to support the economy".

For the sake of completeness, the following information is provided:

- The new documents issued by the IASB and endorsed by the EU to be compulsorily adopted from the financial statements for financial years beginning on 1 January 2024:

Document title	Issue date	Date of entry into force	Date of approval	EU Regulation and date of publication
Lease liabilities in a sale and leaseback transaction - Amendments to IFRS 16	September 2022	1 January 2024	20 November 2023	(EU) 2023/2579 21/11/2023
Classification of liabilities as current and non-current. (Amendments to IAS 1) and Non-current liabilities with clauses (Amendments to IAS 1)	January 2020 October 2022	1 January 2024	19/12/2023	(EU) 2023/2822 20/12/2023
Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)	May 2023	1 January 2024	15/05/2024	(EU) 2024/1317 16/05/2024

- IAS/IFRS and related IFRIC interpretations applicable to financial statements for periods beginning after 1 January 2025 - Documents endorsed by the EU on 31 December 2024 - with respect to which there may be material impacts on the Company's accounting policies.

Document title	Issue date	Date of entry into force	Date of approval	EU Regulation and date of publication
Lack of exchangeability (Amendments to IAS 21)	August 2023	1 January 2025	12/11/2024	(EU) 2024/2862 13/11/2024

- New accounting standards and amendments to IFRS not yet endorsed by the EU as at 31 December 2024.

Document title	Issue date by the IASB	Effective date of the IASB document	Date of expected approval by the EU
New IFRS accounting standards			
IFRS 14 Regulatory deferral accounts	January 2014	1 January 2016	Endorsement process suspended pending the new accounting standard on rate-regulated activities
IFRS 18 Presentation and disclosure in financial statements	April 2024	1 January 2027	n.a.
IFRS 19 Subsidiaries without public accountability: disclosures	May 2024	1 January 2027	n.a.
Sale or contribution of assets between an investor and its associate or joint	September 2014	Deferred until the completion of the IASB	Endorsement process suspended pending the

venture (Amendments to IFRS 10 and IAS 28)		project on the equity method	conclusion of the IASB project on the equity method
Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)	May 2024	1 January 2026	n.a.
Annual improvements - Volume 11	July 2024	1 January 2026	n.a.

It should be noted that, receiving provisions of said documents has not resulted in substantial amendments to the Company's accounting policies.

SECTION 2: GENERAL POLICIES

These financial statements have been prepared on a going-concern basis and in accordance with the accruals principle.

The financial statements comprise the balance sheet, income statement, statement of comprehensive income, statement of changes in shareholders' equity, cash flow statement and these notes and are accompanied by the Directors' Report on Operations.

In accordance with Art. 5 of Legislative Decree no. 38 of 28 February 2005 the Financial Statements are prepared using the Euro as reporting currency. All amounts in this document are expressed in Euro, unless otherwise specified.

The financial statements are prepared clearly and give a true and fair view of the Company's assets and liabilities, financial position and results.

If the information required by international accounting standards and the provisions contained in the Provision of 17 November 2022 "The financial statements of IFRS intermediaries other than banking intermediaries" integrated by the communication of 14 March 2023 concerning "the impacts of COVID-19 and measures to support the economy", are not sufficient to give a true and fair view, additional information necessary for this purpose is provided in the explanatory notes.

If, in exceptional cases, the application of a provision under the international accounting standards is incompatible with the true and fair view of assets and liabilities, financial position and results, it is not applied. The explanatory notes explain the reasons for any exceptions and their impact on how the assets and liabilities, financial position and results are presented.

SECTION 3: EVENTS AFTER THE CLOSING DATE

After the end of the financial year, the events already described in Section 9 of the Report on Operations should be noted.
Events, however, that do not lead to an adjustment of the results shown in the financial statements as at 31 December 2024.

SECTION 4: OTHER ASPECTS

With regard to the impact on employee benefits, reference should be made to the specific paragraph in section B on the application and assumptions underlying IAS 19.
With regard to the adjustments made to the models for calculating expected losses in accordance with IFRS 9, more detailed information is provided in Part D – Section 3 – Information on risks and related hedging policies.

PART A – FINANCIAL STATEMENT POLICIES (A.2 – MAIN FINANCIAL STATEMENT ITEMS)

This section sets out the accounting standards applied in the preparation of these financial statements. The accounting principles are explained with reference to the classification, recognition, measurement and derecognition of the various balance sheet items.

Cash and cash equivalents

Legal tender currencies, including banknotes and foreign divisional coins, as well as "demand" credits (current accounts and demand deposits) to banks are included in this item. The asset account for item 10 is illustrated in this item.

Financial assets measured at fair value through profit or loss

This category comprises financial assets other than those classified among the "Financial assets measured at fair value through other comprehensive income" and "Financial assets measured at amortised cost". They fall under item 20 of the assets:

• the debt securities or loans to which an "Other" Business Model is associated, i.e. a method of managing financial assets not directed at the collection of contractual cash flows ("Hold to collect" Business Model - HTC) or to the collection of contractual cash flows and the sale of financial assets ("Hold to Collect and Sell" Business Model - HTCS);

• debt securities, loans and units in UCITS whose contractual terms do not exclusively provide for principal repayments and interest payments on the principal amount to be repaid, i.e., financial assets that do not meet the requirements for classification at amortised cost or fair value with an impact on comprehensive income, as they do not pass the test for verification of contractual cash flow characteristics (SPPI test);

• the equity instruments that cannot be qualified as exclusive control, affiliation and joint control, held for trading purposes or for which, upon first recognition, the option to classify them among "Financial assets measured at fair value through other comprehensive income" was not selected.

Below, more detailed information is provided about the three sub-items comprising the category in question, represented by: a) "Financial assets held for trading", b) "Financial assets designated at fair value"; c) "Other financial assets mandatorily measured at fair value".

a) Financial assets held for trading

A financial asset (debt instruments, equity instruments, loans, mutual fund units) is classified as held for trading if it is managed with the goal of realising cash flows by its sale, i.e. if it is associated with the “Other” Business Model, inasmuch as:

- it was acquired for the purpose of being sold in the short term;
- it is included in a portfolio of financial instruments that are managed jointly and for which there is a proven strategy directed at achieving profits in the short term.

It also includes derivative contracts having positive fair value, not designated within an accounting hedge. Derivative contracts include those incorporated in
complex financial instruments, in which the primary contract is a financial liability, which were subjected to separate recognition because:

- their economic characteristics and risks are not closely correlated with the characteristics of the underlying contract;
- the embedded instruments, even if separate, meet the definition of a derivative;
- the hybrid instruments to which they belong are measured at fair value with the related changes recognised in the income statement.

A derivative shall be considered to be a financial instrument or other contract presenting the following characteristics:

- its value changes in relation to the change of an interest rate, of the price of a financial instrument, of the price of a good, of the foreign currency exchange rate, of an index of prices or rates, of the credit rating or of credit indicators or of another pre-determined variable (“underlying”) provided that, in the case of a non-financial variable, it is not specific of one of the contractual parties;
- it does not require an initial net investment or it requires a smaller initial net investment than what would be required for other types of contracts from which a similar response to changes in market factors would be expected;
- is paid at a future date.

b) Financial assets designated at fair value

A financial asset (debt securities and loans) may be designated at fair value upon initial recognition, with valuation results recognised in the income statement, only when such designation allows to provide better disclosure because it eliminates or markedly reduces a lack of consistency in the measurement or in the recognition that otherwise would result from the measurement of assets or liabilities or from the recognition of the related profits and losses on different bases ("accounting mismatch").

c) Other financial assets mandatorily measured at fair value

The other financial assets mandatorily measured at fair value represent a residual categories and comprise financial instruments that do not meet the requirements, in terms of business model or of characteristics of the cash flows, for classification among assets measured at amortised cost or at fair value through other comprehensive income.

In detail, these include:

- debt securities or loans whose contractual terms do not provide exclusively for principal repayments and interest payments on the amount of the principal to be returned (i.e. which do not pass the "SPPI test");
- mutual fund units;
- equity instruments not held for trading purposes, for which the option to classify them among assets measured at fair value through other comprehensive income was not selected.

Recognition criteria

The initial recognition of financial assets takes place on the payment date for debt instruments, equity instruments and mutual fund units, at the date of disbursement for loans and on the date of execution for derivative contracts.

On initial recognition, financial assets measured at fair value through profit or loss are recognised at fair value, which normally corresponds to the price paid, without considering transaction costs or income directly attributable to the financial instruments, which are recognised in the income statement.

Measurement criteria

Assets measured at fair value through profit or loss are recognised at the settlement date at fair value, which normally corresponds to the consideration paid, with the exception of transaction costs and revenues that are recognised directly in profit or loss. In the case of loans on demand or maturing in the short term, the book value is considered a good approximation of fair value.

Derecognition criteria

Financial assets measured at fair value through profit or loss are derecognised when the contractual rights over the cash flows deriving from them expire or are closed out, or when they are sold with the transfer of substantially all the related risks and benefits, or when no control is retained over them even though substantially all the related risks and benefits are neither transferred nor retained.

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

Definition and classification

Under item 30 “Financial assets measured at fair value through other comprehensive income” of the assets side of the balance sheet are classified the following financial assets (debt securities, equity securities and loans) classified in the portfolio measured at fair value through other comprehensive income, distinguishing between those that will subsequently be reclassified to the income statement (debt securities and loans) and that will not (equity securities).
This item includes:

- financial instruments (debt instruments and loans) associated with the Hold to Collect & Sell Business Model (HTCS) whose contractual terms provide, at determined dates, cash flows represented solely by payments of the principal and interest on the principal to be repaid and which therefore passed the SPPI test;
- equity instruments (shareholdings not qualifiable as controlling, affiliation and joint control) for which, in accordance with the “Other comprehensive income election” (OCI), the option of presenting changes in value in the statement of comprehensive income is selected.

The financial instruments held within a business model whose goal is achieved both through the collection of cash flows and through the sale of the instruments themselves can be associated to the Hold to Collect & Sell Business Model.

Recognition criteria

Assets included in this item are recognised at the settlement date at fair value, which normally corresponds to the consideration paid to acquire them. The financial instruments measured at fair value through comprehensive income are initially recognised when, and only when, the enterprise becomes a party in the contractual clauses of the instrument, i.e. at the time of settlement, at a value equal to fair value generally coinciding with their cost. This value includes the costs or income directly connected with the instruments. Minor investments, compared to other financial instruments, are posted at cost (recorded on first-time adoption of IFRS 9).

Measurement criteria

After the initial recognition, these activities continue to be measured at fair value with value changes being posted under the item "160. Valuation reserves". In the Income Statement, under item "10. Interest and similar income", is recognised the interest accrued on financial instruments constituted by receivables and debt instruments classified under item "30. Financial assets measured at fair value through other comprehensive income".

At every closing date of the Financial Statements or reporting date, only for instruments associated with the Hold to Collect & Sell Business Model, the impairment losses of these activities are estimated, in accordance with the impairment rules of IFRS 9 on the basis of a calculation framework similar to

that defined for financial instruments measured at "amortised cost".

With regard to minor equity investments (equities), at each reporting date the share of shareholders' equity is checked and if it is lower than the book value it is adjusted with a contra-entry to the shareholders' equity reserve (item "160. Valuation reserves").

As regards equity securities classified in the item "Financial assets measured at fair value through other comprehensive income", they are not subject to impairment and changes in value, also due to deterioration in creditworthiness, are recognised in an equity reserve.

Adjustments are immediately recognised in the Income Statement under item "130. Impairment/reversal of impairments for credit risk", balancing entry to the item "160. Valuation reserves", as are partial or total recoveries of previously impaired amounts. Reversals of impairment are recognised in relation to an improved quality of the asset, such as to entail a decrease in the overall impairment recognised previously.

In the Income Statement, under item "10. Interest and similar income", is recognised the amount represented by the progressive release of the present value calculated at the time of recognition of the adjustment.

Additional, in the Income Statement, under item "70. Dividends and similar income", are recognised the dividends pertaining to the equity instruments for which the "OCI election" was adopted.

Derecognition criteria

Financial assets measured at fair value through other comprehensive income are derecognised from the Financial Statements if one of the following situations occurs:

- the contractual rights on the cash flows deriving therefrom have expired; or
- the financial asset is sold with substantial transfer of all risks and benefits deriving from ownership thereof; or
- the financial asset is written off or when there no longer is any reasonable expectation to recover the financial asset, including the cases of giving up the asset; or
- the entity maintains the contractual right to receive the financial flows deriving therefrom, but it concurrently assumes the contractual obligation to pay the flows to a third party;
- contractual amendments to the agreement configure “substantial” changes.

The result of the derecognition of these assets is recognised:

- for financial instruments associated with the Hold to Collect & Sell Business Model in the Income Statement under item "100. B) Gains (losses) from disposal or repurchase of: financial assets measured at fair value through other comprehensive income" on disposal. Otherwise, in all other cases, it is recognised under item “130. Net impairment/reversals of impairment for credit risk”;
- for equity instruments for which the “OCI election” was adopted, under shareholders’ equity, in item “160. Valuation reserves”. Following the derecognition of these assets, the balance recognised in item “160. Valuation reserves” is reclassified in item “150. Reserves”.

Financial assets measured at amortised cost

Definition and classification

Under item “40. Financial assets measured at amortised cost” are classified the financial assets (debt instruments and loans) associated with the Hold to Collect Business Model whose contractual terms provide, at determined dates, cash flows represented solely by payments of the principal and interest on the principal to be repaid and which therefore passed the SPPI test. To the Hold to Collect Business Model can be associated the financial instruments held within a business model whose goal is to possess said instruments in order to collect the cash flows.

In more detail, this item includes:

- loans and advances to banks (e.g. time deposits, security deposits, debt securities) other than 'on demand' loans and advances included under 'Cash and cash equivalents'.
- receivables from financial institutions, debt securities;

- receivables from customers (e.g.: other loans, service activities towards the Lombardy region, debt securities).

Recognition criteria

- The financial instruments measured at amortised cost are initially recognised when, and only when, the enterprise becomes a party in the contractual clauses of the instrument, i.e. at the time of settlement, at a value equal to fair value, understood to be the cost of the instrument, including any directly attributable costs and income.
- Repurchase agreements with obligation to repurchase or resell forward are recognised in the Financial Statements as funding or lending transactions. In particular, spot sale and forward repurchase transactions are recognised in the financial statements as payable for the spot-collected amount, while spot purchase and forward resale transactions are recognised as receivables for the amount paid spot.

Any changes in business model due to inconsistency between the management of the portfolio and the model chosen, or to significant changes in the strategic choices made, will be decided by the Board of Directors, which will determine if, in rare circumstances, reclassification is needed.

Measurement criteria

- These financial instruments are measured at amortised cost using the effective interest rate criterion. The result deriving from the application of this method is recognised in the Income Statement under item “10. Interest and similar income”.
- The amortised cost of a financial asset is the value at which the asset was measured at the time of the initial recognition net of principal repayments, plus or minus the total amortisation using the effective interest criterion on any difference between the initial value and the value at maturity, and deducting any reduction (following an impairment or irrecoverability).
- The effective interest criterion is the method for calculating the amortised cost of a financial asset or liability (or group of financial assets and liabilities) and the allocation of the interest income or liabilities throughout the related duration.
- The effective interest rate is the rate using which the present value of future cash flows equals the amount of the loan granted, as adjusted by directly-related costs and revenues. To determine the effective interest rate, it is necessary to assess the cash flows taking into

consideration all contractual terms of the financial instrument (e.g., early payment, a buy option or the like), but future losses on receivables are not considered. The calculation includes all expenses or basis points paid or received between the parties of an agreement that are integral parts of the effective interest rate, transaction costs, and all other premiums or discounts.

- At every closing date of the Financial Statements or reporting date the impairment losses of these activities is estimated, in accordance with the impairment rules of IFRS 9.
- Detected impairments are immediately recognised in the Income Statement under item "130. Net impairment/reversals of impairment for credit risk", as are partial or total recoveries of previously impaired amounts. Reversals of impairment are recognised in relation to an improved quality of the exposure, such as to entail a decrease in the overall impairment recognised previously.
- In the Income Statement, under item "10. Interest and similar income", is recognised the amount represented by the progressive release of the present value calculated at the time of recognition of the adjustment.

Derecognition criteria

Financial assets measured at amortised cost are derecognised when the contractual rights to the cash flows from the assets expire or are extinguished or when the financial asset is sold.

IFRS 9 also includes the following provisions on:

- Write-off of financial assets: when an entity does not reasonably expect to fully or partly recover contractual cash flows from a financial asset, it must directly reduce the gross carrying amount of the financial asset. This write-down constitutes partial or total derecognition of the asset.
- Change in contractual cash flows: when a change in contractual cash flows occurs,
  the entity must assess whether the original asset should continue to be recognised in the financial statements or whether the original instrument should be derecognised and a new financial instrument recognised. When the modification of contractual cash flows of a financial asset is substantial, the procedure is to derecognise the existing financial asset and subsequently recognise the modified financial asset.

Equity investments

Definition and classification

The portfolio of equity investments comprises holdings in subsidiary companies, associated companies and companies under joint control, other than those classified as «financial assets measured at fair value through other comprehensive income». Control is presumed to exist when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Control is therefore deemed to exist in the following circumstances:

a) availability of actual and potential voting rights at a shareholders' meeting and/or other contractual rights, relations or other elements that guarantee influence over the relevant activities of the investment;

b) exposure to the variability of results, for example in terms of an overall economic interest in the investment;

c) with regard to the above points, existence of an ability to influence the economic results of the investment by the power exercised over it.

A company is associated if the Company exercises significant influence over its activities or, in any case, if it holds 20% or more of the voting rights or, if it has an interest of less than 20%, if one or more of the following circumstances apply:

a) representation on the Board of Directors, or equivalent body, of the investee company;

b) participation in decision-making, including participation in dividend decisions;

c) occurrence of significant transactions between the investor and the investee;

(d) the interchange of management personnel;

e) provision of essential technical information.

Joint control exists when control over the investment is shared equally with others, is agreed contractually and only exists if the decisions about relevant activities require the unanimous consent of the parties sharing control.

Recognition criteria

Equity investments are initially recognised at cost on the acquisition date, whereby cost normally coincides with the amount paid, including transaction costs.

Measurement criteria

Equity investments are subsequently valued at cost. If the solvency of an equity investment appears to have deteriorated, it is subjected to impairment testing to check if there has been any loss in value. The impairment loss is the difference between the lower new value and the previous carrying value.

Any subsequent write-backs cannot exceed the impairment losses recorded previously.

Criteria for the recognition and measurement of income components

Dividends are accounted for in the year they are collected and shown under "dividends and similar income". Impairment losses, as well as profit/losses on disposal, are booked to the income statement under "net gains (losses) on equity investments".

Derecognition criteria

Equity investments are derecognised when the financial asset is sold together with the transfer of all the risks and benefits of ownership.

At 31 December 2024, the company had no investments.

Fair value hierarchy

In March 2009, the IASB issued an amendment to IFRS 7 to regulate the so-called "fair value hierarchy". In particular, the amendment defines three levels of fair value (IFRS 7, para. 27°):

- level 1: if the financial instrument is listed on an active market;
- level 2: if the fair value is determined using valuation techniques that refer to observable market parameters, other than listings of the financial instrument;

- level 3: if the fair value is determined using valuation techniques that refer to parameters that are not observable in the market. Therefore, if the fair value is estimated using market data (other than listed prices in an active market), but that require significant adjustment based on unobservable market data, that measurement falls into level 3.

For level 2 financial instruments, in the absence of quotations on active markets, the valuation process involves the use of a DCF (Discounted Cash Flow) model based on the discounting of cash flows on the basis of the interest rate curve to which is added a constant mark-up representing the issuer's credit spread.

In the case of investments in securities subject to credit approval (Minibond and Basket Bond), staging is determined by analysing the creditworthiness of the counterparties, while the fair value hierarchy is determined by the state of substantial illiquidity, which places them at level 2.

Categ. Financial Instruments	Product	Measurement model	Input of the measurement model
Debt securities	Corporate bonds	ASW (Asset Swap Valuation) function of the Refinitiv system (where available)	Interest rate curves, credit spreads from comparables plus an illiquidity premium
Unlisted equities	Shareholdings (Minority equity investments)	Income measurement model	Latest available financial statements
Investments in mutual funds	PE Funds (NEXT Fund share) and October II	NAV communicated by management company	N/A
Investments in Securities subject to credit approval	Corporate bonds of Lombard Enterprises	Discounted Cash Flow	Curves of future interest rates and credit spreads (PD's) excerpted from Refinitiv (where available).

Property, plant and equipment

Classification criteria

This item includes tangible assets held for investment purposes and those for functional use.
Real estate held (either as property or under a finance lease) for the purpose of earning lease income and/or capital appreciation is classified as an investment.
Functional real estate is classified as real estate held (either as property or through a finance lease) for business use and expected to be used for more than one financial year.

Tangible assets for functional use include:

- land;
- properties;
- furniture and accessories;
- electronic office machines;
- various machines and equipment;
- vehicles;
- improvements on third-party property.

These are assets with physical substance held to be used in the provision of goods and services or for administrative purposes and expected to be used for more than one financial year. This item also includes the rights of use acquired through leasing and relating to the use of a tangible asset.
Under IFRS 16, a lease is a contract, or part of a contract, that, in exchange for a fee, transfers the right to use an asset (the underlying asset) for a period of time. Leasehold improvements are

improvements and incremental expenses related to identifiable and separable tangible assets. They are incurred to make leased real estate suitable for its intended use.

Recognition criteria

Tangible assets are initially recorded at cost including directly attributable ancillary expenses incurred to bring the asset to the location and conditions necessary for operation based on company needs.

Repair costs and ordinary maintenance costs are recorded in the income statement in the year in which they are incurred, while extraordinary maintenance costs that result in an increase in the future economic benefits to be derived from the asset are capitalised and then depreciated in relation to the residual possibility of use of the asset to which they refer.

Leasehold improvements are added to the carrying amount of the asset or allocated to the relevant category based on the nature of the cost incurred if it is probable that there will be future economic benefits, otherwise they are recognised in the income statement.

This classification includes assets for which the international accounting standard IFRS 16 "Leases" is applied, which was published by the IASB on 13 January 2016 and its endorsement at EU level was through the publication in the Official Journal of the European Union of Regulation (EU) no. 2017/1986 of 9 November 2017. Effective 1 January 2019, the standard replaces the previous accounting standards and interpretations regarding lease contracts. According to IFRS 16, leases are accounted for on the basis of the right of use model, so that, at the initial date, the lessee has a financial obligation to make payments due to the lessor to compensate for his right to use the underlying asset for the duration of the lease.

When the asset is made available to the lessee for its use (initial date), the lessee recognises both the liability and the asset consisting of the right of use.

The definition of "lease contracts" includes, in addition to lease contracts in the strict sense of the term, also, for example, rental, lease and non-gratuitous loan contracts.

The standard introduces a single model for recognising leases in the financial statements, regardless of whether they are operating or financial leases, generally requiring recognition respectively as liabilities and assets in the balance sheet of:

- a right of use of the asset (hereinafter RoU), equal to the lease liability increased by the initial direct costs, the estimate of dismantling costs and net of incentives,

- a lease liability, equal to the present value of future payments determined using the discount rate defined at the lease contract effective date.

The following contracts fall under the application of IFRS 16, specifically the lease contract of the company HQ and the rental agreement of the car for company use:

Table 1. Contracts	
Contracts	**Category**
1 Sublease contract	Offices - Warehouses - Parking spaces
2 Rental contract	Cars

Table 2 - Characteristics of the contract		
Asset category	Offices - Warehouses - Parking spaces	Cars
Start date	31/12/2023	01/10/2023
Maturity date	31/12/2030	30/09/2027
Periodicity of instalments	Quarterly	Monthly
Type of instalment	Advance	Advance

Below are the results of the calculations performed:

- Value of the asset and liability at the beginning of the contract and related accounting entries

Table 3 - Balance Sheet values on initial recognition 31.12.2023			
	Offices - Warehouses - Parking spaces	Cars	Total
Contract start asset value	11,495,537	6,943	11,502,480
(+) Advance fee			
(-) Incentives			
(+) Initial costs of the lessee			
(+) Restoration costs			
Total asset value	11,495,537	6,943	11,502,480
Contract liability value	12,869,990	7,440	12,877,430
(+) Residual value not guaranteed			
Discount rate applied	3.4759%	3.6349%	
Fair value of the discounted underlying asset	11,495,537	6,943	11,502,480
(+) Initial costs of the lessor			
Total liability value	11,495,537	6,943	11,502,480

Table 4 - Opening entries			
Description	Description	Pay	Receive
Right of use of property (Lease modification)	Payables for Right of use of property (Lease modification)	63,492	63,492
Total entries		**63,492**	**63,492**

The tables represent a financial and asset situation: higher non-current assets due to the recognition of the “right to use the leased asset” as a balancing entry for higher financial liabilities and consequently the recognition of a lease payable.

- Value of assets and liabilities at 31/12/2024 and related accounting entries:

Table 5 - Balance Sheet			
	Offices - Warehouses - Parking spaces	Cars	Total
Assets			
Asset value at the stipulation date	11,495,537	6,509	11,502,046
(+/-) Lease modification	63,492		63,492
(-) Amortisation and Depreciation	1,647,103	1,736	1,648,839
Asset value at 31.12.2024	9,911,926	4,773	9,916,699
Liabilities			
Liability value at the stipulation date	11,495,537	6,519	11,502,056
(+/-) Lease modification	63,492		63,492
(+) Period interest	275,758	206	275,964
(-) Instalment payment as per plan	1,844,087	1,860	1,845,947
Liability value at 31.12.2024	9,990,700	4,865	9,995,565
of which short-term	1,526,121	1,714	1,527,835
of which medium-long term	8,464,579	3,151	8,467,730

Table 5 - Entries			
Description	Description	Pay	Receive
Amortisation of Right to use Offices - Warehouses - Parking spaces	Right to use Offices - Warehouses - Parking spaces	1,647,104	1,647,104
Interest expense on Right to use Offices - Warehouses - Parking spaces	Payables for Right to use Offices - Warehouses - Parking spaces	275,758	275,758
Payables for Right to use Offices - Warehouses - Parking spaces	Rents payable on Offices - Warehouses - Parking spaces	1,844,087	1,844,087
Amortisation Right of use company car	Right of use company car	1,736	1,736
Int. expense Right of use company car	Payables Right of use company car	206	206
Payables Right of use company car	Car rental	1,860	1,860
Total entries		**3,770,751**	**3,770,751**

With reference to the Income statement based on the different nature, qualification and classification of the expenses, was the recognition of the “Amortisation of the right of use of the asset” and of “Interest expense”, instead of “Leasehold improvements - Rental expenses - operating lease payments” as per IFRS 16.

Measurement criteria

Subsequent to initial recognition, tangible assets, including real estate held for investment purposes, are measured at acquisition cost less any depreciation and impairment losses.

Tangible assets with definite useful life are systematically depreciated in accordance with IAS 16; in this case, the asset is depreciated on a straight-line basis over the life of the contract. As required by IAS 36, property, plant and equipment are tested at least once a year, both for impairment (considering as impairment the negative difference between the book value and the recoverable

value) and for the fairness of their residual useful life. In particular, at each annual or interim reporting date, if there is any indication that an asset may have suffered a loss in value, a comparison is made between the carrying value of the asset and its recovery value, which is the higher of its fair value, net of any selling costs, and its value in use, which is the present value of the future cash flows generated by it. Any adjustments are recognised in the income statement. If the reasons that led to recognition of the loss no longer exist, a write-back is made, which cannot exceed the value that the asset would have had in the absence of previous impairment losses, net of depreciation.
As regards lease contracts, the lessee shall measure the asset consisting of the RoU by applying the cost model. The income statement is essentially impacted by the amortisation of the right of use, recorded under operating expenses, and by the interest accrued on the lease liability, recorded under net interest income. Finlombarda analysed the scope of contracts to be subjected to IFRS 16, and defined the related accounting treatment - upon first-time application and when fully operational - and identified the necessary IT and organisational implementations.

With reference to the options and exemptions prescribed by IFRS 16, the Company made the following choices:

- IFRS 16 is not generally applied to intangible assets, to agreements with a short duration (i.e., less than 18 months) and of low unit value;
- the right of use and the financial liabilities relating to lease agreements are classified on specific items in the balance sheet;
- any component relating to the performance of services included in lease payments is generally excluded from IFRS 16;
- agreements with similar characteristics are assessed using a single discounting rate;
- lease agreements previously measured as financial leases in accordance with IAS 17 maintain the previously recorded values.

Derecognition criteria

A tangible asset is derecognised from the balance sheet at the time of disposal or when the asset has exhausted its functionality and no future economic benefits are expected. The right of use deriving from lease contracts is eliminated from the financial statements at the end of the contract term.

Criteria for recognising income components

Periodic depreciation, impairment losses and write-backs are recorded in the item "net value adjustments on tangible assets" of the income statement. With regard to lease contracts, the amortisation of the Right of Use of the asset is recognised under the item "Net value Adjustments/reversals on tangible assets", while the interest expense recognised on the financial liability related to the contract is included under the item "Interest and similar expense".

Intangible assets

Classification criteria

Intangible assets are non-monetary, identifiable, intangible assets. They mainly include goodwill and software. According to IAS 38 (Intangible Assets), acquired intangible assets are recognised as assets when:

- it is likely that their use will generate future economic benefits;
- the Company has control, i.e. the power to obtain such benefits;
- the cost of the asset can be measured reliably.

Recognition criteria

Intangible assets are recorded at cost, represented by the purchase price and any direct costs incurred in preparing the asset for use.

Measurement criteria

For assets with definite useful life, after initial recognition, intangible assets are recorded at cost less amortisation and accumulated impairment losses. Amortisation is calculated on a straight-line basis over the estimated useful life of the asset. As required by the accounting standards, intangible assets are tested at least once a year, both for impairment, considering as a loss the negative difference between the excess book value with respect to the recoverable value, and for the fairness of the residual useful life.

There are no assets with indefinite useful lives in the balance sheet.

Derecognition criteria

An intangible asset is derecognised on disposal or when no future economic benefits are expected from it.

Criteria for recognising income components

Periodic depreciation, impairment losses and write-backs are recorded in the item "Net value adjustments on intangible assets" of the income statement.

Current and deferred taxes

Current and deferred taxes, calculated in accordance with national tax laws, are recognised in the income statement, except for those relating to items debited or credited directly to equity. Receivables and payables of a tax nature are accounted for in the balance sheet with open balances and without offsets, the former classified under item "100. Tax assets" and the latter under item "60. Tax liabilities".

Current tax assets and liabilities

Current taxes for the year and for previous ones, to the extent to which they have not been paid, are recognised as liabilities; any excess amount with respect to the amount due is recognised as an asset. The liability for current taxes is shown in the financial statements gross of the related advances paid for the current year. Current tax assets (liabilities) of the current year and of previous ones are measured at the amount expected to be paid/recovered from the Tax Authorities at current tax rates and according to the tax legislation currently in force.

Current tax assets and liabilities are derecognised in the year when the assets are realised or the liabilities are extinguished.

Deferred tax assets and liabilities

If there are deductible or taxable temporary differences between the value of assets and liabilities for tax purposes and the related carrying amounts, the corresponding deferred tax assets and liabilities are recognised using the liability method.

For all taxable temporary differences, a deferred tax liability is recognised, with the following exceptions:

- deferred tax liabilities arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination; and at the time of the transaction affects neither accounting profit nor taxable profit.
- the reversal of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures can be controlled, and it is probable that it will not occur in the foreseeable future.

Deferred tax liabilities are recognised in the Balance Sheet item “60. b) Deferred tax liabilities”. Deductible temporary differences, unused tax credits and unused tax loss carry-forwards are recognised as a deferred tax asset to the extent that there is a probability of their recovery, except where:

- the deferred tax assets associated with deductible temporary differences derive from the initial recognition of an asset or liability in a transaction that did not represent a business combination and that, at the time, did not influence the results reported for statutory and tax purposes;
- in the case of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are recognized only to the extent that it is probable that they will reverse in the foreseeable future and that there will be sufficient taxable income to allow for the recovery of such temporary differences.

Deferred tax assets are recognised in the Balance Sheet item “100. b) Prepaid tax assets”. Prepaid tax assets and deferred tax liabilities are subject to constant monitoring and are quantified according to the tax rates expected to be applicable in the year when the tax asset will be realised or the tax liability will be extinguished, taking into account the tax regulations deriving from current provisions. Tax assets and liabilities are usually recorded with matching entries to the income statement, except when they derive from transactions whose effects are attributed directly to equity; in those cases, they are recognised respectively in the statement of comprehensive income or in equity, consistent with the element to which they relate.

Derecognition criteria

Prepaid tax assets and deferred tax liabilities are derecognised in the year when:

- the temporary difference that originated them becomes taxable with reference to the deferred tax liabilities or deductible with reference to prepaid tax assets;
- the temporary difference that originated them loses tax relevance.

Prepaid tax assets and deferred tax liabilities are not discounted or, as a rule, mutually offset.

Financial liabilities measured at amortised cost

Definition and classification

This includes all the various forms of interbank funding and securities in issue (bond issues). Within it, the item is divided into:

“10. a) Financial liabilities measured at amortised cost: Payables”;

“10. b) Financial liabilities measured at amortised cost: Securities issued”.

Recognition criteria

These liabilities are recognised in the financial statements at the time the sums raised are received or the debt securities are issued (settlement date principle). The value at which they are initially recognised is equal to their fair value, usually equal to the consideration received or the issue price, including any additional costs/income directly attributable to the transaction and determinable from inception, regardless of when they are settled. All charges that are subject to reimbursement by the creditor counterparty or that are attributable to internal administrative costs are not included in the initial recognition value.

Measurement criteria

After the initial recognition, medium/long term financial liabilities are measured at amortised cost using the effective interest rate method as defined in the previous paragraphs. Short-term liabilities, for which the time factor is not significant are measured at cost.

Derecognition criteria

Financial liabilities are derecognised when the underlying obligations expire or are settled, cancelled or satisfied. The repurchase of own-issue securities entails their derecognition for accounting purposes with consequent redefinition of the payable for issued securities. Any difference between the repurchase value of own securities and the corresponding accounting value of the liability is recognised in the Income Statement under item “100. C) Gains (Losses) from sale or repurchase of: financial liabilities”. Any subsequent re-placement of own securities, previously derecognised for accounting purposes, constitute, from the accounting viewpoint, a new issue with consequent recognition at the new placement price, without any effect in the Income Statement.

Employee severance indemnities

Employee severance indemnities are similar to a "post employment benefit" under a "defined benefit plan", the value of which is determined on an actuarial basis in accordance with IAS 19.
Consequently, the year-end assessment is carried out based on the accrued benefits using the Projected Unit Credit Method.
This method involves the projection of future payments based on historical analysis, statistics and probabilities, adopting suitable demographic techniques.
It makes it possible to calculate the severance indemnities accruing at a specific date on an actuarial basis, distributing the burden for all the years of remaining service of the employees currently in force and not as a cost payable if the company were to cease operations at the balance sheet date.
The valuation of severance indemnities for employees was carried out by an independent actuary using the method outlined above. Following the entry into force of the reform of supplementary pensions, as per Legislative Decree 252/2005, the portions of severance pay accrued up to 31/12/2006 remain in the company, while the amounts accruing from 1 January 2007 can be allocated to a supplementary pension plan.
The portions accrued and transferred to supplementary pension funds are accounted for in the income statement in sub-item 160°), as specified in Section 9 of Part C of the explanatory notes.

These portions constitute a defined contribution plan since the Company's obligation to the employee ceases on payment of the amounts accrued. In this event, the Company's liabilities can include only the portion due (shown under "other liabilities") of payments outstanding to supplementary pension funds at the balance sheet date.

Recognition of Income Components

The allocation of income components to the relevant income statement items is based on the following:
(a) accrued provisions for staff severance indemnities were charged to the income statement in administrative expenses;

b) Actuarial gains and losses arising from adjustments to actuarial estimates have been recognised in equity in accordance with the new version of IAS 19 issued by the IASB in June 2011.

Provisions for risks and charges

Definition

The allocation is defined as a liability with uncertain due date or amount. Conversely, a potential liability is defined:

- as a possible obligation arising from past events and whose existence will be confirmed only by whether one or more future events, not totally under the control of the enterprise, occur;
- a current obligation that arises from past events, but that is not recognised because:
  - it is not probable that use of financial resources will be necessary to extinguish the obligation;
- the amount of the obligation cannot be determined with sufficient reliability.

Potential liabilities are not subject to accounting recognition, but only to disclosure, unless they are deemed remote.

Recognition and measurement criteria

Provisions for Risks and Charges include:

- allocations pertaining to the commitments and to the financial guarantees issued, subject to the impairment rules of IFRS 9;
- Sub-item "Pensions and similar obligations" only includes the supplementary defined benefit and defined contributions pension plans classified as internal funds pursuant to current pension legislation, as well as the other "external" supplementary pension funds, if the return of the principal and/or the yield to the beneficiaries has been guaranteed;
- provisions for liabilities of uncertain amount or maturity, including litigation, recognised in the financial statements when the following conditions are met:
  a) there is a (legal or constructive) obligation as a result of a past event;
  b) it is not probable that fulfilling the obligation will require the use of resources able to produce economic benefits;
  c) the amount deriving from fulfilling the obligation may be reliably estimated.

If all these conditions are not met, no liability is recognised. Provisions are periodically reviewed and, if necessary, adjusted to reflect the best current estimate.

The amount recognised as allocation represents the best estimate of the expense required to fulfil the obligation existing at the reference date of the Financial Statements and reflect risks and uncertainties that inevitably characterise a plurality of facts and circumstances. The amount of the allocation is represented by the present value of the expenses supposed to be necessary to extinguish the obligation when the effect of the present value is a material aspect. Future facts that may affect the amount required to extinguish the obligation are taken into consideration only if there is sufficient objective evidence that they will occur.

Derecognition criteria

The allocation is reversed when the use of resources able to produce economic benefits to fulfil the obligation becomes improbable.

Non-current assets and groups of assets held for sale

The aggregate value of non-current assets and liabilities and of the groups of non-current assets and liabilities comprises:

- assets held for sale that do not meet IFRS 5 requirements to be qualified as "discontinued operations";
- "discontinued operations" in accordance with the definition of IFRS 5.

For this aggregate, the accounting value will presumably be recovered through the sale rather than through continued use, therefore the related assets and liabilities are classified, respectively, in the Balance Sheet items "110. Non-current assets and groups of assets held for sale" and "70. Liabilities associated with assets held for sale".

To be classified in the items of the financial statements already mentioned, the assets or liabilities (or group held for sale) must be immediately available for sale and active, concrete programmes must be in place to dispose of the asset or liability in the short term. These assets or liabilities are measured at the lower amount between the book value and their fair value minus sale costs.

The gains and losses attributable to groups of assets and liabilities held for sale are posted in the Income Statement, under item "290. Gain (Loss) from discontinued operations". The gains and losses attributable to individual assets held for sale are recognised in the most suitable Income Statement item.

Revenue recognition

In compliance with the provisions of IFRS 15, revenue arises from the transfer of goods or services to the customer and is recognised at an amount that reflects the consideration that the Group deems it is entitled to in exchange for the above goods or services using a 5-step model (identify the contract(s) with a customer; identify the performance obligations in the contract; determine the transaction price; allocate the transaction price to the performance obligations; recognise revenue when the entity satisfies a performance obligation). Revenues are recognised when they are collected or, in the case of the sale of goods or products, when it is likely that we will receive the future economic benefits from the transaction and these benefits can be measured reliably, in the case of services, when the services are performed. In particular:

- fees for services provided to the Lombardy Region are classified in the category of revenues that accrue in connection with the provision of the service performed and recorded on an accruals basis in proportion to the stage of completion, costs incurred and residual future profitability margins;
- late payment interest, if provided for by contract, is recognised in the income statement only when collected;
- dividends are recognised in the income statement when they are declared;
- revenues from the trading of financial instruments, representing the difference between the transaction price and the fair value of the instrument.

Use of estimates

The preparation of the financial statements also requires the use of estimates and assumptions that may have a significant impact on the items recognised in the Balance Sheet and Income Statement, as well as on disclosure relating to contingent assets and liabilities recognised in the financial statements. The preparation of these estimates involves the use of available information and the adoption of subjective assessments, also based on historical experience, used for the formulation of reasonable assumptions for the recognition of operating events. Due to their nature, the estimates and assumptions used may vary from year to year and, therefore, it cannot be excluded that in subsequent years, the values recorded in the financial statements may also vary significantly as a result of changes in the subjective valuations used. In the presence of more significant uncertainties and/or assets subject to measurement of particular materiality, the valuation is supported, with the use of external experts/appraisers, by specific fairness opinions.

Other information

Impairment of financial instruments

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

- “Financial assets measured at amortised cost”;
- “Financial assets measured at fair value through other comprehensive income” other than equity instruments;
- the commitments to grant loans and the guarantees given that are not measured at fair value through profit or loss.

General approach

The quantification of “Expected Credit Losses” (ECL), i.e. the expected losses to be recognised in the Income Statement as value adjustments, is determined according to the presence or absence of a significant increase in the credit risk of the financial instrument with respect to the one determined at its initial recognition date.

For this purpose, instruments subject to impairment rules are conventionally associated with different stages, characterised by different rules for the quantification of adjustments.

- In particular: in the absence of a significant increase in credit risk relative to the initial recognition, the financial instrument is maintained at stage 1 and with respect to it an adjustment is recognised in the Financial Statements, equal to the loss expected at 12 months (i.e. the expected loss resulting from default events on the financial asset that are deemed possible within 12 months from the date of the reference period);
- in the presence of a significant increase in credit risk relative to the initial recognition, the financial instrument is associated with stage 2, or with stage 3 if the financial instrument is impaired, and an adjustment is recognised in the Financial Statements, equal to the expected lifetime loss (i.e. the expected loss resulting from default events on the financial asset that are deemed possible throughout the entire lifetime of the financial asset).

An exception to the above is represented by “Impaired financial assets acquired or originated” - “POCI” -, and by the assets that are measured according to the provisions of the “Simplified method”, discussed in specific points of the present paragraph.

An improvement in credit risk, such as to nullify the conditions that had led to the significant increase thereof, or the loss of the impaired status, entail the re-attribution of the financial instrument to the previous stage. In this case, the entity redetermines the previously recognised adjustment, recognising a write-back in the Income Statement.

Expected losses are an estimate of the losses (i.e. the present value of all possible missed collections) weighted according to the probability of default throughout the expected lifetime of the financial instrument.

The general approach to estimating expected losses is determined by the application of regulatory risk parameters, adjusted to make them compliant with the requirements of IFRS 9. The losses expected in the 12 following months are a fraction of the losses expected throughout the lifetime of the receivable, and they represent the losses that would be determined in case of non-compliance in the 12 months following the reference date of the Financial Statements, weighted according to the probabilities of non-compliance.

Non performing positions are measured, as a rule, according to analytical methods.

The criteria for estimating the write-downs to be applied to impaired receivables are based on the discounting of the expected cash flows taking into account any guarantees supporting the positions and any advances received. For the purposes of determining the present value of the flows, the fundamental elements are represented by the identification of the estimated collections, of the related due dates and of the discount rate to be applied. The size of the adjustment is equal to the difference between the book value of the asset and the present value of expected future cash flows, discounted at the original effective interest rate, appropriately revised for instruments with floating interest rate, or, in case of positions classified as non-performing, at the effective interest rate prevailing at the date of classification as non-performing.

Simplified approach

The quantification of the expected losses according to the provisions of the simplified method always takes place on the basis of the lifetime ECL and therefore does not require verification of the presence of the significant increase in credit risk with respect to the one existing as at the date of initial recognition of the asset.

Finlombarda adopts this method for trade receivables and assets deriving from contracts in the absence of significant financial components, i.e. only for cases for which adoption of the simplified approach is mandatory in accordance with IFRS 9. In this regard, Finlombarda did not opt to use this method for those cases in which the application if optional.

Calculation of interest income on financial assets subject to impairment

Interest income is calculated, as stated in the above paragraph, by applying the "criteria of the effective interest rate", with the exception of "Acquired or originated impaired financial assets" - POCI.

The quantification of interest income differs according to the stage with which the financial instrument is associated for the purposes of determining value adjustments: In particular:

- for the assets associated with stages 1 and 2, or performing positions, the effective interest rate is applied to the gross book value of the financial asset, represented by the amortised cost of the financial instrument without the value adjustments recognised as a whole;
- for the assets associated with stage 3, or impaired positions, the effective interest rate is applied to the amortised cost of the financial instrument, represented by the gross book value minus the accumulated value adjustment.

Write-Off

The gross book value of a financial asset is reduced, in accordance with IFRS 9, when there is no reasonable expectation of its recovery. Write-off, which constitutes an accounting elimination event (i.e., derecognition), may pertain to the financial asset as a whole or in part and it may be posted before the legal actions activated to proceed with the recovery of the exposure are concluded.

The write-off does not necessarily imply the intermediary's waiver of the legal right to collect the receivable; this waiver, known as "debt forgiveness", in any case entails the derecognition/write-off of the deteriorated position.

Any collections, subsequent to the write-off, are recognised among write-backs.

Repurchase agreements, securities lending and contangos

Repurchase agreements or contangos, whereby the Company sells securities to third parties with the obligation to repurchase them at the maturity date of the transactions at a predetermined price, are recorded under payables to banks.

The difference between the spot and forward prices of these transactions is accounted for as interest and recorded on an accrual basis over the life of the transaction. Securities lending transactions in which the collateral is cash that is fully available to the lender are recognised in the financial statements in the same way as the aforementioned repurchase agreements. In the case of securities lending transactions with collateral in the form of other securities, or without collateral, the lender and borrower continue to recognise in the assets side of the balance sheet, respectively, the security lent and the security given as collateral. The remuneration for such operations is recognised by the lender under item "40. Fee and commission income" and by the borrower under item "50. Fee and commission expense".

The numbering of the sections, as well as the numbering of the tables, follows the scheme set out in the Notice of 17 November 2022 "The Financial Statements of IFRS Intermediaries other than Banking Intermediaries" supplemented by the Notice of 14 March 2023 on "The impacts of COVID-19 and measures to support the economy". Sections with zero are therefore not included.

PART A – FINANCIAL STATEMENT POLICIES (A.3 – DISCLOSURE ON TRANSFERS OF FINANCIAL ASSETS BETWEEN PORTFOLIOS)

A.3.1 Reclassified financial assets: change in business model, book value and interest income

There were no reclassifications of financial assets due to changes in the business model.

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

There were no reclassifications of financial assets due to changes in the business model.

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

There have been no transfers of financial assets.

PART A – FINANCIAL STATEMENT POLICIES (A.4 – DISCLOSURES ON FAIR VALUE)

QUALITATIVE INFORMATION

For a discussion of the methods used to measure the fair value of assets and liabilities for the purposes of the financial statements and for the disclosures made in the explanatory notes for certain assets/liabilities measured at amortised cost/cost, please refer to the sections on the various accounting categories contained in the chapter entitled "A.1 General Part".

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

For assets and liabilities measured at fair value on a recurring basis in the financial statements, in the absence of active market prices, valuation methods are used in line with those generally accepted and used by the market.
The valuation models for level 2 financial instruments for securities classified as HTC&S in stage 1 and stage 2, the valuation process envisage, as a valuation method, the DCF (Discounted Cash Flow) based on the discounting of the cash flows on the basis of the interest rate curve to which a constant mark-up is added, which represents the issuer's credit spread. For securities classified according to the HTC business model, valuation is at amortised cost. Note that the only items that are measured at fair value in the financial statements at 31/12/2024 are on a recurring basis and consist solely of financial assets.

A.4.2 Measurement processes and sensitivity

The Company generally performs a sensitivity analysis of unobservable inputs, through a stress test on all significant unobservable inputs for the valuation of the different types of financial instruments belonging to Level 2 of the fair value hierarchy; according to that test we determine certain potential changes in fair value, by type of instrument, attributable to plausible changes in unobservable inputs.

A.4.3 Fair value hierarchy

For a review of the procedures followed by the Company to determine the levels of fair value of assets and liabilities, refer to the section on "Fair value hierarchy" in Part A.2 "Information on the main financial statement aggregates".

A.4.4 Other information

To date, there is no information to be provided under IFRS 13, paragraph 93(i).

QUANTITATIVE INFORMATION

A.4.5 Fair value hierarchy

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

Financial assets/liabilities measured at fair value	31/12/2024			31/12/2023		
	L1	L 2	L 3	L1	L 2	L 3
1. Financial assets measured at fair value through profit or loss	**8,708,530**		**1,780,858**	**13,302,848**		**3,806,820**
a) financial assets held for trading						
b) financial assets designated at fair value						
c) other financial assets mandatorily measured at fair value	8,708,530		1,780,858	13,302,848		3,806,820
2. Financial assets measured at fair value through other comprehensive income	**85,355,984**	**10,854,652**	**56,977**	**52,623,215**	**10,392,252**	**88,052**
3. Hedging derivatives						
4. Property, plant and equipment						
5. Intangible assets						
Total	**94,064,514**	**10,854,652**	**1,837,835**	**65,926,063**	**10,392,252**	**3,894,872**
1. Financial liabilities held for trading						
2. Financial liabilities designated at fair value						
3. Hedging derivatives						
Total						

The securities in level 2 refer to Minibonds issued by corporate companies. While those shown in level 3 are represented by the October SME IV (OICR) fund and minor equity investments.

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

	Financial assets measured at fair value through profit or loss							
Changes	**Total**	**of which a) financial assets held for trading**	**of which: b) financial assets designated at fair value**	**of which: c) other financial assets mandatorily measured at fair value**	**Financial assets measured at fair value through other comprehensive income**	**Hedging derivatives**	**Property, plant and equipment**	**Intangible Assets**
1. Opening balance	**3,894,872**			**3,806,820**	**88,052**			
2. Increases	**0**				**0**			
2.1 Purchases								
2.2 Profits allocated to:	0				0			
2.2.1 Income statement								
of which: capital gains								
2.2.2 Equity	0				0			
2.3 Transfers from other levels								
2.4 Other increases								
3. Decreases	**-2,217,962**			**-2,025,962**	**-192,000**			
3.1 Sales	-192,000				-192,000			
3.2 Reimbursements	-1,577,890			-1,577,890				
3.3 Losses allocated to:								
3.3.1 Income statement	-448,072			-448,072				
of which: capital losses	0			0				
3.3.2 Equity								
3.4 Transfers to other levels								
3.5 Other decreases								
4. Closing inventories	**1,676,909**			**1,780,857**	**- 103,948**			

Changes in the financial instruments classified at Level 3 concern: the increase in value of the reimbursements relating to October SME IV, the reimbursement of the Next fund and the sale of the "Centro Tessile Cotoniero S.p.A." investment classified in the HTCS portfolio.

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

Assets/Liabilities not measured at fair value or measured at fair value on a non-recurring basis	31/12/2024				31/12/2023			
	BV	**L1**	**L2**	**L3**	**BV**	**L1**	**L2**	**L3**
1. Financial assets measured at amortised cost	473,858,455		759,934	473,098,521	545,634,837			568,039,295
2. Investment properties								
3. Non-current assets and groups of assets held for sale								
Total	**473,858,455**		**759,934**	**473,098,521**	**545,634,837**			**568,039,295**
1. Financial liabilities measured at amortised cost	475,510,977	60,242,810		415,268,167	558,435,597	50,011,193		508,424,405
2. Liabilities associated with assets held for sale								
Total	**475,510,977**	**60,242,810**		**415,268,167**	**558,435,597**	**50,011,193**		**508,424,405**

The financial assets represented in Level 3 consist of amounts due from customers for loans and receivables from the Lombardy Region. Financial liabilities shown in Level 3 consist of bank loans payable and right-of-use liabilities in accordance with IFRS16.

PART A – FINANCIAL STATEMENT POLICIES (A.5 – DISCLOSURES ON "DAY ONE PROFIT / LOSS")

A.5 Information on "Day one profit/loss"

As regards the information required on the day one profit/loss, for the financial instruments in the financial statements at 31/12/2024, we can report that there are no significant differences between the fair value at the time of their initial recognition and the amount determined on the same date using the measurement technique adopted by the Company.

Part B – Information on the Balance Sheet (B.1 – Assets)

SECTION 1 – CASH AND CASH EQUIVALENTS

This section illustrates item 10.

1. Cash and cash equivalents: breakdown

	31/12/2024	31/12/2023
a) Cash	2,766	1,290
b) Demand deposits at Central Banks		
c) Current accounts and deposits with banks	143,226,775	176,569,538
Total	**143,229,541**	**176,570,828**

SECTION 2 - FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

This section illustrates item 20.

2.6 Other financial assets mandatorily measured at fair value: breakdown by category

Items/Amounts	31/12/2024			31/12/2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities						
1.1 Structured securities						
1.2 Other debt securities						
2. Equities						
3. Mutual fund units	8,708,530		1,780,858	13,302,848		3,806,820
4. Financing						
4.1 Repurchase agreem						
4.2 Other						
Total	8,708,530		1,780,858	13,302,848		3,806,820

The item "UCITS units" is represented, in level 1 of the fair value hierarchy, by the investment funds Anima SGR and Azimut Investments SA, while in level 3 of the fair value hierarchy by October SME IV.

The UCITS units consisted of Euro 5,251 thousand in funds managed by Anima SGR, Euro 3,457 thousand in funds managed by Azimut Investments SA and Euro 1,781 thousand relating to October SME IV.

2.7 Other financial assets mandatorily measured at fair value: breakdown by debtor/issuer

Items/Amounts	31/12/2024	31/12/2023
1. Equities		
of which: banks		
of which: other financial companies		
of which: non financial companies		
2. Debt securities		
b) Public administrations		
c) Banks		
d) Other financial companies		
of which: insurance companies		
e) Non-financial companies		
3. Mutual fund units	**10,489,388**	**17,109,668**
4. Financing		
a) Central banks		
b) Public administrations		
c) Banks		
d) Other financial companies		
of which: insurance companies		
e) Non-financial companies		
f) Households		
Total	**10,489,388**	**17,109,668**

SECTION 3 – FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This section illustrates item 30.

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

The debt securities item, in level 1 of the fair value hierarchy, is represented by debt securities relating to leading banking institutions, including Unicredit Banca and Credem and other corporate entities such as Enel, Telecom and other issuers, in level 2 by the bonds relating to the Minibond and Lombardia Basket bond product, while in level 3 the smaller investments present in the HTCS portfolio. The securities in Level 2 are tested for credit stage at the reporting date.

Items/Amounts	31/12/2024			31/12/2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	**85,355,985**	**10,854,652**		**52,623,215**	**10,392,252**	
1.1 Structured securities						
1.2 Other debt securities	85,355,985	10,854,652		52,623,215	10,392,252	
2. Equities			56,977			88,052
3. Financing						
Total	**85,355,985**	**10,854,652**	**56,977**	**52,623,215**	**10,392,252**	**88,052**

Equities, equal to Euro 57 thousand, are represented by minor investments in companies and consortia, which are valued on the basis of each individual company's shareholders' equity.

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

Items/Amounts	31/12/2024	31/12/2023
1. Debt securities	**96,210,637**	**63,015,467**
b) Public administrations	58,971,717	14,686,299
c) Banks	12,165,118	15,010,024
d) Other financial companies	3,918,472	7,405,949
of which: insurance companies		
e) Non-financial companies	21,155,330	25,913,194
2. Equities	**56,977**	**88,052**
a) Public administrations		
b) Banks		
c) Other financial companies		
of which: insurance companies		
d) Non-financial companies	56,977	88,052
3. Financing		
a) Public administrations		
b) Banks		
c) Other financial companies		
of which: insurance companies		
d) Non-financial companies		
e) Households		
Total	**96,267,614**	**63,103,519**

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

	Gross value					Total adjustments					Total partial write-offs (*)
	First stage	of which instruments with low credit risk	Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated		
Debt securities	94,037,906		1,762,536	1,008,000		81,418	12,387	504,000			
Financing											
Total 31/12/2024	**94,037,906**		**1,762,536**	**1,008,000**		**81,418**	**12,387**	**504,000**			
Total 31/12/2023	**56,720,515**		**6,058,256**	**1,008,000**		**80,935**	**186,369**	**504,000**			

SECTION 4 – FINANCIAL ASSETS MEASURED AT AMORTISED COST

This section illustrates item 40.

4.3 Financial assets measured at amortised cost: breakdown by category of receivables from customers

Type of transactions/Amounts	31/12/2024						31/12/2023					
	Book value			Fair value			Book value			Fair value		
	First and second stage	Third stage	Impaired acquired or originated	L1	L2	L3	First and second stage	Third stage	Impaired acquired or originated	L1	L2	L3
1. Financing	**466,988,315**	**3,165,850**				**470,154,165**	**538,669,760**	**4,915,152**				**543,584,913**
1.1 Finance lease												
of which: without final purchase												
1.2 Factoring												
- with recourse												
- without recourse												
1.3 Consumer credit												
1.4 Credit cards												
1.5 Pledged loans												
1.6 Loans granted in connection with payment services provided												
1.7 Other loans	466,988,315	3,165,850				470,154,165	538,669,760	4,915,152				543,584,913
of which: from enforcement of guarantees												
2. Debt securities	**759,934**				**759,934**							
- Structured securities												
- Other debt securities	759,934				759,934							
3. Other assets	**2,944,357**					**2,944,357**	**2,046,630**	3,294				**2,049,924**
Total	**470,692,605**	**3,165,850**			**759,934**	**473,098,521**	**540,716,390**	**4,918,447**				**545,634,837**

The item "Other Loans" is represented, in Level 3 of the Fair Value Hierarchy, by 11 loan products “Made in Lombardy”, “Credito Adesso”, “Credito Adesso Evolution”, “Al Via”, “IeFP”, “Linea Innovazione”, “Syndicated loans”, “Patrimonio Impresa”, “Plain Vanilla”, "RipreSA" and “Turnaround”, disbursed to companies in the Lombardy region, essentially SMEs and MICAPs.

Lastly, the item “Other assets” is represented, in Level 3 of the Fair Value Hierarchy, mainly by other receivables from the Lombardy Region and receivables for Progetti Europei (European Projects).

4.4 Financial assets measured at amortised cost: breakdown by debtor/issuer of receivables from customers

Type of transactions/Amounts	31/12/2024			31/12/2023		
	First and second stage	Third stage	Impaired acquired or originated	First and second stage	Third stage	Impaired acquired or originated
1. Debt securities	**759,934**					
a) Public administrations						
b) Non-financial companies	759,934					
2. Loans to:	**466,988,315**	**3,165,850**		**538,669,760**	**4,915,152**	
a) Public administrations	16,990,951			**13,730,504**		
b) Non-financial companies	439,862,575	3,164,895		521,407,915	4,914,197	
c) Households	10,134,789	955		3,531,341	955	
3. Other assets	**2,944,357**			**2,046,630**	**3,294**	
Total	**470,692,605**	**3,165,850**		**540,716,390**	**4,918,447**	

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

	Gross value					Total adjustments				Total partial write-offs (*)
	First stage		Second stage	Third stage	Impaired acquired or originated	First stage	Second stage	Third stage	Impaired acquired or originated	
		of which instruments with low credit risk								
Debt securities	764,478					4,545				
Financing	417,157,733		51,908,690	8,437,881		1,541,339	536,769	5,272,032		
Other Assets	2,944,357									
Total 31/12/2024	**420,866,568**		**51,908,690**	**8,437,881**		**1,545,883**	**536,769**	**5,272,032**		
Total 31/12/2023	**489,238,578**		**55,828,952**	**10,867,836**		**3,344,291**	**1,006,849**	**5,949,390**		

4.6 Financial assets measured at amortised cost: guaranteed assets

	31/12/2024						31/12/2023					
	Due from banks		Receivables from financial entities		Due from customers		Due from banks		Receivables from financial entities		Due from customers	
	VE	VG	VE	VG	VE	VG	VE	VG	VE	VG	VE	VG
1. Guaranteed performing assets:					**330,040,465**	**301,131,389**					**396,405,106.00**	**351,902,612.00**
- Assets under finance lease												
- Receivables for factoring												
- Mortgages					31,329,111	26,437,469					17,018,216.00	11,159,150.00
- Pledges					11,239,606	11,222,919					20,980,017.00	20,689,377.00
- Unsecured guarantees					287,471,748	263,471,001					358,406,873.00	320,054,085.00
- Credit derivatives												
2. Non-performing assets guaranteed by:					**3,012,640**	**2,972,270**					**4,742,401.00**	**4,742,401.00**
- Assets under finance lease												
- Receivables for factoring												
- Mortgages												
- Pledges												
- Unsecured guarantees					3,012,640	2,972,270					4,742,401.00	4,742,401.00
- Credit derivatives												
Total					**333,053,105**	**304,103,659**					**401,147,507.00**	**356,645,013.00**

Total guarantees received on own funds amounted to Euro 304,105 thousand, compared to a total of Euro 333,053 thousand in guaranteed assets.

SECTION 7 – EQUITY INVESTMENTS

7.1 Equity investments: information about shareholdings

In 2024 the equity investments item 70 shows a zero balance.

SECTION 8 – PROPERTY, PLANT AND EQUIPMENT

This section illustrates item 80.

8.1 Property, plant and equipment used for business purposes: breakdown of the assets measured at cost

Assets/Amounts	31/12/2024	31/12/2023
1 Property assets	**4**	
a) land		
b) buildings		
c) furniture	4	
d) IT equipment		
e) other		
2 Purchased under finance leases	**9,916,699**	**11,502,046**
a) land		
b) buildings	9,911,925	11,495,537
c) furniture	4,774	6,509
d) IT equipment		
e) other		
Total	**9,916,703**	**11,502,046**
of which: obtained through enforcement of guarantees received		

The items have been recognised in application of IFRS 16, which recognises the fixed asset net of depreciation of the company car rental contract and the office property lease agreement, as set out in Part A - Financial Statement Policies (A.2 - Main Financial Statement Items)

8.2 Property, plant and equipment held for investment purposes: breakdown of assets measured at cost

The Company has no property, plant and equipment held for investment purposes.

8.6 Property, plant and equipment used for business purposes: annual changes

	Land	Buildings	Furniture	IT equipment	Other	Total
A. Opening gross amount		**11,495,537**	**6,509**			**11,502,046**
A.1 Total net reductions in value						
A.2 Opening net amount		**11,495,537**	**6,509**			**11,502,046**
B. Increases:		**63,492**	**1,430**			**64,922**
B.1 Purchases			1,430			1,430
B.2 Capitalised improvement expenditures						
B.3 Writebacks						
B.4 Increases in fair value booked to						
a) equity						
b) income statement						
B.5 Positive exchange differences						
B.6 Reclassified from property held for investment						
B.7 Other changes		63,492				63,492
C. Decreases:		**1,647,104**	**3,162**			**1,650,265**
C.1 Sales						
C.2 Depreciation		1,647,104	3,162			1,650,265
C.3 Impairment adjustments booked to						
a) equity						
b) income statement						
C.4 Negative changes in fair value booked to:						
a) equity						
b) income statement						
C.5 Negative exchange differences						
C.6 Transfers to:						
a) property, plant and equipment held for investment purposes						
b) non-current assets and groups of assets held for sale						
C.7 Other changes						
D. Closing net amount		**9,911,925**	**4,777**			**9,916,703**
D.1 Total net reductions in value						
D.2 Closing gross amount		**9,911,925**	**4,777**			**9,916,703**
E. Valuation at cost		**9,911,925**	**4,777**			**9,916,703**

SECTION 9 – INTANGIBLE ASSETS

This section illustrates item 90.

9.1 Intangible assets: breakdown

Assets/Amounts	31/12/2024		31/12/2023	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
1. Goodwill				
2. Other intangible assets				
of which: software	**984**		**206,195**	
2.1 owned	984		206,195	
- generated internally				
- other	**984**			
2.2 acquired under financial lease				
Total 2	**984**		**206,195**	
3. Assets relating to finance lease				
3.1 unopted assets				
3.2 assets withdrawn following termination				
3.3 other assets				
Total 3				
4. Assets granted under operating leases				
Total	**984**		**206,195**	

The balance consists entirely of the capitalisation of multi-year costs arising from evolutionary maintenance on the management system.

9.2 Intangible assets: annual changes

	Total
A. Opening balance	**206,195**
B. Increases	**167,670**
B.1 Purchases	167,670
B.2 Writebacks	
B.3 Increases in fair value:	
- to equity	
- to income statement	
B.4 Other changes	
C. Decreases	**372,881**
C.1 Sales	
C.2 Depreciation	372,881
C.3 Impairment:	
- equity	
- income statement	
C.4 Decreases in fair value:	
- to equity	
- to income statement	
C.5 Other changes	
D. Closing balance	**984**

SECTION 10 – TAX ASSETS AND TAX LIABILITIES

Assets item 100 and liabilities item 60 are explained in this section.

10.1 "Tax assets: current and deferred": breakdown

Tax assets amount to Euro 4,084 thousand (Euro 2,705 thousand at 31/12/2023) of which Euro 3,317 thousand for current tax assets, as detailed in the table below, and Euro 767 thousand for deferred tax assets.

Item description	31/12/2024	31/12/2023
Advance payments of income tax	**3,144,732**	**507,839**
- IRES	2,395,915	208,622
- IRAP	748,817	299,217
Other tax receivables	**171,834**	**569,520**
- IRES	170,797	568,483
- IRAP	1,037	1,037
Deferred taxes	**767,060**	**1,627,799**
Total current taxes	**4,083,626**	**2,705,158**

10.2 "Tax liabilities: current and deferred": breakdown

Tax liabilities amounted to Euro 3,928 thousand (Euro 3,989 thousand at 31/12/2023); they consist entirely of current taxes.

Item description	31/12/2024	31/12/2023
Provisions for income taxes	**3,927,744**	**3,989,302**
- IRES	3,234,649	3,197,839
- IRAP	693,095	791,463
Other tax liabilities		
Deferred tax liabilities		
Total current and deferred taxes	**3,927,744**	**3,989,302**

10.3 Changes in deferred tax assets (with contra-entry to income statement)

Description	31/12/2024	31/12/2023
1. Opening balance	**621,726**	**734,877**
2. Increases	**0**	**0**
2.1. Deferred tax assets arising during the year	0	0
a) relating to prior years	0	0
c) reversals of impairment	0	
d) other	0	0
2.2 New taxes or increases in tax rates	0	
2.3 Other increases	0	0
3. Decreases	**-144,943**	**-113,151**
3.1 Deferred tax assets eliminated during the year		
a) reversals		
b) written down as no longer recoverable		
c) due to changes in accounting policies		
d) other		
3.2 Reduction in tax rates		
3.3 Other decreases	-144,943	-113,151
a) transformation into tax credits as per Law 214/2011		
b) other		
4. Closing balance	**476,783**	**621,726**

10.4 Changes in deferred tax liabilities (with contra-entry to income statement)

There were no deferred taxes with an impact on the income statement in the reporting period.

10.5 Changes in deferred tax assets (with contra-entry to equity)

Description	31/12/2024	31/12/2023
1. **Opening balance**	**1,006,073**	**2,247,735**
2. **Increases**	**290,277**	**1,006,073**
2.1. Deferred tax assets arising during the year		
a) relating to prior years		
b) due to changes in accounting policies		
c) other	290,277	1,006,073
2.2 New taxes or increases in tax rates		
2.3 Other increases		
3. Decreases	**-1,006,073**	**-2,247,735**
3.1 Deferred tax assets eliminated during the year	-1,006,073	-2,247,735
a) reversals	-1,006,073	-2,247,735
b) written down as no longer recoverable		
c) due to changes in accounting policies		
d) other		
3.2 Reduction in tax rates		
3.3 Other decreases		
4. Closing balance	**290,277.44**	**1,006,073**

10.6 Changes in deferred tax liabilities (with contra-entry to equity)

There were no deferred taxes with an impact on shareholders' equity in the reporting period.

SECTION 11 – NON-CURRENT ASSETS, GROUPS OF ASSETS HELD FOR SALE AND RELATED LIABILITIES

11.2 Liabilities associated with assets held for sale: breakdown

There are no liabilities associated with discontinued operations.

SECTION 12 – OTHER ASSETS

This section illustrates item 120.

This item amounts to Euro 2,059 thousand (Euro 5,089 thousand in the previous year) and is made up of:

Description	31/12/2024	31/12/2023
Fees for services		
Other assets	2,059,206	5,089,183
Total	**2,059,206**	**5,089,183**

Receivables for other assets mainly refer to deferred assets, receivables from personnel, social security institutions, withholding taxes on interest income accrued during the year on current accounts and securities.

PART B – INFORMATION ON THE BALANCE SHEET (B.2 – LIABILITIES)

SECTION 1 – FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

This section illustrates item 10.

1.1 Financial liabilities measured at amortised cost: breakdown of issued securities by category

Type of transactions/Amounts	31/12/2024			31/12/2023		
	Banks	Financial companies	Customers	Banks	Financial companies	Customers
1. Financing	367,770,672	37,501,929		446,922,049	50,000,301	
1.1 Repurchase agreements				21,028,592		
1.2 Other loans	367,770,672	37,501,929		425,893,457	50,000,301	
2. Lease payables	9,990,701		4,865	11,495,537		6,518
3. Other payables						
Total	**377,761,373**	**37,501,929**	**4,865**	**458,417,586**	**50,000,301**	**6,518**
Fair value - level 1						
Fair value - level 2						
Fair value - level 3	377,761,373	37,501,929	4,865	458,417,586	50,000,301	6,518
Total Fair value	**377,761,373**	**37,501,929**	**4,865**	**458,417,586**	**50,000,301**	**6,518**

This item consists of loan facilities with the European Investment Bank (EIB), Banca Popolare di Sondrio, Cassa Depositi e Prestiti, BNL and a pool of banks (Intesa San Paolo, BPER and Banco BPM).

The first contract is based solely on loan contracts entered into with companies under the Credito Adesso initiative. The framework agreement signed by the EIB and the Lombardy Region involves a commitment to cooperate to the extent of Euro 200 million. The drawdowns of loans have a 12 year term at 6-month Euribor plus a spread communicated by the EIB from time to time.

The second loan agreement, called "Finlombarda SMEs, Mid-Caps & Other priorities" was signed on 24 September 2015 for an amount of Euro 242 million, and is destined to finance small to medium enterprises (SMEs) and/or medium size companies (MID-CAP) with registered or operating offices in Lombardy. It has been fully utilised. The drawdowns of the loan have a 15 year term at 6-month Euribor plus a spread communicated by the EIB from time to time. It has been fully utilised.

The book value of amounts due to the EIB is Euro 165,052 thousand.

The loan with Banca Popolare di Sondrio, has a residual life of about 2 years for a total of Euro 150 million, fully utilised, with a balance of Euro 75,265 thousand. The same entered into amortisation in the course of 2023. The loan with Cassa Depositi e Prestiti has a balance of Euro 37,502,000 maturing in 2027. Completing the item are two other loans payable with BNL and from the aforementioned pool with a balance sheet value of Euro 61,190 thousand and Euro 66,264 thousand, respectively, both maturing in 2028.

The remainder of the balance is comprised of payables for lease contracts for the company headquarters property for Euro 9,991 thousand and the rental of the company car for roughly Euro 5 thousand, as per IFRS 16.

1.2 Financial liabilities measured at amortised cost: breakdown of issued securities by category

Type of transactions/Amounts	31/12/2024				31/12/2023			
	Book value	Fair value			Book value	Fair value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. bonds	**60,242,810**	**60,242,810**			**50,011,193**	**50,011,193**		
1.1 structured								
1.2 others	60,242,810	60,242,810			50,011,193	50,011,193		
2. other securities								
2.1 structured								
2.2 other								
Total	**60,242,810**	**60,242,810**			**50,011,193**	**50,011,193**		

The balance consists of a bond issue with a nominal value of Euro 50 million carried out by the Company on 22 December 2021 for a term of 4 years in a lump sum at maturity, augmented by the placement of a further Euro 10 million in bonds, issued on 21 January 2024 as part of the EMTN Programme, with the same term and repayment in a lump sum at maturity in 2028.

SECTION 6 – TAX LIABILITIES

See Assets, section 10.

SECTION 7 – LIABILITIES ASSOCIATED WITH ASSETS HELD FOR SALE

There are no liabilities associated with assets held for sale..

SECTION 8 – OTHER LIABILITIES

This section illustrates item 80.

8.1 Other Liabilities: breakdown

This item amounts to Euro 5,213 thousand (Euro 6,326 thousand in the previous year) and is made up of:

Component	31/12/2024	31/12/2023
Due to suppliers	1,757,218	1,992,215
Other payables	3,455,425	4,334,232
Total	**5,212,643**	**6,326,447**

The item “due to suppliers” includes payables to suppliers for Euro 208 thousand, invoices to be received amounting to Euro 924 thousand, payables to Financial Entities of Euro 625 thousand relating to fee and commission expenses.
"Other payables" include "Accrued and deferred liabilities" for Euro 49 thousand, "other payables" for Euro 358 thousand, "payables to the tax authorities" for Euro 57 thousand, "payables to social security institutions and withholdings" for Euro 1,319 thousand, payables to personnel and collaborators for Euro 1,672 thousand, mainly for the allocation of untaken holidays, bonuses and incentives.

With regard to suppliers, a total of Euro 665 thousand is reported, referring to guarantees received on existing contracts with suppliers, as required by the Tenders Code. These amounts are recorded in the memorandum accounts.

SECTION 9 – EMPLOYEE SEVERANCE INDEMNITIES

This section illustrates item 90.

9.1 Employee severance indemnities

	31/12/2024	31/12/2023
A. Opening balance	**1,493,925**	**1,498,570**
B. Increases	**124,100**	**123,565**
B.1 Provision for the year	92,050	85,327
B.2 Other increases	32,050	38,238
C. Decreases	**-49,964**	**-128,211**
C.1 Payments made	-49,964	-128,211
C.2 Other decreases		
D. Closing balance	**1,568,061**	**1,493,925**

Periodic cost	31/12/2024	31/12/2023
Total service cost	68,807	63,418
Interest cost	41,780	48,427
Actuarial gains (losses)	20,559	15,510
Total periodic cost	**131,145**	**127,354**

9.2 Other information

As regards the actuarial valuations for the purposes of determining the severance indemnities at 31/12/2024 according to IAS/IFRS, the following economic-financials were considered:

Dynamic Hypothesis Parameters

Parameters	Dynamic hypothesis
Rate of increase in severance indemnities	3.00%
Inflation rate	2.00%
Discount rate	2.90%

For the revaluation of severance indemnities commencing from 1 January 2015 we apply the substitute tax at the new rate set by the 2015 Stability Law (Law no. 190 of 23 December 2014, art. 44, paragraph 3)

With the exception of the portion that accrued during the year, termination indemnities increased on a compound basis at 31 December each year by applying a fixed rate of 1.50% and 75% of the inflation rate recorded by ISTAT compared with December of the previous year. From 1 January 2015, a 17% tax is due on this revaluation according to para. 623 of Law 190 of 23.12.2014.

SECTION 10 – PROVISIONS FOR RISKS AND CHARGES (ITEM 100)

10.1 Provisions for risks and charges: breakdown

Items/Amounts	31/12/2024	31/12/2023
1. Provisions for credit risk relating to commitments and financial guarantees given	1,030	11,149
2. Provisions on other commitments and other guarantees given		
3. Company severance entitlements		
4. Other provisions for risks and charges	70,000	84,352
4.1 legal and tax disputes		14,352
4.2 personnel costs		
4.3 other	70,000	70,000
Total	**71,030**	**95,501**

Provisions for risks decreased by a total of Euro 24,000 compared to the previous year, this decrease is due to the release of some provisions made in previous years in application of IFRS9, amounting to about Euro 10,000, and to legal expenses settled in favour of former corporate officers and charged to the Company following Court of Auditors' ruling no. 2 of 11 January 2024, amounting to Euro 14,000.

10.2 Provisions for risks and charges: annual changes

	Provisions on other commitments and other guarantees given	Severance entitlements	Other provisions for risks and charges	Total
A. Opening balance			**84,352**	**84,352**
B. Increases				
B.1 Provision for the year				
B.2 Changes due to the passage of time				
B.3 Changes due to changes to the discount rate				
B.4 Other changes				
C. Decreases			**-14,352**	**-14,352**
C.1 Used in the year			-14,352	-14,352
C.2 Changes due to changes to the discount rate				
C.3 Other changes				
D. Closing balance			**70,000**	**70,000**

10.3 Provisions for credit risk relating to commitments and financial guarantees given

	Provisions for credit risk relating to commitments and financial guarantees given				*Total*
	First stage	Second stage	Third stage	Impaired acquired or originated	
Commitments to disburse funds	1,030				**1,030**
Financial guarantees provided					
Total	**1,030**				**1,030**

SECTION 11 – SHAREHOLDERS' EQUITY (ITEMS 110, 120, 130, 140, 150, 160 AND 170)

This section explains liabilities items 110.120, 130,140,150, 160 and 170.

Equity: Breakdown

Description	31/12/2024	31/12/2023
1. Share capital	211,000,000	211,000,000
2. Share premium reserve	127,823	127,823
3. Reserves	34,210,379	33,655,335
4. (Treasury shares)		
5. Valuation reserves	56,527	-1,186,615
6. Equity instruments		
7. Net profit (loss) for the year	8,220,333	7,984,119
Total	**253,615,062**	**251,580,662**

11.1 Share capital: breakdown

The share capital, fully subscribed and paid in, amounts to Euro 211,000,000 and consists of 2,110,000 ordinary shares with a par value of Euro 100 each.

Type	Amount
1. Share capital	211,000,000
1.1 Ordinary shares	211,000,000
1.2 Other shares (to be specified)	

11.4 Share premium reserve: breakdown

Description	31/12/2024	31/12/2023
A. Opening balance	**127,823**	**127,823**
B. Increases		
C. Decreases		
D. Closing balance	**127,823**	**127,823**

11.5 Other information

Breakdown of reserves

ion	Legal	Retained earnings	Other reserves	Total
A. Opening balance	**7,393,994**		**26,261,341**	**33,655,335**
B. Increases	**798,412**		**7,346,632**	**8,145,044**
B.1 Allocation of profits	798,412		7,185,707	7,984,119
B.2 Other changes			160,925	160,925
C. Decreases			**7,590,000**	**7,590,000**
C.1 Uses				
- coverage of losses				
- distribution			7,590,000	7,590,000
- transfer to capital				
C.2 Other changes				
D. Closing balance	**8,192,406**		**26,017,973**	**34,210,379**

All of the reserves, except for the art. 14 R.L. no. 33/2008 reserve and the OCI reserve, are available to cover operating losses.

At the balance sheet date, the breakdown of the reserves is as follows:

- the legal reserve amounts to Euro 8,192,406;
- The reserve “as per Art. 14 R.L. no. 33/2008” amounts to Euro 5,044;
- The statutory reserve of Euro 6,062,362;
- The statutory risk reserve of Euro 8,186,657;
- The Reserves for first time adoption of Euro 1,347,771;
- The reserve for the sale of minor equity investments valued at equity in the amount of Euro 1,728,613;

- The reserve arising from the merger of the former Cestec of Euro 8,687,527;

Proposal for the allocation of the profit for the year

We propose to allocate the profit for the year in accordance with article 2427, paragraph 22- septies of the Italian Civil Code.

Description	31/12/2024
Net profit for the year	**8,220,333**
10% to Legal reserve	822,033
10% to Extraordinary statutory reserve	822,033
10% to Statutory risk reserve	822,033
Reserve ex Art. 14 R.L. no. 33/2008	5,754,233

Profit distribution rounded to the euro

a.i.1 Other information

1. Commitments and financial guarantees provided other than those at fair value

	Nominal value on commitments and financial guarantees issued				31/12/2024	31/12/2023
	First stage	Second stage	Third stage	Impaired acquired or originated		
Commitments to disburse funds	**487,500**				**487,500**	**2,675,779**
a) Central banks						
b) Public administrations						
c) Banks						
d) Other financial companies						
e) Non-financial companies	487,500				487,500	2,675,779
f) Households						
Financial guarantees provided						
a) Central banks						
b) Public administrations						
c) Banks						
d) Other financial companies						
e) Non-financial companies						
f) Households						

They represent commitments for loans approved but not yet disbursed in application of IFRS 9.

2. Other commitments and other guarantees given

	Nominal value	
	31/12/2024	31/12/2023
Other guarantees issued		
of which: impaired		
b) Public administrations		
c) Banks		
d) Other financial companies		
e) Non-financial companies		
f) Households		
Other commitments	1,000,000	1,000,000
of which: impaired		
b) Public administrations		
c) Banks	1,000,000	1,000,000
d) Other financial companies		
e) Non-financial companies		
f) Households		

The amount refers to the credit line related to the surety on the lease contract for the property housing the Company's headquarters, activated in 2023.

PART C – INFORMATION ON THE INCOME STATEMENT

SECTION 1 – INTEREST

This section illustrates items 10 and 20.

1.1 Interest and similar income: breakdown

Items/Technical forms	Debt securities	Financing	Other transactions	31/12/2024	31/12/2023
1. Financial assets measured at fair value through profit or loss					
1.1 Financial assets held for trading					
1.2 Financial assets designated at fair value					
1.3 Other financial assets mandatorily measured at fair value					
2. Financial assets measured at fair value through other comprehensive income	1,523,277			1,523,277	1,611,362
3. Financial assets measured at amortised cost:	41,222	34,023,454		34,064,677	31,490,445
3.1 Due from banks		5,492,236		5,492,236	2,993,625
3.2 Receivables from financial companies					
3.3 Due from customers	41,222	28,531,219		28,572,441	28,496,820
4. Hedging derivatives					
5. Other assets					
6. Financial liabilities					
Total	**1,564,499**	**34,023,454**		**35,587,954**	**33,101,807**
of which: interest income on impaired assets					
of which: interest income on financial lease					

Interest and similar income totalled Euro 35,588 thousand (Euro 33,102 thousand as at 31 December 2023), for which an increase of Euro 2,486 thousand was recorded, mainly attributable to the trend in interest rates.

We also note the increase in interest rates, which also affected the outstanding portfolio, being mostly composed of variable-rate loans.

1.3 Interest and similar expenses: breakdown

Items/Technical forms	Payables	Securities	Other	31/12/2024	31/12/2023
1. Financial liabilities measured at amortised cost	-20,410,374	-979,422		-21,389,796	-17,517,036
1.2 Payables to banks	-20,410,374			-20,410,374	-17,033,870
1.3 Payables to financial companies					
1.4 Payables to customers	0			0	
1.5 Securities issued		-979,422		-979,422	-483,166
2. Financial liabilities held for trading					
3. Financial liabilities designated at fair value					
4. Other liabilities and provisions					-750,200
5. Hedging derivatives					
6. Financial assets					
Total	**-20,727,420**	**-979,422**		**-21,706,842**	**-18,267,236**
of which: interest expense on lease payables	**0**				**-40**

Interest payable to banks refers to the interest accrued for loans received respectively from the European Investment Bank, Banca Popolare di Sondrio, Cassa Depositi e Prestiti, BNL and the pool of banks (Intesa San Paolo, BPER and Banco BPM); while the interest on outstanding securities relates to the 2 bonds outstanding at 31 December 2024. The column "other" indicates the amount of interest payable on Rights of Use envisaged by IFRS16.

1.4 Interest and similar expense: other information

Interest expense on financial lease transactions

Items/Amounts	31/12/2024	31/12/2023
1.4.2 Interest expense on financial lease transactions	275,964	40

This represents the interest expense component in application of IFRS16 on the company car rental and on the company headquarters lease agreement.

SECTION 2 – COMMISSIONS

This section illustrates items 40 and 50.

2.1 Fee and commission income: breakdown

Detail	31/12/2024	31/12/2023
1. financial lease transactions		
2. factoring transactions		
3. consumer credit		
4. guarantees issued		
5. services of:		12,000,913
- management of funds on behalf of third partie	0	12,000,913
- exchange rate intermediation		
- product distribution		
- other		
6. collection and payment services		
7. servicing for securitisations		
8. other commissions (to be specified)	0	1,161,845
Total		**13,162,758**

The compensation relating to the management of funds on behalf of third parties include all fees and commissions for the management of the European Funds and part of the operating contribution attributable to the management of regional Funds.
The other fees and commissions comprise both compensation on European technical assistance appointments and European projects, and a portion of the operating contribution attributable to the regional technical assistance appointments.

Italian Law no. 124 of 4 August 2017 (Article 1 Paragraphs 125-129) prescribes the obligation to persons who have received “subsidies, contributions, paid appointments and otherwise economic advantages of any kind in the previous year” from public administrations to publicly disclose such amounts by indicating the amounts received during the reference year in the explanatory notes to the annual financial statements.

In this regard, in 2024, Finlombarda collected Euro 11,779,898 from the Lombardy Region in fees for the technical assistance and management of regional and European funds (for invoices related to the reference year and previous years)[7].

2.2 Fee and commission expenses: breakdown

Detail/Sectors	31/12/2024	31/12/2023
1. guarantees received	-183,470	-162,505
2. distribution of services from third parties		
3. collection and payment services		
4. other commissions (to be specified)	-45,011	-16,671
Total	**-228,481**	**-179,176**

The item "Fee and commission expenses", amounting to Euro 228 thousand (Euro 179 thousand as of 31/12/2023), consists mainly of commission expenses for COSME and Medio Credito Centrale guarantees equal to Euro 183 thousand, while "other commissions" are composed of bank commissions for Euro 16 thousand, surety commission for Euro 7 thousand and commissions for the bond issue for Euro 22 thousand.

[7] This amount is in addition to Euro 6,600 for grants (Finlombarda share) received from the European Commission for specific projects.

SECTION 3 – DIVIDEND AND SIMILAR INCOME

This section illustrates item 70.

3.1 Dividends and similar income: breakdown

Items/Income	31/12/2024		31/12/2023	
	Dividends	Similar income	Dividends	Similar income
A. Financial assets held for trading				
B. Other financial assets mandatorily measured at fair value		244,387		295,860
C. Financial assets measured at fair value through other comprehensive income				
D. Equity investments				
Total		**244,387**		**295,860**

Income (Euro 244 thousand) from coupons accrued on ANIMA UCITS and Azimut funds as well as for distributions from October SME IV are classified in the above table.

SECTION 6 – GAINS (LOSSES) FROM SALE OR REPURCHASE

This section illustrates item 100.

6.1 Gains (Losses) from sale/repurchase: breakdown

Items/Income items	31/12/2024			31/12/2023		
	Gains	Losses	Net profit for the year	Gains	Losses	Net profit for the year
A. Financial assets						
1. Financial assets measured at amortised cost:		-6,740	-6,740	352	-8,063	-7,711
1.1 Due from banks				352		352
1.2 Due from financial entities						
1.3 Due from customers		-6,740	-6,740		-8,063	-8,063
2. Financial assets measured at fair value through other comprehensive income	725,342	-471,418	253,924	1,394,597	-1,166,580	228,017
2.1 Debt securities	725,342	-471,418	253,924	1,394,597	-1,166,580	228,017
2.4 Loans						
Total assets	**725,342**	**-478,158**	**247,184**	**1,394,949**	**-1,174,643**	**220,306**
B. Financial liabilities measured at amortised cost						
1. Bank loans and borrowings						
2. Due to financial entities						
3. Due to customers						
4. Securities issued						
Total liabilities						

SECTION 7- NET INCOME FROM OTHER ASSETS AND FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

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

Transactions/Income components	Gains (A)	Realized gains (B)	Losses (C)	Realized losses (D)	Net result [(A+B) - (C+D)]
1. Financial assets	**93,129**	**179,666**	**-170,617**	**-301,945**	**-199,767**
1.1 Debt securities					
1.2 Equities					
1.3 Mutual fund units	93,129	179,666	-170,617	-301,945	-199,767
1.4 Financing					
2. Financial assets in currency: exchange differences					
Total	**93,129**	**179,666**	**-170,617**	**-301,945**	**-199,767**

SECTION 8 – NET IMPAIRMENT/REVERSALS OF IMPAIRMENT FOR CREDIT RISK

This section illustrates item 130.

8.1 Net impairment/reversals of impairment for credit risk relating to financial assets measured at amortised cost: breakdown

Transactions/Income components	Adjustments						Writebacks				31/12/2024	31/12/2023
	First stage	Second stage	Third stage		Impaired acquired or originated		First stage	Second stage	Third stage	Impaired acquired or originated		
			Write-offs	Other	Write-offs	Other						
A. Receivables from banks							**74,458**				**74,458**	**-153,824**
- for leases												
- for factoring												
- other receivables							74,458				74,458	-153,824
B. Receivables from financial companies												
- for leases												
- for factoring												
- other receivables												
C. Receivables from customers	**-105,375**	**-217,869**		**-336,845**			**1,903,783**	**687,949**	**379,499**		**2,311,142**	**747,444**
- for leases												
- for factoring												
- for consumer credit												
- loans on pledge												
- other receivables	-105,375	-217,869		-336,845			1,903,783	687,949	379,499		2,311,142	747,444
Total	**-105,375**	**-217,869**		**-336,845**			**1,978,241**	**687,949**	**379,499**		**2,385,600**	**593,619**

Value adjustments on financial assets at amortised cost amounted to Euro 2,386 thousand, of which: Euro 74 thousand in write-backs in application of IFRS9 on bank current accounts - Euro 319 thousand in 'lump-sum' stage 1 and stage 2 (performing) adjustments on loans receivable and value adjustments on a security acquired in 2024 classified under financial assets at amortised cost for Euro -1 thousand, analytical value adjustments of Euro 337 thousand on loans receivable, stage 1 and stage 2 write-backs on loans receivable for Euro 2,592 thousand and analytical (stage 3) write-backs of Euro 379 thousand on loans receivable. The reduction in outstanding amounts and the revision of PD curves during 2024 generated an overall recovery effect in respect of stage 1 and 2.

8.2 Net impairment/reversals of impairment for credit risk relating to financial assets measured at fair value through other comprehensive income: breakdown

Transactions/Income components	Adjustments						Writebacks				31/12/2024	31/12/2023
	First stage	Second stage	Third stage		Impaired acquired or originated		First stage	Second stage	Third stage	Impaired acquired or originated		
			Write-offs	Other	Write-offs	Other						
A. Debt securities		-346					110,734				110,388	-288,409
B. Loans												
- Due to customers												
- Due to financial companies												
- Due to banks												
Total		**-346**					**110,734**				**110,388**	**-288,409**

SECTION 9 - GAINS/LOSSES FROM CONTRACTUAL AMENDMENTS WITHOUT CANCELLATIONS

Items/Amounts	31/12/2024	31/12/2023
Gains (Losses) from contractual amendments: breakdown	-36,303	

This item consists of negative differences due to contractual changes following a revision of the APR applied at the disbursement stage on certain loan agreements.

SECTION 10 – ADMINISTRATIVE EXPENSES

This section illustrates item 160.

10.1 Personnel costs: breakdown

Type of expense/Values	31/12/2024	31/12/2023
1) Employees	-13,208,786	-12,864,841
a) wages and salaries	-9,211,751	-8,990,007
b) social contributions	-2,602,371	-2,573,236
c) termination indemnities		
d) pension expenses		
e) provision for employee severance indemnity	-105,120	-94,238
f) provision for pension and similar commitments:		
- defined contribution		
- defined benefits		
g) payments to external supplementary pension funds:	-672,901	-622,808
- defined contribution	-672,901	-622,808
- defined benefits		
h) expenses in connection with equity-settled share-based payment agreements		
i) other employee benefits	-616,643	-584,552
2) Other serving personnel	-128,476	-449,605
3) Directors and Statutory Auditors	-121,346	-198,830
4) Retired personnel		
5) Recovery of expenses for employees seconded to other companies	37,158	32,401
6) Reimbursement of expenses for seconded third-party employees at the company		
Total	**-13,421,450**	**-13,480,875**

Item g) "payments to external supplementary pension funds" consists of the provision for the PREVIGEN fund.

10.2 Average number of employees by category

Description	31/12/2024	31/12/2023	Average number
Managers	9	9	9
Middle managers	63	61	62
White collars	76	76	76
Total	**148**	**146**	**147**

10.3 Other administrative expenses: breakdown

Description	31/12/2024	31/12/2023
General services	-275,982	-343,616
Development services	-106,753	-111,509
Technical assistance and professional services	-381,987	-622,676
Supervisory Authorities	-14,800	-15,600
Leases and rentals	-570,040	-665,474
Indirect taxes	-710,958	-455,807
Sundry services	-968,786	-905,142
Total	**-3,029,306**	**-3,119,823**

Pursuant to art. 2427, para. 16-bis of the Italian Civil Code, we would point out that the amount due to the Independent Auditors came to Euro 29,832 in 2024, while tax advisory costs amounted to Euro 10,396.

SECTION 11 – NET ALLOCATIONS TO PROVISIONS FOR RISKS AND CHARGES

11.1 Net allocations to provisions for credit risk relating to commitments to disburse funds and financial guarantees given: breakdown

Item description	31/12/2024	31/12/2023
Commitments and guarantees given	-1,030	
Other net allocations		-14,352
Total	**-1,030**	**-14,352**

Other net provisions' refer to a loan that has been approved and not yet disbursed.

SECTION 12 – IMPAIRMENT/REVERSAL OF IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

This section illustrates item 180.

12.1 Impairment/reversal of impairment of property, plant and equipment: breakdown

Assets/income items	Amortisation and Depreciation (a)	Impairment adjustments (b)	Reversal of impairment (c)	Net result (a + b - c)
A. Property, plant and equipment				
1. Held for use	**-1,650,265**			**-1,650,265**
- owned	-1,426			-1,426
- rights of use acquired through leasing	-1,648,839			-1,648,839
2. Held for investment purposes				
- owned				
- rights of use acquired through leasing				
3. Inventories				
Total	**-1,650,265**			**-1,650,265**

SECTION 13 – IMPAIRMENT/REVERSAL OF IMPAIRMENT OF INTANGIBLE ASSETS

This section illustrates item 190.

13.1 Impairment/reversal of impairment of intangible assets: breakdown

Assets/income items	Amortisation and Depreciation (a)	Impairment adjustments (b)	Reversal of impairment (c)	Net result (a + b - c)
1. Intangible assets				
1.1 Owned	-372,881			-372,881
1.2 Acquired under finance lease				
2. Assets relating to finance lease				
3. Assets granted under operating leases				
	-372,881			**-372,881**

It includes depreciation for 2024 in connection with evolutionary maintenance on the management system.

SECTION 14 – OTHER OPERATING INCOME AND EXPENSES

This section illustrates item 200.

14.1 Other operating expenses: breakdown

Items/Amounts	31/12/2024	31/12/2023
Other operating expenses	-117,085	-42,385

This item is mainly composed of the purchase of subscriptions on behalf of employees for Euro 20 thousand, commission for the provision of a guarantee issued by Sace in favour of a business customer for Euro 41 thousand as intermediary for the payment due by the client and roundings down of Euro 17 thousand.

14.2 Other operating income: breakdown

Items/Amounts	31/12/2024	31/12/2023
Other income	627,176	119,043

The amount is mainly attributable to: compensation received for Euro 20 thousand, release of the provision for risks on sureties for Euro 11 thousand, charge-back of the purchase of employee subscriptions for Euro 20 thousand (as balancing entry of operating expenses), charge-back of the commission for the provision of a guarantee issued by Sace for Euro 41 thousand and contributions received for the training plan (Fondir) for Euro 20 thousand.
The company also received contributions from the Lombardy Region, disbursed by the Next guarantee fund in the amount of Euro 449 thousand.

SECTION 19 – TAXES ON INCOME FROM ORDINARY OPERATIONS

19.1 Income taxes on ordinary operations: breakdown

	Description	31/12/2024	31/12/2023
1.	Current taxes (-)	-3,927,744	-3,989,302
2.	Changes in current taxes of previous years (+/-)	67,226	6,226
3.	Decrease in current taxes for the year (+)		
3.bis	Reduction in current taxes for the year for tax credits under Law 214/2011 (+)		
4.	Change in deferred tax assets (+/-)	-144,943	-113,151
5.	Change in deferred tax liabilities (+/-)		
6.	Income tax expense for the year (-) (-1+/-2+3+3bis+/-4+/-5)	-4,005,461	-4,096,227

19.2 Reconciliation between the theoretical and current tax burden

	Ires taxable income	% theoretical	Ires tax	Rate	Irap taxable amount	% theoretical	Irap tax	Rate	Total taxable amount	Total Tax	Rate
Profit before taxes	12,293,020	27.5%	3,380,580		25,499,430	5.57%	1,420,318		37,792,450	4,800,899	
Theoretical tax burden	27.50%			27.50%	5.57%			5.57%			33.07%
Decrease in taxable amount	- 772,897	27.5%	- 212,547	-1.73%	- 13,247,957	5.57%	- 737,911	-2.89%	- 14,020,854	- 950,458	-4.62%
Increase in taxable amount	242,237	27.5%	66,615	0.54%	191,877	5.57%	10,688	0.04%	434,114	77,303	0.58%
Taxable amount	11,762,360	27.5%	3,234,649		12,443,351	5.57%	693,095		24,205,711	3,927,744	
Total actual current taxes in the financial statements	3,234,649	27.5%		26.31%	693,095	5.57%		2.72%	3,927,744		29.03%

PART D – OTHER INFORMATION

This part provides information regarding the specific activities carried out by the Company as well as references to the main categories of risk to which it is exposed, its risk management policies and the hedges that are already in place.

SECTION 1 - SPECIFIC REFERENCES ON ACTIVITIES CARRIED OUT

D. Guarantees issued and commitments

Transactions	31/12/2024	31/12/2023
1) Guarantees given of a financial nature at first demand		
a) Banks		
b) Financial entities		
b) Customers		
2) Other guarantees given of a financial nature		
a) Banks		
b) Financial entities		
b) Customers		
3) Commercial guarantees issued		
a) Banks		
b) Financial entities		
b) Customers		
4) Commitments to disburse funds	487,500	2,675,779
a) Banks		
i) certain to be used		
ii) uncertain to be used		
b) Financial entities		
i) certain to be used		
ii) uncertain to be used		
c) Customers	487,500	2,675,779
i) certain to be used		
ii) uncertain to be used	487,500	2,675,779
5) Commitments underlying credit derivatives: protection sales		
6) Assets pledged to guarantee third-party obligations		
7) Other irrevocable commitments		
a) to issue guarantees		
b) other		
Total	**487,500**	**2,675,779**

F. Operations with third-party funds

F.1 – Nature of funds and types of use

This table contains a description of operations using third-party funds, broken down by types of use and nature of the funds received in administration. The share of the assets on which the intermediary bears the risk in its own right is reflected in a separate column. Guarantees issued and commitments are reported at their total value; non-performing exposures include outstanding guarantees and commitments to customers with non-performing exposures.

F.1 – Nature of funds and types of use

Item	31/12/2024		31/12/2023	
	Public funds		Public funds	
		of which at own risk		of which at own risk
1. Performing assets				
- finance lease				
- factoring				
- other loans	122,396,709		137,085,822	
of which: for enforcement of guarantees and commitments				
- equity investments				
- guarantees and commitments	272,498,857		191,640,741	
2. Non-performing assets				
2.1 Non-performing				
- finance lease				
- factoring				
- other loans	18,374,540		21,592,803	
of which: for enforcement of guarantees and commitments				
- guarantees and commitments				
2.2 Unlikely-to-pay				
- finance lease				
- factoring				
- other loans	2,139,670		3,034,438	
of which: for enforcement of guarantees and commitments				
- guarantees and commitments				
2.3 Past due non-performing exposures				
- finance lease				
- factoring				
- other loans	1,370,897		2,122,504	
of which: for enforcement of guarantees and commitments				
- guarantees and commitments				
Total	**416,780,673**		**355,476,308**	

F.3 – Other information

F.3.1 – Operations using third party funds

Third-party funds are represented substantially by funds from the Lombardy Region (99.6%), for a residual portion of funds provided by the European Community and by a fund on behalf of FLA foundation belonging to the Regional system. These funds are used for financing activities, giving guarantees, capital grants or interest subsidies; the fund managed on behalf of FLA foundation concern cash management. The management of each fund is regulated by agreements with the granting entity, which establish the ways in which Finlombarda is to intervene (also depending on specific tenders or regulations), the remuneration for the service, the procedures for using existing liquidity and the operating procedures for the technical-financial approval process. Some funds are disbursed with the participation of credit institutions with which there is an agreement regulating the relationships and methods of delivery.

F.3.2 – Third-party funds

The following table contains information relating to stock values, cash flows and methods of use. We would point out that none of the funds indicated has been reported in the financial statements in view of the fact that their management is remunerated by a flat-rate fee. All resources are separately managed.

STATEMENT OF THIRD-PARTY FUNDS	31/12/2024	31/12/2023
Total under management	**763,418,425**	**684,916,328**

Details are shown below:

Funds on behalf of Lombardy Region	31/12/2024	31/12/2023
- Deposits in c/a and securities under Regional Laws	603,556,852	515,167,140
- Loans and other operations disbursed and outstanding from Regional Funds	154,243,359	163,499,263
- Due from customers on accrued instalments	218,119	336,303
- Sundry receivables	2,607,226	3,119,885
Total Lombardy Region	**760,625,556**	**682,122,592**

FLA Management	31/12/2024	31/12/2023
- Deposits in c/a and securities	2,789,313	2,790,189
Total FLA Management	**2,789,313**	**2,790,189**

JOP Management	31/12/2024	31/12/2023
- Deposits in c/a and securities	3,556	3,547
Total Jop Management	**3,556**	**3,547**

Table 1/8 Changes during the year 01/01/2024 – 31/12/2024 and balance sheet amounts at 31/12/2024

Laws	Balances available at 31.12.2023	Increase and/or decrease of the Provision for debits or credits and/or transfers between Funds	Disbursements to Enterprises and others	in capital, On-call and other receivables	Fund Assets and Liabilities and management fees (Legal Fees, etc.)	Interest, charges and Income on current account and securities (*)	Interest on Loans (**)	Reimbursements Lombardy Region	Balances available at 31.12.2024 (**)	Loans Existing at 31.12.2024	Balance of third party provisions
	Existing loans										receivables on demand
SINGLE FUND 598/94 LAW 1329/65	119,768	0	0	0	0	(298)	0	0	119,470	0	119,470
Mis. 1.1. F	0										53,755
Development Fund	100,026	0	0	0	(0)	(67)	0	0	99,959	0	99,959
Industrial districts	0										0
R.L. 22/2006 former 1/99 and 1/99 PIA	659,212	(322,130)	0	1,100,630	(716,760)	28,224	2,867	0	752,043	2,494,815	3,246,857
	3,594,650										11,231
R.L. 68/86	34,630	0	0	29,799	(13,813)	(68)	31	0	50,580	74,426	125,006
	103,216										3,820
FRIM BUSINESS START-UP LINE 8	2,721,804	(2,134,287)	0	139,281	0	(57)	5	0	726,747	427,816	1,154,563
	565,476										3,425
FRIM COOPERATION	9,091,400	(9,572,448)	0	3,065,804	(33,923)	3,777	17,028	0	2,571,638	10,932,036	13,503,673
	13,996,212										12,664
R.L. 16/93	33,061	(26,154)	0	0	(0)	(68)	0	0	6,839	304,010	310,850
	304,010										49,836
Guarantee Fund - R.L. 16/93	1,422,879	0	0	0	(0)	(103)	0	0	1,422,776	0	1,422,776
	0										0
FONCOOPER	401,166	(221,852)	0	16,584	(16,584)	(71)	0	0	179,244	167,014	346,257
	182,688										5,455
R.L. 21/2003	4,360,557	(430,941)	0	48,846	0	1,650	(151)	0	3,979,961	246,308	4,226,269
Revolving fund	294,962										258
R.L. 21/2003	494,668	0	0	0	(0)	(104)	0	0	494,564	0	494,564
Abb. Fund Rates	0										0
R.L. 21/2003	1,397,223	0	0	0	0	84	0	0	1,397,307	0	1,397,307
Guarantee fund	0										0
R.L. 34/96	931,493	(19,846)	0	181,968	(116,044)	(106)	5,804	0	983,268	534,442	1,517,711
	714,714										4,385
R.L. 34/96 red. Rates	1,171,505	0	0	0	(0)	117	0	0	1,171,621	0	1,171,621
	0										0
Guarantee	7,217,498	0	(110,990)	0	0	(180)	0	0	7,106,327	0	7,106,327
Fund 34/96	0										
Guar. Fund Institutes	3,084,016	0	0	0	(0)	0	0	0	3,084,016	0	3,084,016
	0										

Table 2/8 Changes during the year 01/01/2024 – 31/12/2024 and balance sheet amounts at 31/12/2024

Laws	Balances available at 31.12.2023	Increase and/or decrease of the Provision for debits or credits and/or transfers between Funds	Disbursements to Enterprises and others	in capital, On-call and other receivables	Fund Assets and Liabilities and management fees (Legal Fees, etc.)	Interest, charges and Income on current account and securities (*)	Interest on Loans (**)	Reimbursements Lombardy Region	Balances available at 31.12.2024 (**)	Loans Existing at 31.12.2024	Balance of third party provisions
	Existing loans										receivables on demand
OB2 Craftsmen	274,168	0	0	51,203	(44,673)	(179)	0	0	280,520	22,377	302,896
enterprises	73,580										0
OB2 Imp.art.	206,780	0	0	0	0	(97)	0	0	206,683	0	206,683
Guarantee fund	0										0
R.L. 1/2007	204,907	(30,740)	(7,001)	114,005	(68,804)	(134)	0	0	212,234	575,947	788,180
(former R.L. 34/96)	688,702										2,867
R.L. 1/2007 MEASURES A) B)-C)	653,497	(64,310)	0	429,174	(276,771)	163	8,755	0	750,508	978,585	1,729,093
	1,398,943										69,597
FRIM TENDER RGD 1988 OF 2011	3,010,787	(2,383,757)	0	1,572,516	13,845	(164)	4,846	0	2,218,074	1,006,643	3,224,717
	2,574,161										5,579
Revolving Fund and Innovation Guarantee	97,120	(357)	0	357	0	(73)	0	0	97,047	5,590	102,637
Craftsmen	5,947								0		0
R.L. 1/2007 INDUSTRY	604,560	(13,150)	0	15,965	0	(74)	1,467	0	608,768	136,434	745,202
	152,069										1,615
R.L. 35/96	7,909,177	(22,702)	0	102,680	(91,169)	3,643	0	0	7,901,629	1,077,480	8,979,109
	1,179,594										10,364
R.L. 35/96 art. 8bis.(NEXT FUND)	13,280,001	0	(8,247,080)	0	(0)	(322)	0	0	5,032,599	0	5,032,599
	0										0
NEXT II FUND	42,093	0	0	0	(0)	(104)	0	0	41,989	0	41,989
	0										0
FRIM-FESR	4,727,658	(2,500,000)	0	505,444	(179,716)	79,097	3,924	0	2,636,408	2,346,679	4,983,087
	2,847,048										17,277
FUND FOR ACCESS TO	1,158,899	(119,925)	0	0	(0)	(110)	0	0	1,038,865	0	1,038,865
FIRST HOME	0										0
ALER TENDER	1,891,084	(1,500,000)	0	0	0	(108)	0	0	390,976	0	390,976
	0										0
R.L. 9/91	51,758	0	0	0	0	(68)	0	0	51,690	9,359	61,048
	9,359										285
R.L. 23/1999	612,666	0	0	0	0	(104)	0	0	612,562	0	612,562
	0										0
R.L. 23/1999 Guarantee Fund	437,718	0	0	0	0	(104)	0	0	437,614	0	437,614
	0										0
Infrastructure Fund	(1,935,864)	(4,074,321)	0	7,713,479	(1,359,916)	(161)	8,745	0	351,961	19,445,551	19,797,512
Docup Ob. 2	27,159,030										0

Table 3/8 Changes during the year 01/01/2024 – 31/12/2024 and balance sheet amounts at 31/12/2024

Laws	Balances available at 31.12.2023	Increase and/or decrease of the Provision for debits or credits and/or transfers between Funds	Disbursements to Enterprises and others	in capital, On-call and other receivables	Fund Assets and Liabilities and management fees (Legal Fees, etc.)	Interest, charges and Income on current account and securities (*)	Interest on Loans (**)	Reimbursements Lombardy Region	Balances available at 31.12.2024 (**)	Loans Existing at 31.12.2024	Balance of third party provisions
	Existing loans										receivables on demand
Revolving Fund	9,540,537	(3,527,727)	0	1,370,175	(193,235)	(1,120)	2,461	0	7,191,092	10,339,907	17,530,999
Infrastructure	11,710,083										0
R.L. 26/2002	838,051	(85,968)	0	72,265	(16,539)	33,544	4,988	0	846,342	17,814	864,156
	89,740										317
L. 215 - V Tender	65,201	0	0	5,003	0	(126)	0	0	70,078	0	70,078
Add. Resources	0										32,446
R.L. 13/2000 P.I.C.	112,037	(26,437)	0	29,030	0	(69)	0	0	114,562	24,608	139,171
	53,386										24,958
R.L. 13/2000	23,492	0	0	480	0	(69)	0	0	23,903	24,860	48,763
TENDER 2006	25,340										29,777
R.L. 19/2004-R.L. 35/95	1,678,812	(196,200)	0	199,856	(42,298)	(291)	274	0	1,640,153	0	1,640,153
Revolving Fund	199,671										0
R.L. 19/2004-R.L. 35/95	113,877	0	0	0	0	(104)	0	0	113,773	0	113,773
Guarantee fund	0										0
R.L. 35/95	7,452,872	(5,206,814)	0	1,585,549	(234,399)	3,346	0	0	3,600,554	1,348,844	4,949,397
CULTURE 2008	2,932,939										4,844
FUND LAW 598/94	(407,917)	0	0	0	0	(104)	0	0	(408,021)	0	(408,021)
Pia (Law 140/97 - Law 598/94)	0										0
R.L. 13/00	239,646	0	0	279	0	(67)	0	0	239,858	249	240,108
TENDER FOR SMALL MUNICIPALITIES	521										1
FRI - INTERNATIONALISATION	1,805,652	(209,541)	0	323,627	(10,462)	271	960	0	1,910,507	148,570	2,059,077
FUND	471,180										325
Social Health Fund	397	(1,073)	0	0	0	676	0	0	0	0	0
	0										0
FIMSER	(6,610,066)	0	0	0	(284)	(107)	0	0	(6,610,457)	0	(6,610,457)
	0										0
AXIS 1 INNOVATION MEAS. 1.5	(1,309)	0	0	4,884	(0)	(219)	0	0	3,355	85,198	88,554
	89,844										838
LR35/96 PIA New Econ. And New Economy	(1,191)	0	0	0	0	(275)	0	0	(1,466)	0	(1,466)
	0										0
P.I.P. TENDER	7,521	0	0	0	0	(67)	0	0	7,453	14,050	21,503
	14,050										42
P.I.C.S. Integrated plans fund	50,154	(24,976)	0	25,038	(0)	(67)	(63)	0	50,087	0	50,087
for competitiveness	24,976										0

Table 4/8 Changes during the year 01/01/2024 – 31/12/2024 and balance sheet amounts at 31/12/2024

Laws	Balances available at 31.12.2023	Increase and/or decrease of the Provision for debits or credits and/or transfers between Funds	Disbursements to Enterprises and others	in capital, On-call and other receivables	Fund Assets and Liabilities and management fees (Legal Fees, etc.)	Interest, charges and Income on current account and securities (*)	Interest on Loans (**)	Reimbursements Lombardy Region	Balances available at 31.12.2024 (**)	Loans Existing at 31.12.2024	Balance of third party provisions
	Existing loans										receivables on demand
START-UP RESTART DIRECT LOANS TENDER	1,875,117	(799,883)	0	851,846	(48,796)	(299)	2,095	0	1,880,081	2,568,539	4,448,620
	3,403,524										78,125
START-UP RESTART CONTRIB. TUTOR TENDER	962,974	(116,000)	0	92,000	0	(105)	0	0	938,869	0	938,869
	0										214,190
R.L. 21/2008 cinemas and theatres	4,088,244	(1,329,478)	0	162,392	(15,288)	(208)	(38)	0	2,905,623	140,011	3,045,634
	302,385										0
R.L. 21/08 Theatre Guarantee Fund	418,499	0	0	0	0	(67)	0	0	418,432	0	418,432
	0										0
Skypass Lombardy	37,246	0	0	0	0	(104)	0	0	37,142	0	37,142
	0										0
R.L. 14/2007 AT. 3	2,673,806	(164,198)	0	0	0	(107)	0	0	2,509,501	0	2,509,501
	0										0
JEREMIE FESR FUND	2,418,888	0	488,287	0	0	55,721	0	0	2,962,896	0	2,962,896
	0										0
JEREMIE FSE FUND	4,308,363	0	0	0	0	87,932	0	0	4,396,295	0	4,396,295
	0										0
JEREMIE FSE 2010 FUND	395,320	0	0	0	0	9,352	0	0	404,672	0	404,672
	0										0
JEREMIE FSE 2010 FUND	515,441	0	0	0	0	12,591	0	0	528,032	0	528,032
Guarantee	0										0
Guarantee Fund MIL	1,831,750	0	97,771	0	0	43,767	0	0	1,973,288	0	1,973,288
	0										0
Operating Credit Fund	764,849	1,476,697	(1,531,305)	16,702	(9,272)	(496)	764	0	717,939	0	717,939
agriculture	0										3,624
Tourism Meas. A-B	119,525	0	0	150,376	(150,376)	(150)	0	0	119,375	0	119,375
	75,000										0
MIUR TENDER	6,715,592	(6,490,371)	0	0	0	40,710	0	0	265,931	0	265,931
EXPRESSIONS OF INTEREST	0										0
MIUR TENDER	19,489,352	0	0	2,000	(2,000)	497,858	0	0	19,987,210	561,751	20,548,961
FRIM FESR	563,751										1,349
MIUR TENDER	18,581,920	0	0	19,891	(6,669)	360,925	116	0	18,956,183	926,318	19,882,501
FAR FIN	946,126										5,149
2011 THEATER DIGITALISATION TENDER	514,233	(3,501)	0	5,161	175,298	(544)	91	0	690,738	15,562	706,300
	20,671										0

Table 5/8 Changes during the year 01/01/2024 – 31/12/2024 and balance sheet amounts at 31/12/2024

Laws	Balances available at 31.12.2023	Increase and/or decrease of the Provision for debits or credits and/or transfers between Funds	Disbursements to Enterprises and others	in capital, On-call and other receivables	Fund Assets and Liabilities and management fees (Legal Fees, etc.)	Interest, charges and Income on current account and securities (*)	Interest on Loans (**)	Reimbursements Lombardy Region	Balances available at 31.12.2024 (**)	Loans Existing at 31.12.2024	Balance of third party provisions
	Existing loans										receivables on demand
FINTER	693,740	(2,834)	0	3,607	(315)	(150)	172	0	694,220	72,277	766,497
	75,880										377
GREEN AREAS FUND TENDER	1,197,828	0	(20,981)	0	0	(120)	0	0	1,176,728	0	1,176,728
	0										0
2012 THEATER DIGITALISATION TENDER	602,616	(9,711)	0	6,949	0	(86)	8	0	599,776	0	599,776
	6,931										0
FUND FOR RED. INTEREST = EIB	701,520	0	(965)	56,390	0	(113)	542	0	757,375	0	757,375
	0										348,328
R&D TENDER FOR BUSINESS COMBINATIONS	23,705,764	0	0	3,333,043	(59,697)	583,859	2,707	(13,364)	27,552,312	934,378	28,486,689
	4,266,698										621
INSTITUTIONAL AGREEMENTS FUND	4,978,304	0	(937,735)	0	(4,772)	(145)	0	0	4,035,652	0	4,035,652
	0										0
SKI COMPLEX 2015 TENDER	1,854,244	(71,555)	0	91,410	(11,990)	(191)	300	0	1,862,219	14,516	1,876,735
	105,573										0
CTS TENDER	403,727	(8)	0	584	(387)	(158)	(81)	0	403,677	12,480	416,157
	13,060										70
INFRASTRUCTURES AND MOBILITY TENDER	47,295	(46,617)	0	0	(0)	(105)	0	0	573	0	573
	0										0
LOMBARDIA CONCRETA RISK COVERAGE	1,064,445	0	0	0	0	(104)	0	0	1,064,341	0	1,064,341
	0										0
LOMBARDIA CONCRETA - FUND FOR RED. OF RATES	(1,897,118)	0	0	0	(320)	(107)	0	0	(1,897,544)	0	(1,897,544)
	0										0
FRIM	195,891	0	0	0	(0)	(102)	0	0	195,788	131,582	327,370
FIERE	131,582										988
FUND TO SAFEGUARD	3,016,010	(146,671)	0	195,993	(16,671)	(328)	0	0	3,048,334	659,527	3,707,861
LOCAL CULT. SISMA MN	855,520										0
TENDER FOR	426,222	(310,645)	0	310,724	(10,935)	(122)	0	0	415,244	25,000	440,244
SKI LIFTS	185,617										25,125
DIGITALISATION 2013 FUND RL. 21/08 ART. 5	375,393	(59,236)	0	53,762	0	(260)	107	0	369,767	14,062	383,829
	67,753										36
MIUR FAR	12,191,042	0	0	0	0	325,867	0	0	12,516,909	0	12,516,909
CONTRIBUTIONS	0										201,275
START-UP RESTART FUND	74,954	(35,000)	0	35,105	(0)	(114)	84	0	75,029	0	75,029
CONTRIB. B.P.	0										142,330

Table 6/8 Changes during the year 01/01/2024 – 31/12/2024 and balance sheet amounts at 31/12/2024

Laws	Balances available at 31.12.2023	Increase and/or decrease of the Provision for debits or credits and/or transfers between Funds	Disbursements to Enterprises and others	in capital, On-call and other receivables	Fund Assets and Liabilities and management fees (Legal Fees, etc.)	Interest, charges and Income on current account and securities (*)	Interest on Loans (**)	Reimbursements Lombardy Region	Balances available at 31.12.2024 (**)	Loans Existing at 31.12.2024	Balance of third party provisions
	Existing loans										receivables on demand
SCHOOL CONSTRUCTION FUND	14,216,281	(10,730,856)	0	893,840	(154,005)	(283)	0	0	4,224,977	4,700,716	8,925,694
	5,594,557										0
CASH CREDIT	292,081	0	0	0	(0)	(104)	0	0	291,977	0	291,977
RATES REDUCTION	0										0
CULTURE 2013 TENDER	1,732,867	(398,929)	0	538,889	(88,260)	(420)	0	0	1,784,147	2,158,556	3,942,703
	2,697,445										0
LOMBARDIA CONCRETA RED. COMMERCE RATES	1,169,360	0	0	7,485	(5,722)	(116)	937	0	1,171,944	0	1,171,944
	0										0
FRIM FESR 2020	20,170,340	(156,056)	0	1,433,950	(104,077)	459,433	19,838	(7,968)	21,815,460	2,270,535	24,085,994
	3,707,874										46,543
COUNTER-GUARANTEE FUND	16,749,270	0	(473,325)	0	0	535,402	0	(20,481)	16,790,867	0	16,790,867
	0										0
LINEA INTRAPRENDO TENDER	3,466,696	(141,374)	0	940,236	33,738	67,149	3,273	0	4,369,718	703,697	5,073,415
	1,639,932										2,867
2016 CULTURE FUND PRIVATES-CHURCH ENTITIES	2,017,158	(335,402)	0	503,608	(5,889)	(926)	0	0	2,178,549	2,260,533	4,439,082
	2,764,141										0
2015 PUBLIC ENTITIES CULTURE FUND	846,901	(127,643)	0	162,074	(7,293)	(134)	0	0	873,905	1,340,293	2,214,198
	1,502,367										0
FREE FUND	7,555,052	0	(386,333)	713,343	(110,774)	147,952	0	(3,935)	7,915,305	8,631,510	16,546,815
	8,958,520										0
REVOLVING FUND RL 21/08 YEAR 2016	(24,540)	(36,684)	0	176,567	(914)	(146)	0	0	114,283	409,432	523,715
	585,999										0
Fund for Agricultural Enterprises	5,026,510	2,870,050	(1,811,229)	3,784,501	0	109,911	165,563	(26,836)	10,118,470	18,593,644	28,712,114
	20,517,851										0
Al Via Guarantee Fund	77,926,208	0	31,526	0	0	2,519,289	0	(13,308)	80,463,715	0	80,463,715
	0										0
Scholastic Construction Tender	(8,393,281)	9,681,398	0	318,602	(31,094)	(161)	0	0	1,575,464	1,191,828	2,767,292
	1,510,431										0
Credit Support Fund (New Frim Coop)	2,218,626	(560,637)	(1,366,225)	1,090,657	245	(827)	8,073	0	1,389,913	5,173,021	6,562,934
	4,876,407										1
Frim Fesr II Research and Development	2,699,933	0	0	950,719	0	45,821	12,755	(12,110)	3,697,117	1,923,894	5,621,011
	2,867,705										0
Line for Internationalisation Fund	3,781,278	0	0	2,254,650	19,776	25,976	1,640	(10,952)	6,072,369	3,685,425	9,757,794
	5,939,862										0

Table 7/8 Changes during the year 01/01/2024 – 31/12/2024 and balance sheet amounts at 31/12/2024

Laws	Balances available at 31.12.2023	Increase and/or decrease of the Provision for debits or credits and/or transfers between Funds	Disbursements to Enterprises and others	in capital, On-call and other receivables	Fund Assets and Liabilities and management fees (Legal Fees, etc.)	Interest, charges and Income on current account and securities (*)	Interest on Loans (**)	Reimbursements Lombardy Region	Balances available at 31.12.2024 (**)	Loans Existing at 31.12.2024	Balance of third party provisions
	Existing loans										receivables on demand
Bei Interest Rate Reduction Fund/Evolution Loan	14,046,176	171,177	(187,966)	176,140	0	(166)	0	0	14,205,361	0	14,205,361
	0										122
Tender Trade Districts for Territorial Reconstruction	1,371,751	0	(474,480)	101,899	0	(226)	0	0	998,943	0	998,943
	0										15,593
Fund for the recovery of local entities	2,753,610	0	(1,977,651)	0	0	(300)	0	0	775,660	0	775,660
	0										0
AL VIA - Contribution	914,379	0	(211,085)	0	0	10,479	0	0	713,773	0	713,773
	0										0
Bei Reduction Rates Credit Evolution (FSC Resources)	126,493	(171,177)	0	234,449	(0)	8,993	0	0	198,758	0	198,758
	0										303,472
Fund for the capitalisation of Lombardy co-operatives	1,010,428	7,450,759	(4,863,912)	644,183	519	(1,434)	88,122	0	4,328,665	8,918,529	13,247,194
	6,782,710										49,259
Infrastructure Programme	15,597,528	18,783,224	(11,873,260)	0	0	(271)	0	0	22,507,221	0	22,507,221
	0										0
Fund for Intervention to support the Economic Fabric of Local Entities	9,417,998	0	(7,542,438)	0	(0)	(507)	0	0	1,875,052	0	1,875,052
	0										0
Capitalisation Measure	672,285	3,068,593	(3,832,183)	1,627,745	0	(350)	25,317	0	1,561,406	0	1,561,406
	0										1,039,941
Research & Innovation Measure	4,867,095	13,487,074	(11,625,915)	0	(2,500)	96,527	8,054	(268,262)	6,562,073	19,663,649	26,225,722
	8,037,734										0
Lombardy Venture	39,469,256	143,001	(10,179,661)	0	0	991,268	0	(143,001)	30,280,862	10,179,661	40,460,523
	0										0
Measure Internationalisation Line 21-27	89,745	4,775,630	(803,619)	11,315	0	5,231	0	(65,708)	4,012,594	3,572,820	7,585,414
	3,039,564										0
Investment Attraction Line	7,952,967	9,527,463	(536,345)	0	0	80,682	0	(92,773)	16,931,995	0	16,931,995
	0										0
Green Line	18,719,956	200,793	(342,521)	0	0	314,835	0	(200,793)	18,692,271	0	18,692,271
	0										0
Bei Reduction Rates Credit Evolution (SME Regional Resources 2023)	6,318,717	0	(410,637)	0	(0)	(210)	0	0	5,907,870	0	5,907,870
	0										0
Investments - Business Development Line	33,500,193	47,024,299	(2,454,407)	0	0	1,401,341	0	(174,299)	79,297,128	0	79,297,128
	0										0
Microcredit Measure	0	2,019,056	0	0	0	11,954	0	(19,056)	2,011,954	0	2,011,954
	0										0

Table 8/8 Changes during the year 01/01/2024 – 31/12/2024 and balance sheet amounts at 31/12/2024

Laws	Balances available at 31.12.2023	Increase and/or decrease of the Provision for debits or credits and/or transfers between Funds	Disbursements to Enterprises and others	in capital, On-call and other receivables	Fund Assets and Liabilities and management fees (Legal Fees, etc.)	Interest, charges and Income on current account and securities (*)	Interest on Loans (**)	Reimbursements Lombardy Region	Balances available at 31.12.2024 (**)	Loans Existing at 31.12.2024	Balance of third party provisions
	Existing loans										receivables on demand
Re-Impresa	0	400,000	0	0	0	(104)	0	0	399,896	0	399,896
	0										0
B.P FILO 1.3.4	0	16,490,000	0	0	0	33,918	0	0	16,523,918	0	16,523,918
	0										0
B.P FILO 2.6.1	0	14,550,000	0	0	0	29,926	0	0	14,579,926	0	14,579,926
	0										0
Measure for the Strengthening of Production Chains and Ec.	0	8,730,000	0	0	0	(19)	0	0	8,729,981	0	8,729,981
	0										0
Fund of the General Directorate of Infrastructure 2024	0	11,425,089	(8,132,520)	0	0	(155)	0	0	3,292,414	0	3,292,414
	0										0
Fund of the General Directorate of Transport 2024	0	5,743,790	(5,525,989)	0	0	(131)	0	0	217,670	0	217,670
	0										0
Equity Crowdfunding Guarantee	0	0	0	0	0	(33)	0	0	(33)	0	(33)
	0										0
LeFP contributions	0	500,000	(115,900)	0	545	(50)	0	0	384,595	0	384,595
	0										0
Credito Adesso Lombardia Factoring	0	0	0	0	0	0	0	0	0	0	0
	0										0
Treasury Management	10,169,146	0	0	0	(0)	5,178,713	0	0	15,347,859	0	15,347,859
	0										0
TOTAL	515,167,140	123,557,970	(85,366,075)	40,656,711	(4,019,439)	14,231,009	402,381	(1,072,845)	603,556,852	154,243,359	757,800,211
	163,499,263										2,825,345

(*) includes the fair value delta and accrued income

(**) the column interest on loans also includes interest on late payments of withdrawn grants

(***) the cash balances column at 31/12/2024 includes cash pooling receivables of Euro 141,320,358

4.5. - Management of JOP and Fondazione Lombardia per L'Ambiente (FLA)

Changes in the Year 01/01/2024 - 31/12/2024

Laws	Cash Balances at 31.12.2023	Decrease and/or Increase provision	Disbursements to Enterprises Loans	Repayments	Interest Income on current account and securities and management expenses	Reimbursement made	Compensation Finlombarda paid	Balances available at 31.12.2024	Loans existing at 31.12.2024	Balance sheet balances
JOP	3,547	0	0	0	10	0	0	3,556	0	3,556
Environment	2,790,189	(77,000)	0	0	76,124	0	0	2,789,313	0	2,789,313
TOTAL	2,793,736	(77,000)	0	0	76,133	0	0	2,792,869	0	2,792,869

SECTION 3 - INFORMATION ON RISKS AND RELATED HEDGING POLICIES

The main financial assets of Finlombarda S.p.A. include bank deposits on demand, bank loans, receivables for services, investment in securities and loans granted. The Company has not entered into any derivative transactions and is not directly exposed to exchange risk as it does not work in foreign currencies.

The main risks generated by these activities are credit risk, operational risk, interest rate risk, liquidity risk and concentration risk.

3.1 – CREDIT RISK

Qualitative information

1. General aspects

Credit risk is the possibility that a change in the creditworthiness of a counterparty, with which the Company has an exposure, could result in a corresponding change in the value of the receivable.

2. Credit risk management policies

2.1. Organisational aspects

Finlombarda uses the standardised approach in the determination of its credit risk.
Application of this methodology involves splitting exposures in classes according to the type of counterparty and underlying asset, subsequently applying different weightings related to the risk degree exposures are risk-weighted, net of any specific provisions.
The absorption of capital is measured by applying a 8% percentage to total risk-weighted assets, as required by the legislation on financial intermediation.

2.2 Systems for managing, measuring and monitoring

Finlombarda monitors credit risk through organisational measures involving board level officials and the various corporate divisions.

Finlombarda monitors risks associated with the loan portfolio both with reference to the individual positions recorded in the financial statements, and with reference to the portfolio as a whole.
In view of Finlombarda's strategic objectives and operations, the general strategy to manage the risk generated by investment activities is the following:

- investing excess cash in deposits on demand, bonds, government securities, insurance policies and mutual funds;
- sufficient diversification of investment of deposits.

2.3 Credit risk mitigation techniques

With regard to funding, the individual disbursements are preceded by a series of measures designed to contain, prevent and mitigate credit risk through:

- careful assessment of the creditworthiness of loan applicants;
- careful assessment of the purposes of the requested loans;
- control of credit risk concentration by counterparty;
- formalisation of credit policies, of guiding principles underlying the granting of credit, rules for the granting of credit and credit management, and the classification of credit positions and the organisational structure;
- specific limits envisaged in the internal regulations.

Risk mitigation techniques include those elements that contribute to reducing the loss that the Company would incur in the event of a counterparty default. The Company pursues the objective of containing credit risk not only through an adequate assessment of creditworthiness but also through the acquisition of guarantees, in particular of public nature. Specifically, the proportion of performing loans guaranteed by the Central Fund was 32% (compared to 36.6% in the previous year)/ In addition, recourse is also made to other forms of public guarantees such as the regional guarantee, whose recourse at 31/12/2024 covers about 7.45% of performing loans (compared to 9.7% in the previous year), and to a much lesser extent the Sace Italia guarantees (3.5% of performing loans at 31/12/2024) and Cosme (0.21% of performing loans at 31/12/2024).
The valuation of loans granted is carried out in accordance with IFRS 9. Performing loans, in particular, loans are classified as "stage 2", i.e., loans that present a significant increase in risk with respect to the date of granting and for which the impairment is therefore determined on a lifetime basis, loans that present a series of risk indicators specifically codified on the basis, in particular, of the monitoring rating trend, the regularity of the relationship, the information available from the

Central Risks Register and the Chamber of Commerce, exposure to high energy costs, as well as some financial statements indicators as well as physical and transition risk. For greater risks, the classification is determined by a more complete and accurate analysis. Finally, each position is associated with a provision based on the specific level of risk attributed to it according to the monitoring rating and with a calibration of the marginal PD curves on the basis of historically measured default rates. For the 2024 provisions, as was already done in the previous three-year period, it was prudently deemed appropriate to calibrate the marginal PD curves using values higher than the particularly low default rate recorded in the last three years, using rates determined as a weighted average of a historical series also including default rates recorded in the pre-Covid period.

3. Impaired credit exposures

Impaired credit exposures are identified through the systematic monitoring of loans by the Management and Monitoring Office of the Credit function within the Credit Department, with the support of the integrated information system. Monitoring makes it possible to promptly detect any anomalous situations and therefore to correctly classify credit positions into different management statuses, with an increasing probability of insolvency based on the risk signals detected. Impaired positions are also reviewed on an annual basis in order to update their classification, determine the amount of the impairment loss, assess the basis for the recognition of a loss and monitor the progress of credit recovery actions carried out directly or through affiliated financial intermediaries.

On a monthly basis, the Credit Department prepares a report in which it represents to the Board of Directors the credit performance of loans containing the risk profile (classification) of the credit positions, the main information on the composition of the loan portfolio and the changes noted over time. With particular reference to impaired exposures, the report also shows their performance by breaking down the changes in total value into the various components: changes due to new impaired positions, changes due to positions returned to performing status or settled and reductions due to collections from recovery initiatives implemented (enforcement of guarantees, repayment plans, distributions from bankruptcy proceedings or out-of-court settlements).

Quantitative Information

1. Distribution of credit exposures by portfolio and credit quality (book values)

Portfolios/quality	Non-performing	Unlikely-to-pay	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	2,200,955	780,292	184,603	49,490	470,643,116	473,858,455
2. Financial assets measured at fair value through other comprehensive income		504,000			95,706,636	96,210,636
3. Financial assets designated at fair value						
4. Other financial assets mandatorily measured at fair value						
5. Financial assets held for sale						
Total 31/12/2024	**2,200,955**	**1,284,292**	**184,603**	**49,490**	**566,349,752**	**570,069,091**
Total 31/12/2023	**3,885,145**	**1,418,331**	**118,970**	**172,322**	**603,055,535**	**608,650,303**

2. Distribution of financial assets by portfolio and credit quality (gross and net amounts)

Portfolios/quality	Non-performing				Performing			Total (net exposure)
	Gross exposure	Total adjustments	Net exposure	Total partial write-offs (*)	Gross exposure	Total adjustments	Net exposure	
1. Financial assets measured at amortised cost	8,437,881	5,272,032	3,165,850		472,775,258	2,082,652	470,692,605	473,858,455
2. Financial assets measured at fair value through other comprehensive income	1,008,000	504,000	504,000		95,800,441	93,805	95,706,636	96,210,636
3. Financial assets designated at fair value								
4. Other financial assets mandatorily measured at fair value								
5. Financial assets held for sale								
Total 31/12/2024	**9,445,881**	**5,776,032**	**3,669,850**		**568,575,699**	**2,176,457**	**566,399,241**	**570,069,091**
Total 31/12/2023	**11,875,836**	**6,453,390**	**5,422,447**		**607,846,301**	**4,618,444**	**603,227,857**	**608,650,303**

3. Distribution of financial assets by maturity ranges (book values)

Portfolios/risk stages	First stage			Second stage			Third stage			Impaired acquired or originated		
	From 1 day to 30 days	From over 30 days to 90 days	Over 90 days	Up to 30 days	From over 30 days to 90 days	Over 90 days	Up to 30 days	From over 30 days to 90 days	Over 90 days	Up to 30 days	From over 30 days to 90 days	Over 90 days
1. Financial assets measured at amortised cost		12,022			14,721	22,747			3,137,226			
2. Financial assets measured at fair value through other comprehensive income									504,000			
3. Financial assets held for sale												
TOTAL 31/12/2024		**12,022**			**14,721**	**22,747**			**3,641,226**			
TOTAL 31/12/2023		**44,806**	**127,516**			**30,358**		**8,756**	**4,796,131**			

4. Financial assets, commitments to disburse funds and financial guarantees given: evolution of total adjustments and of total allocations

Reasons/risk stages	Total adjustments																								Total allocations on commitments to disburse funds and financial guarantees given				Total
	Assets included in the first stage						Assets included in the second stage						Assets included in the third stage						Financial assets impaired acquired or originated									
	Due from banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairments	of which: collective impairments	Due from banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairments	of which: collective impairments	Due from banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairments	of which: collective impairments	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairments	of which: collective impairments	First stage	Second stage	Third stage	Commitments to disburse funds and fin. guarantees issued impaired acquired or originated	
Initial total impairment	**190,139**	**3,344,291**	**80,935**		**80,935**	**3,534,430**		**1,006,849**	**186,369**		**186,369**	**1,006,849**		**5,949,390**	**504,000**		**6,453,390**							**11,101**	**48**			**11,273,122**
Increases from financial assets acquired or originated Cancellations other than write-off Net impairment/reversal of impairments for credit risk (+/-) Contractual amendments without cancellations Changes in estimation method Write-offs not recognised directly in the income statement Other changes	-74,458	-1,798,408	482		482	-1,872,866		-470,080	-173,982		-173,982	-470,080		-677,358	0		-677,358							-10,071	-48			-3,203,921
Final total inventories	**115,681**	**1,545,883**	**81,418**		**81,417**	**1,661,564**		**536,769**	**12,387**		**12,387**	**536,769**		**5,272,032**	**504,000**		**5,776,032**							**1,030**	**0**			**8,069,201**

5. Financial assets, commitments to disburse funds and financial guarantees provided: transfers between the various stages of credit risk (gross and nominal values)

Portfolios/risk stages	Gross values / nominal value					
	Transfers between first and second stage		Transfers between second and third stage		Transfers between first and third stage	
	First stage to second stage	Second stage to first stage	Second stage to third stage	Third stage to second stage	First stage to third stage	Third stage to first stage
1. Financial assets measured at amortised cost	39,141,203	28,653,472	745,130		568,461	
2. Financial assets measured at fair value through other comprehensive income	756,763	4,273,889				
3. Financial assets held for sale						
4. Commitments to disburse funds and financial guarantees provided						
TOTAL 31/12/2024	**39,897,965**	**32,927,361**	**745,130**		**568,461**	
TOTAL 31/12/2023	**42,670,255**	**7,353,316**	**1,037,847**		**1,157,415**	

5a. Loans subject to Covid-19 support measures: Transfers between the various stages of credit risk (gross and nominal values)

At 31 December 2024, there were no outstanding Covid-19 support measures still active.

6. Credit exposures to customers, to banks and to financial companies

6.1 Credit and off-balance sheet exposures to banks and financial companies: gross and net amounts

Type of exposure/amounts	Gross exposure					Total impairment and provisions					Net Exposure	Total partial write-offs*
		First stage	Second stage	Third stage	Impaired acquired or originated		First stage	Second stage	Third stage	Impaired acquired or originated		
A. ON-BALANCE SHEET CREDIT EXPOSURES												
A.1 ON DEMAND	**143,342,456**	**143,342,456**				**115,681**	**115,681**				**143,226,775**	
a) Non-performing												
b) Performing	**143,342,456**	**143,342,456**				**115,681**	**115,681**				**143,226,775**	
A.2 ALTRE	**16,112,333**	**16,112,333**				**28,744**	**28,744**				**16,083,590**	
a) Doubtful loans												
- of which: forbearance exposures												
b) Unlikely-to-pay												
- of which: forbearance exposures												
c) Non-performing past due exposures												
- of which: forbearance exposures												
d) Performing past due exposures												
- of which: forbearance exposures												
e) Other performing exposures	16,112,333	16,112,333				28,744	28,744				16,083,590	
- of which: forbearance exposures												
TOTAL A	**159,454,789**	**159,454,789**				**144,425**	**144,425**				**159,310,364**	
B. OFF-BALANCE SHEET EXPOSURES												
a) Non-performing												
a) Performing												
TOTAL B												
TOTAL A+B	**159,454,789**	**159,454,789**				**144,425**	**144,425**				**159,310,364**	

6.2 On-balance sheet credit exposures to banks and financial companies: analysis of gross impaired exposures

No impaired credit exposure to banks or financial companies.

6.3 Impaired on-balance sheet credit exposures to banks and financial companies: analysis of total impairment

No impaired credit exposure to banks or financial companies.

6.4 Credit and "off-balance sheet" exposures to customers: gross and net amounts

Type of exposure/amounts	Gross exposure					Total impairment and provisions					Net Exposure	Total partial write-offs*
		First stage	Second stage	Third stage	Impaired acquired or originated		First stage	Second stage	Third stage	Impaired acquired or originated		
A. ON-BALANCE SHEET CREDIT EXPOSURES												
a) Doubtful loans	7,051,161			7,051,161		4,850,207			4,850,207		2,200,955	
- of which: forbearance exposures	548,670			548,670		499,455			499,455		49,215	
b) Unlikely-to-pay	2,137,550			2,137,550		853,258			853,258		1,284,292	
- of which: forbearance exposures	64,115			64,115		47,343			47,343		16,772	
c) Non-performing past due exposures	257,170			257,170		72,568			72,568		184,603	
- of which: forbearance exposures												
d) Performing past due exposures	54,575	12,313	42,262			5,085	291	4,794			49,490	
- of which: forbearance exposures												
e) Other performing exposures	552,408,791	498,779,827	53,628,964			2,142,628	1,598,266	544,362			550,266,162	
- of which: forbearance exposures	788,915		788,915			1,255		1,255			787,660	
TOTAL A	**561,909,247**	**498,792,140**	**53,671,226**	**9,445,881**		**7,923,746**	**1,598,557**	**549,157**	**5,776,032**		**553,985,501**	
B. OFF-BALANCE SHEET EXPOSURES												
a) Non-performing												
a) Performing	487,500	487,500				1,030	1,030				486,470	
TOTAL B	**487,500**	**487,500**				**1,030**	**1,030**				**486,470**	
TOTAL A+B	**562,396,747**	**499,279,640**	**53,671,226**	**9,445,881**		**7,924,776**	**1,599,588**	**549,157**	**5,776,032**		**554,471,971**	

6.5 On-balance sheet credit exposures to customers: analysis of gross impaired exposures

Reasons/Category	Non-performing	Unlikely-to-pay	Non-performing past due exposures
A. Initial gross exposure	**9,321,214**	**2,407,655**	**146,967**
- of which: exposures granted not derecognised			
B. Increases			
B.1 reclassified from performing exposures	81,414	958,055	295,569
B.2 reclassified from financial assets impaired acquired or originated			
B.3 reclassified from other categories of non-performing exposures	1,118,324		
B.4 contractual amendments without derecognition			
B.5 other increases	70,620	148,665	18,646
C. Decreases			
C.1 reclassified to performing exposures			
C.2 write-offs	-610,328	-31,116	
C.3 collections	-2,930,083	-374,353	-57,044
C.4 proceeds from sale			
C.5 losses from disposals			
C.6 reclassified to other non-performing exposure categories		-971,357	-146,967
C.7 contractual amendments without derecognition			
C.8 other decreases			
D. Final gross exposure	**7,051,161**	**2,137,550**	**257,170**
- of which: exposures granted not derecognised			

6.5bis On-balance sheet credit exposures to customers: analysis of gross forbearance exposures by credit quality

Reasons/Quality	Non-performing forbearance exposures	Other forbearance exposures
A. Initial gross exposure	**803,465**	**1,521,299**
- of which: exposures granted not derecognised		
B. Increases	**39,522**	**1**
B.1 reclassified from performing loans not subject to forbearance		
B.2 reclassified from performing loans subject to forbearance		
B.3 reclassified from non-performing exposures subject to forbearance		
B.4 reclassified from non-performing exposures not subject to forbearance		
B.5 other increases	39,522	1
C. Decreases	**-230,202**	**-732,385**
C.1 reclassified to performing exposures not subject to forbearance		-276,865
C.2 reclassified to performing exposures subject to forbearance		
C.3 reclassified to non-performing exposures subject to forbearance		
C.4 write-offs	-31,116	
C.5 collections	-160,626	-455,520
C.6 proceeds from sale		
C.7 losses from sale		
C.8 other decreases	-38,460	
D. Final gross exposure	**612,785**	**788,915**
- of which: exposures granted not derecognised		

6.6 Impaired on-balance sheet credit exposures to customers: analysis of total impairment

Reasons/Category	Non-performing		Unlikely-to-pay		Non-performing past due exposures	
	Total	of which: forbearance exposures	Total	of which: forbearance exposures	Total	of which: forbearance exposures
A. Initial total impairment	**5,436,069**	**509,066**	**989,323**	**181,563**	**27,997**	
- of which: exposures granted not derecognised						
B. Increases	**328,956**	**10,430**	**218,297**	**183**	**72,568**	
B.1 impairment of financial assets impaired acquired or originated						
B.2 other impairment	67,640	2,455	218,297	183	72,568	
B.3 losses from sale						
B.4 reclassified from other non-performing loan categories	261,317	7,975				
B.5 contractual amendments without derecognition						
B.6 other increases						
C. Decreases	**-625,722**	**-20,041**	**-354,363**	**-134,403**	**-27,997**	
C.1 reversal of impairment from valuation	-15,394		-25,412	-25,412		
C.2 reversal of impairment from collection	-289,097	-20,041	-70,482	-70,482		
C.3 gains from sale						
C.4 write-offs	-610,328		-31,116	-31,116		
C.5 reclassified to other non-performing exposure categories			-227,352	-7,393	-27,997	
C.6 contractual amendments without derecognition						
C.7 other decreases						
D. Final total impairment	**4,850,207**	**499,455**	**853,258**	**47,343**	**72,568**	
- of which: exposures granted not derecognised						

9 Credit concentration

9.1 Distribution of cash and "off-balance sheet" exposures by economic sector of the counterparty

The loans granted by the company are mainly aimed at micro, small and medium-sized enterprises with operational headquarters in the Lombardy region belonging to the manufacturing, business services, wholesale and construction industries, in line with the company's mission.

Exposures/Counterparties	Public administration		Financial companies		Non-financial companies		Households		Banks	
	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment
A. On-balance sheet credit exposures										
A.1 Non-performing					2,200,000	4,753,303	955	96,904		
of which: forbearance exposures					49,215	499,455				
A.2 Unlikely-to-pay loans					1,284,292	853,258				
of which: forbearance exposures					16,772	47,343				
A.3 Past due non-performing exposures					184,603	72,568				
of which: forbearance exposures										
A.4 Other performing exposures	78,883,706	294,061	3,918,471	19,974	461,297,157	1,815,002	10,134,789	38,651	155,391,893	124,450
of which: forbearance exposures										
Total (A)	**78,883,706**	**294,061**	**3,918,471**	**19,974**	**464,966,052**	**7,494,130**	**10,135,743**	**135,554**	**155,391,893**	**124,450**
B. Off-balance sheet exposures										
B.1 Non-performing										
B.2 Other performing exposures					486,470	1,030				
Total B					**486,470**	**1,030**				
Total (A+B) 31/12/2024	**78,883,706**	**294,061**	**3,918,471**	**19,974**	**465,452,521**	**7,495,160**	**10,135,743**	**135,554**	**155,391,893**	**124,450**
Total (A+B) 31/12/2023	**30,022,846**	**653,744**	**7,405,949**	**173,298**	**555,343,818**	**10,110,562**	**3,532,296**	**128,541**	**191,579,562**	**206,977**

9.2 Geographical distribution of on- and off-balance sheet credit exposures

Exposures/ Geographical areas	Italy		Other EU countries	
	Net exposure	Total adjustments	Net exposure	Total adjustments
A. On-balance sheet credit exposures				
A.1 Non-performing	2,200,955	4,850,207		
A.2 Unlikely-to-pay loans	1,284,292	853,258		
A.3 Past due non-performing exposures	184,603	72,568		
A.4 Other performing exposures	694,687,746	2,288,470	14,938,271	3,669
Total (A)	**698,357,595**	**8,064,502**	**14,938,271**	**3,669**
B. Off-balance sheet exposures				
B.1 Non-performing				
B.2 Other performing exposures	486,470	1,030		
Total B	**486,470**	**1,030**		
Total (A+B) 31/12/2024	**698,844,065**	**8,065,532**	**14,938,271**	**3,669**
Total (A+B) 31/12/2023	**772,366,968**	**11,266,305**	**15,517,503**	**6,817**

9.2bis Distribution of cash and off-balance sheet exposures by geographical area of the counterparty

Exposures/Geographical areas	North West Italy		North East Italy		Central Italy		Italy South and Islands	
	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment	Net exposure	Total impairment
A. On-balance sheet credit exposures								
A.1 Non-performing	2,184,648	4,536,945		238,411	16,035	27,294	272	47,557
A.2 Unlikely-to-pay loans	1,284,292	853,258						
A.3 Past due non-performing exposures	184,603	72,568						
A.4 Other performing exposures	573,130,505	2,080,908	45,748,142	174,418	74,266,129	24,620	1,542,970	8,523
Total (A)	**576,784,047**	**7,543,678**	**45,748,142**	**412,829**	**74,282,164**	**51,914**	**1,543,242**	**56,080**
B. Off-balance sheet exposures								
B.1 Non-performing								
B.2 Other performing exposures	486,470	1,030						
Total B	**486,470**	**1,030**						
Total (A+B) 31/12/2024	**577,270,517**	**7,544,708**	**45,748,142**	**412,829**	**74,282,164**	**51,914**	**1,543,242**	**56,080**
Total (A+B) 31/12/2023	**618,410,745**	**10,359,592**	**110,380,958**	**795,349**	**43,283,506**	**67,942**	**291,760**	**43,422**

It is specified that the loans receivable were granted to companies with registered offices in Lombardy.

9.3 Large Exposures

Large exposures at 31 December 2024 were as follows:

a) Amount (gross exposure): Euro 143,305,539;
b) Amount (weighted value): Euro 88,566,436;
c) Number of counterparties: 4, (3 supervised intermediaries and 1 public entity), namely the Ministry of Economy and Finance, Banca Intesa, Banca Patrimoni Sella &C. and Zurich Italy Bank.

With reference to the exposures to supervised intermediaries, it should be noted that the amount is mainly due to the liquidity on current accounts in the Company's name, while the exposure to the Ministry of Economy and Finance mainly refers to government securities, weighted at zero, falling within the exemption envisaged by Article 400, paragraph 1, letter a) of the CRR.

10 Models and other methods for measuring and managing credit risk
The Company measures its credit risk exposure in compliance with the regulations set by the Bank of Italy in accordance with the weightings of the standardised approach.

11 Other quantitative information
There are no disclosures to be made under to IFRS 7, para. 36, letter b) and 38.

3.2 – Market risk

Market risk, i.e. the risk of incurring possible losses in value resulting from changes in market parameters such as credit spreads, interest rates, prices of financial instruments traded on financial markets due to market evolution or issuers' specific situation, is monitored through a sensitivity analysis, subject to approval by the Supervisory Authorities. The market risk calculation method used by Finlombarda for determining its capital requirement is the Standardised Approach.

3.2.1 – Interest rate risk

Quantitative Information

1. General aspects

Interest rate risk is limited to financial instruments related to such variables as deposits on demand, bonds of issuers of high standing in portfolio and mutual funds is monitored through the method envisaged by Circular no. 288/2015 and subsequent updates (Title IV, Chapter 14, Annex C).

The company has two credit lines with the European Investment Bank, fully drawn: the first for Euro 200 million and the second for Euro 242 million. At the end of 2024, the two lines have an outstanding amount of Euro 165 million (book value). The company also has a line of credit for Euro 150 million with Banca Popolare di Sondrio, with a book value of Euro 75.3 million. In addition to the previous lines, there are three other loans for a total of Euro 175 million, respectively with Cassa Depositi e Prestiti (book value Euro 37.5 million), BNL (book value Euro 61.2 million) and Intesa San Paolo (Euro 63.3 million). The Company has bonds for Euro 85.3 million (excluding minibonds and Basket bonds), current accounts for Euro 143.2 million, loans to businesses stipulated for Euro 470.2 million, of which floating-rate for Euro 430.7 million (91.6%) exposed to interest rate risk and Euro 39.5 million at fixed rate (including net non-performing loans for Euro 2.2 million).

The mutual funds have a variable return linked to the performance of the underlining portfolio, which contains fixed income securities as well as floating rate securities that are subject to changes in interest rates; interest rate risk management is carried out directly by the management company.
The company has an EMTN programme for Euro 500 million, for which a bond issue is active for a nominal value of Euro 50 million in December 2021, at a fixed rate for a duration of 4 years (maturing in December 2025) and a nominal issue of Euro 10 million in January 2024, at a floating rate for a duration of 5 years.

1. Distribution of financial assets and liabilities by residual maturity (repricing date)

Type/Residual maturity	On demand	up to 3 months	from over 3 months to 6 months	from over 6 months to 1 year	from over 1 year to 5 years	over 5 years to 10 years	over 10 years	Undefined maturity
1. Assets	**145,170,408**	**157,685,949**	**327,956,051**	**23,041,111**	**48,147,813**	**6,184,219**	**2,182,676**	
1.1 Debt securities		33,021,174	17,657,941	16,599,186	29,692,269			
1.2 Receivables	145,170,408	124,664,775	310,298,111	6,441,925	18,455,544	6,184,219	2,182,676	
1.3 Other assets								
2. Liabilities	**341**	**138,101,186**	**278,235,381**	**50,845,867**	**6,663,087**	**1,665,117**		
2.1 Payables	341	127,870,561	278,235,381	833,681	6,663,087	1,665,117		
2.3 Debt securities		10,230,625		50,012,186				
2.4 Other liabilities								
3. Financial derivatives								
- Options								
+ long positions								
+ short positions								
- Other derivatives								
+ long positions								
+ short positions								

2. Models and other methods for measuring and managing interest rate risk

For a detailed analysis of the significant items exposed to interest rate risk, it is necessary to highlight the line of credit used by the European Investment Bank for approximately Euro 165 million, as well as the line of Euro 150 million (book value Euro 75.3 million) of Banca Popolare di Sondrio, fully used, (residual duration 2 years). In addition, three other borrowing lines for a total of Euro 175 million (nominal value) were utilised (as early as 2023), respectively with Cassa Depositi e Prestiti (book value Euro 37.5 million), BNL (book value Euro 61.2 million) and the Intesa San Paolo pool (book value Euro 66.3 million). The liabilities also include two bond issues with a nominal value of Euro 60 million, one for Euro 50 million at a fixed rate and one for Euro 10 million at a floating rate. The average residual duration of the funding sources is just over 5 years (duration 2 years and 8 months). About 15.4% of the asset items currently consists of investments in bonds issued by supervised financial institutions and leading corporate entities, government securities for Euro 85.3 million and Minibonds and Basket bond for a total of Euro 11.6 million, the rest being cash balances on the Company's current accounts, i.e. Euro 143.2 million. Loans to customers other than bonds, amounting to a total of around Euro 473.9 million, of which around 91.6% (Euro 430.7 million) at floating rates, have a residual average duration of between 2 years and 8 months (duration 3 years and 8 months). With regard to other significant items, the receivables from customers due from the Lombardy Region are not financial in nature, but are due for services rendered and have an average residual life of about six months. The mutual investment funds are similar to equities, despite having a variable return linked to the performance of the underlying portfolio, so are not included in assets subject to interest rate risk and have a book value of Euro 10.5 million.

3.2.2 – Price risk

Qualitative information

1. *General aspects*

This risk is absorbed by the assessments of market risk, while for mutual funds, the price risk is already observed as part of credit risk.

3.2.3 – Exchange rate risk

Quantitative Information

With reference to exchange rate risk, the methodology explained in art. 351 and 352 of the CRR was used. The Company has performed the full look through of the underlying portfolio of mutual funds held in portfolio at 31 December 2024 compared to units held until 24 December 2020, highlighting the total (unweighted) exposure to exchange rate risk if the overall exchange rate exposure is above 2% compared to regulatory capital. We highlight that the foreign exchange exposure of the UCITS held is currently below 2% of regulatory capital (Art. 351 CRR).

For UCITS units purchased after 24 December 2020, in accordance with Regulation 2019/876 (which defines rules for calculating Own Funds Requirements for exposures in the form of units or shares in CIUs), the MBA (Mandate Based Approach) method is used.

3.3 – Operational risk

Qualitative information

1. General aspects, management and measurement of operational risk

The Company manages the various factors of operational risk through a variety of organisational, procedural and IT safeguards and controls appropriately adopted and evaluated regularly in order to verify their validity over time.

The first one is aimed at mitigating internal operational risk and is the system of procedures and regulations. All key processes of the Company are, in fact, mapped and, for the significant steps, the Company has always separated the functions that deal with the phase control from those that are responsible for their implementation.

Operational risks are managed through the application of logical and physical security measures to ensure the integrity and authenticity of the data processing process.

In order to monitor the operational risks to which the Company is exposed, the Risk Management Office coordinates the process of drafting and updating the Corporate Risk Map, in which it analyses all relevant business processes and identifies the related operational risks and mitigation activities of those with a "High" and "Medium High" net rating, submitting them to the Corporate Bodies for decisions.

Quantitative Information

In relation to the "Basic" approach indicated by the Supervisory Authorities, the driver used for the sensitivity analysis on operational risk is the relevant indicator.

3.4 – Liquidity risk

Qualitative information

1. General aspects, management and measurement of operational risk

Liquidity risk means the risk of not being able to meet payment commitments due to the inability to obtain funds on the market (funding liquidity risk) or to sell assets (market liquidity risk). The liquidity planning process begins every year with the preparation of a Business Plan, making forecasts of monthly liquidity consumption over a period of three years. During the course of the year, to determine the funding needs and their coverage, the Asset Management and Treasury Office uses a maturity ladder, built on the basis of forecasts of expected cash inflows and outflows month by month, the positive and negative imbalances split by time bands, including both the inflows and the outflows. For the construction of the schedule, the Asset Management and Treasury Office requires the organisational units in charge of core operations to prepare prospective data on payroll, suppliers, taxes and fees, payments from the Lombardy Region, while on financial intermediation it takes the figures from the management systems, completing the prospective part based on the forecasts contained in the Three-year Budget. The maturity ladder, produced on a monthly basis, highlights the differences between income and expense and the monthly cash balance that the Company can rely on prospectively over a twelve-month horizon and allows the Asset Management and Treasury Office to adjust its investment/disinvestment policy by identifying the more cost-effective financial strategy for the Company, as well as an analysis of variances caused by the actual cash flows recorded. For each investment made, the Asset Management and Treasury Office updates a schedule containing the maturities by coupons, interest and capital of the investments made to update the maturity ladder in a continuous and timely manner. Following the bond issue, based on a prudential approach, the Liability Management Office in conjunction with the Asset Management and Treasury Office draws up and updates the Contingency Funding Plan. This document lists the various types of liquidity stress, also under high stress conditions, identifying the sources of funding to cope with them. At the end of 2024, the Company has liquid assets, mainly current accounts for about Euro 143.2 million to partially mitigate the Funding liquidity risk, which could also be addressed through the divestment of part of the assets, starting from the most liquid items such as, for example, the sale of UCITS and class 1 bonds. Should the Company find itself in a situation of greater need, it could proceed with a new bond issue using the EMTN programme for up to Euro 500 million. As at 31 December 2024, the Company had issued bonds in the amount of Euro 60 million. A new credit line of up to Euro 150 million has been signed with the EIB, which has not yet been drawn down, plus a further Euro 100 million that can be contracted by the first quarter of 2026. In addition, a credit line is available with Banca Sella Patrimoni for a total of Euro 25 million, which can be used in the event of liquidity needs.

Quantitative Information

1. Distribution of financial assets and liabilities by residual maturity

Items/Time bands	on demand	over 1 day to 7 days	over 7 days to 15 days	from over 15 days to 1 month	over 1 month to 3 months	from over 3 months to 6 months	from over 6 months to 1 year	from over 1 year to 3 years	over 3 years to 5 years	Over 5 years of age	undefined maturity
Cash assets	**156,818,084**	**16,718**	**522,381**	**127,963**	**36,353,123**	**75,193,061**	**99,498,222**	**254,317,241**	**98,894,475**	**22,796,225**	**504,000**
A.1 Government securities			42,000		14,915,150	14,985,250	9,905,400	19,000,000			
A.2 Other Debt securities			480,381	125,625	786,573	327,708	7,650,482	5,307,882	24,269,594	51,870	504,000
A.3 Loans	146,328,696	16,718		2,338	20,651,400	59,880,102	81,942,340	230,009,359	74,624,881	22,744,355	
A.4 Other assets	10,489,388										
On-balance sheet liabilities	**341**			**18,947,162**	**416,653**	**38,414,377**	**107,386,925**	**161,079,492**	**77,326,872**	**83,561,191**	
B.1 Payables											
- Banks	341			18,682,160	416,279	31,419,701	49,763,985	136,076,872	67,326,872	83,561,191	
- Financial companies						6,994,115	6,873,503	25,000,000			
- Customers				187	374	561	1,123	2,619			
B.2 Debt securities				264,815			50,748,315		10,000,000		
B.3 Other liabilities											
Off-balance sheet transactions	**487,500**									**487,500**	
C.1 Financial derivatives with capital exchange											
- long positions											
- short positions											
C.2 Financial Institution derivatives without capital exchange											
- positive differentials											
- negative differentials											
C.3 Loans to be received											
- long positions											
- short positions											
C.4 Irrevocable commitments to disburse funds											
- long positions										487,500	
- short positions	487,500										
C.5 Financial Institution guarantees given											
C.6 Financial Institution guarantees received											

SECTION 4 – INFORMATION ON EQUITY

4.1 – The Capital of the Company

4.1.1 - Qualitative information

Capital management is entrusted to the Board of Directors on the recommendation of the sole shareholder, the Lombardy Region. All equity reserves can be used to cover any losses, with the exception of the legal reserve, and when the Company deems it necessary, they can be used to increase the share capital. Excluding the legal reserve and the share premium reserve, all of the other reserves are distributable.

4.1.2 - Quantitative information

4.1.2.1 - Capital of the company: breakdown

Items/Amounts	31/12/2024	31/12/2023
1. Share capital	211,000,000	211,000,000
2. Share premium reserve	127,823	127,823
3. Reserves	34,210,379	33,655,335
- of profits	33,758,168	33,203,123
a) legal	8,192,406	7,393,994
b) statutory	14,249,019	12,652,195
c) treasury shares		
d) others	11,316,743	13,156,935
- other	452,212	452,212
4. (Treasury shares)		
5. Valuation reserves	56,527	-1,186,615
- Equities designated at fair value through other comprehensive income:		
- Hedging of equities designated at fair value through other comprehensive income		
- Financial assets (other than equities) measured at fair value through other comprehensive income	10,316	-1,264,876
- Property, plant and equipment		
- Intangible assets		
- Foreign investment hedges		
- Cash flow hedges		
- Hedges (non designated elements)		
- Exchange differences		
- Non-current assets and groups of assets held for sale		
- Financial liabilities designated at fair value through profit or loss (changes of own credit rating)		
- Special write-back laws		
- Actuarial gains/losses relating to pension plans on defined benefit plans	46,211	78,261
- Share of valuation reserves relating to equity investments valued at equity		
6. Equity instruments		
7. Net profit (loss) for the year	8,220,333	7,984,119
Total	**253,615,062**	**251,580,662**

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

Assets/Amounts	31/12/2024		31/12/2023	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	597,805	587,489	771,304	2,036,180
2. Equities				
3. Financing				
Total	**597,805**	**587,489**	**771,304**	**2,036,180**

The aforementioned valuation reserve shows the increases and decreases in value deriving from the fair value and credit risk valuations of the financial assets of the HTCS portfolio, in accordance with the provisions of IFRS 9.

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

	Debt securities	Equities	Financing
1. Opening balance	**-1,264,876**		
2. Positive changes	**2,627,491**		
2.1 Increases in fair value	2,533,686		
2.2 Impairment for credit risk	93,805		
2.3 Reversal to income statement of negative realisation reserves			
2.4 Transfers to other equity components (equities)			
2.5 Other changes			
3. Negative changes	**-1,352,300**		
3.1 Decreases in fair value	-1,084,995		
3.2 Reversal of impairment for credit risk	-267,304		
3.3 Reversal to income statement of positive reserves: realisation			
3.4 Transfers to other equity components (equities)			
3.5 Other changes			
4. Closing inventories	**10,316**		

The OCI reserve in accordance with IFRS 9 has changed due to increases and decreases in the fair value of debt securities, as well as the increase/decrease in the associated credit risk.

4.2 – Own funds and capital ratios

4.2.1 – Own funds

4.2.1.1 - Qualitative information

This section lists the main contractual characteristics of the instruments included in the calculation of TIER 1 capital, of TIER 2 capital and of regulatory capital.

Finlombarda does not make use of the deduction of deferred tax assets from TIER1, as it is below the exemption threshold provided for in the Bank of Italy's Circular no. 288 of 3 April 2015 and subsequent updates, thus applying the weighting of 250% on the value. The elements to be added algebraically to TIER 1 include the OCI reserve (IFRS 9).

4.2.1.2 - Quantitative information

Items/Amounts	31/12/2024	31/12/2023
A. Core capital before the application of prudential filters	**244,919,781**	**240,955,971**
B. Core capital prudential filters:		
B.1 Positive IAS/IFRS prudential filters (+)		
B.2 Negative IAS/IFRS prudential filters (-)		
C. Core capital before elements to be deducted (A+/-B)	**244,919,781**	**240,955,971**
D. Elements to be deducted from the core capital	- 984	- 206,195
E. Total core capital (TIER 1) (C-D)	**244,918,798**	**240,749,776**
F. Tier 2 capital before application of prudential filters		
G. Tier 2 prudential filters:		
G.1 Positive IAS/IFRS prudential filters (+)		
G.2 Negative IAS/IFRS prudential filters (-)		
H. Tier 2 capital before elements to be deducted (F+G)		
I. Elements to be deducted from the Tier 2 capital		
L. Total Tier 2 capital (H-I)		
M. Elements to be deducted from the core capital and tier 2 capital		
B. Regulatory capital (E+L-M)	**244,918,798**	**240,749,776**

4.2.2 - Capital adequacy

4.2.2.1 - Qualitative information

The current absorption of Own Funds is quite low indeed: compared with a total of about Euro 39.4 million of capital requirements imposed by the first pillar, the Company holds regulatory capital equal to Euro 244.9 million and therefore has a surplus of Euro 205.5 million. Tier 1 Capital Ratio is 49.75% and Total Capital Ratio amounts to 49.75%.

The Company uses the methods of calculating regulatory capital requirements for Pillar I risks (standardised method for credit and marked risks, and the Basic Indicator Approach for operational risk) and measures the risks not included in the first pillar providing monitoring and mitigation systems such as adequate procedures, policies, frameworks and analytical documents.

Finlombarda has analysed its business and prospectively evaluated its activities, separating the significant risks.

The goal and mission of Finlombarda are not to maximise profits, but to facilitate and support the socio-economic development of the local area, encouraging interaction with the production system and private funding. In concrete terms, the Company's current situation features a high level of capitalisation.

In light of its specific activity, Finlombarda believes that its Own Funds are sufficient to deal with any adverse scenarios in relation to the risks assumed compared with the regulatory requirements imposed by the first pillar.

In compliance with Bank of Italy Circular no. 288 of 3 April 2015, the Company monitors its capital adequacy by preparing an ICAAP report (Internal Capital Adequacy Assessment Process), which it publishes on its website, www.finlombarda.it, "Disclosure to the general public" ("third pillar").

4.2.2.2 - Quantitative information

Categories/Amounts	Unweighted amounts		Weighted	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
A. RISK ASSETS				
A.1 Credit and counterparty risk	768,076,002	856,312,192	443,452,939	530,101,773
B. REGULATORY CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			35,476,235	42,408,142
B.2 Requirement for the performance of payment services				
B.3 Requirement for the issue of e-money				
B.4 Specific prudential requirements				
B.5 Total prudential requirements			39,384,398	45,916,013
C. RISK ASSETS AND RATIOS				
C.1 Risk-weighted assets			492,304,971	573,950,162
C.2 Core capital/Risk-weighted assets (Tier 1 capital ratio)			49.75%	41.95%
C.3 Regulatory capital/Risk-weighted assets (Total capital ratio)			49.75%	41.95%

SECTION 5 – STATEMENT OF COMPREHENSIVE INCOME

	Items	31/12/2024	31/12/2023
10	**Net profit (loss) for the year**	8,220,333	7,984,119
	Other comprehensive income without reversal to income statement		
20	Equities designated at fair value through other comprehensive income:	160,925	
	a) change in fair value		
	b) transfers to other equity components		
30	Financial liabilities at fair value through profit or loss (change of own credit rating):		
	a) change in fair value		
	b) transfers to other equity components		
40	Hedging of equities designated at fair value through other comprehensive income		
	a) change in fair value (hedged instrument)		
	b) change in fair value (hedging instrument)		
50	Property, plant and equipment		
60	Intangible assets		
70	Defined benefit plans	-32,050	-38,238
80	Non-current assets and groups of assets held for sale		
90	Share of valuation reserves of equity investments valued at equity		
100	Income tax relating to other comprehensive income without reversal to income statement		
	Other comprehensive income with reversal to income statement		
110	Foreign investment hedges:		
	a) changes in fair value		
	b) reversal to income statement		
	c) other changes		
120	Exchange differences:		
	a) changes in fair value		
	b) reversal to income statement		
	c) other changes		
130	Cash flow hedges:		
	a) changes in fair value		
	b) reversal to income statement		
	c) other changes		
	of which: result of net positions		
140	Hedges (non designated elements):		
	a) changes in fair value		
	b) reversal to income statement		
	c) other changes		
150	Financial assets (other than equities) measured at fair value through other comprehensive		
	a) changes in fair value	1,448,691	1,736,664
	b) reversal to income statement		
	- impairment adjustments		
	- gains/losses on disposal		
	c) other changes		
160	Non-current assets and groups of assets held for sale:		
	a) changes in fair value		
	b) reversal to income statement		
	c) other changes		
170	Share of valuation reserves of equity investments valued at equity:		
	a) changes in fair value		
	b) reversal to income statement		
	- impairment adjustments		
	- gains/losses on disposal		
	c) other changes		
180	Income tax relating to other comprehensive income with reversal to income statement		
190	**Total other income components**	1,577,566	1,698,426
200	**Comprehensive income (item 10+190)**	**9,797,899**	**9,682,545**

SECTION 6 – TRANSACTIONS WITH RELATED PARTIES

6.1 - Information on remuneration of managers with strategic responsibilities

	31/12/2024	31/12/2023
Members of the Board of Directors	68,877	150,836
Board of Statutory Auditors	46,800	46,800
Supervisory body	14,800	15,600

Fees, where paid to persons enrolled in Professional Associations, are inclusive of charges relating to the Social Security Fund to which they belong and, in the case of a fee on a payslip, are inclusive of welfare and assistance charges (INPS and INAIL).

The remuneration and social security charges for the year 2024 are detailed below:

Directors' and Statutory Auditors' fees including social security charges	Fee	Welfare and Assistance Fund	Inail
Board Directors*	65,652	3,200	25
Board of Statutory Auditors	45,000	1,800	

*the cost items of statutory fees and charges are shown.

6.2 - Loans and guarantees given in favour of directors and statutory auditors

No loans were granted nor guarantees given in favour of any member of the Corporate Bodies.

6.3 - Information about related party transactions

Transactions with related parties, mainly the Lombardy Region, are traded at market conditions.

At 31/12/2024, the following with Aria S.p.a and the Sole Shareholder Lombardy Region should be noted:

ARIA S.p.A.	Revenues		Costs	180,364
	Receivables		Payables	197,147
LOMBARDY REGION	Revenues	13,094,893	Costs	4,028
	Receivables	2,921,038	Payables	

6.4 – Information on the audit firm

Pursuant to art. 2427 of the Italian Civil Code, para. 16-bis, the audit fees for the year were as follows:

Type of services	Counterparty	31/12/2024	31/12/2023
Audit	Audirevi S.p.A.	29,832	29,832
Other services	Audirevi S.p.A.	19,542	26,103

6.5 – Management and coordination as per art. 2497 bis of the Italian Civil Code

The Company is subject to management and coordination by the Lombardy Region in accordance with art. 2497 bis of the Italian Civil Code. The system of corporate governance adopted is the traditional one with the presence of a Board of Directors and Board of Statutory Auditors.

Nexia Audirevi Audit & Assurance

FINLOBARDA S.p.A.

Independent Auditor’s Report

pursuant to articles 14 and 19-bis of Legislative Decree n. 39, dated January 27, 2010

Independent Auditor's Report
pursuant to articles 14 and 19-bis of Legislative Decree n. 39, dated January 27, 2010

To the Sole shareholder of

Finlombarda S.p.A.

Report on the financial statements

Opinion

We have audited the financial statements of Finlombarda S.p.A. (the Group), which comprise the statement of financial position as of December 31, 2024, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of December 31, 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued to implement art. 43 of Legislative Decree NO. 136/15.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical and independence requirements applicable in Italy to the audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, as well as the regulation issued to implement art. 43 of Legislative Decree NO. 136/15 and, within the terms provide by the law, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the holding Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also have:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, as properly identified in accordance with ISA Italia, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, letter e), e-bis) and e-ter) of Legislative Decree n. 39/10

The directors of Finlombarda S.p.A. are responsible for the preparation of the report of Finlombarda S.p.A. as of December 31, 2024, including their consistency with the financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required by auditing standard (SA Italia) No. 720B in order to:

- Express an opinion on the consistency of the report with the financial statements;
- Express an opinion on the compliance of the management report with the applicable laws and regulations;
- Provide a statement regarding any material misstatements identified in the management report.

In our opinion, the report is consistent with the financial statements of Finlombarda S.p.A..

Furthermore, in our opinion, the management report is prepared in accordance with the applicable laws and regulations.

With reference to the statement pursuant to Article 14, Paragraph 2, Letter e-ter) of Legislative Decree No. 39/2010, issued based on the knowledge and understanding of the company and its context acquired during the audit, we have nothing to report.

Milan, 14 April 2025

Audirevi S.p.A.

(signed in the original)

Gian Mauro Calligari
Partner