

2024 **ANNUAL REPORT**



CRÉDIT AGRICOLE ITALIA BANKING GROUP

2024 ANNUAL REPORT AND FINANCIAL STATEMENTS

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FOREWORD BY THE CHAIRMAN

Over the whole 2024 the **Italian economy** grew by +0.5%, slightly below the expectations as at the start of the year. The evolution in the macroeconomic scenario was driven by the growth in exports and by a strong labour market, which contributed to offset the decrease in investment and the slowdown in private consumption. As inflation gradually returned towards its target rates, many Central Banks started monetary easing, while the international scenario remained mostly uncertain due to the persisting geopolitical tensions and worsening trade tensions.

In 2024, **the Italian banking industry** posted again high profitability. The start of policy easing by the Central Authority, thanks to the slowdown in inflation, generated positive effects on demand for and supply of credit supporting households and businesses, especially in the last part of the year. **Capital positions** remained strong for all the banking system players, driven by further strengthening of capital ratios mainly through retained earnings, with the CET1 ratios hitting new all-time highs in the year. These conditions have given evidence of the system's ability to address extremely difficult situations.

The set of reforms under **Italy's Recovery and Resilience Plan** continued to be implemented, which will provide crucial support to the Italian economy to ensure future growth and be up to the challenges posed by the digital and ecological transition. In 2024 the Plan was given a new setting, with a different approach to paying out resources, with Italy having already obtained over 110 billion Euros thanks to the payment of the sixth instalment of 8.7 billion Euros at the end of 2024 subsequent to the achievement of 39 targets comprising public administration reforms, investments in digitalization, sustainability projects and social policy measures.

In this scenario, the **Crédit Agricole Italia Banking Group** achieved statutory consolidated net income of 808 million Euros, up by +14.1% vs. the previous year. This was an important contribution to the performance of the Crédit Agricole Group in Italy, which, through its companies, posted aggregated net income of 1,556 billion Euros (up by +19% YoY), of which 1,254 billion pertaining to the Crédit Agricole Group, and approximately 102 billion in loans to the economy.

Evidence of the Group's **capital strength** is given by its **fully loaded Common Equity Tier 1 ratio** standing at 14.0% and its **Total Capital Ratio** standing at 18.6%, with a buffer well above the minimum requirements assigned by the ECB. Furthermore, Moody's confirmed its rating of Crédit Agricole Italia at **Baa1 with stable outlook**, the highest one in the Italian banking system. That reliability was recognized by the market upon the placing of two Covered Bonds Premium Label for a total of 1.5 billion Euros, of which 500 million in Green format. A success thanks to which the Group was awarded the prize as the Best Issuer of the year at the XI Covered Bond Investor Conference in Frankfurt.

We have always been partners for our regions and, in 2024, we once again focused on listening to the economic and social fabric of our regions and on implementing highly innovative projects. In this scope, the Group stood at the side of its **Shareholder Foundations** in implementing many initiatives, and set up the **Campania Regional Committee**, the seventh hub where the bank and its regions can meet and cooperate to support local economies, which joined those already in operation covering Liguria, Tuscany, Lombardy, Northeast Italy, Romagna-Marche and Sicily. In its turn, the system of **Les Villages by CA** grew by two hubs, namely the ones in Sondrio and Catania, which, together with the ones in Milan, Parma and Padua, now accelerate over 190 startups and have worked with more than 80 partner firms.

In 2024 the Group continued to be very focused on the **development of its people**, providing over 630 thousand hours of training to foster the growth and development of specialist skills, as well as behavioural and managerial ones. Furthermore, three important agreements with the trade unions were reached, to strengthen the Group's **corporate welfare**, under which the corporate bonus was increased to 2,050 Euros, the banking terms and conditions for employees were improved and healthcare assistance was extended for the 2025-2026 two-year period. The partnership with Jointly also continue and was extended, whereby a network of daycare facilities was set up to give the possibility to our employees to choose the facility that best meets their needs.

Our commitment to inclusion led to the updating of the **Charter of Respect** and to the renewal of the **Gender Equality Certification**, an important nationwide mark of assurance given by Bureau Veritas. Furthermore, as regards education and youths, worth mentioning are the **partnerships with the leading Universities in Italy** and the projects aimed at fostering work inclusion of young people. Some of these are the “Génération Project”, enabling about 2 thousand students in their last two years of upper secondary school and in lower secondary school to be involved in an orientation programme on the opportunities in the labour market, and the “100 Youths Projects”, offering three-month internships to over 100 secondary school graduates. Thanks to all these initiatives, our Group was recognized by Lifeed as a Caring Company, commended by ELIS for its contribution to the inclusion of new generations and to school-business cooperation, and, in early 2025, it was once again certified as a Top Employers, for the seventeenth year in a row.

As we believe that success in business must go side by side with the creation of shared value for society and the environment, we have directed our commitment in order to be agents of change for the better, through tangible initiatives aimed at sustainability and cultural and social promotion. In 2024 only, our Group provided financing for over 1.2 billion Euros aimed at fostering the improvement in Italian corporates’ ESG positioning and for about 77 million Euros aimed at supporting the sustainability choices of individuals and businesses within the start of the Parma Climate Neutral 2030 Project. The Group’s commitment also materialized in the scope of Home Loans, with subsidized pricing for loans financing the purchase of properties in energy efficiency class A or B. Having regard to culture, worth mentioning are the “From Arturo Martini to Andy Warhol. The Twentieth Century in Crédit Agricole art collections” exhibition, which was held at the Galleria Crédit Agricole – Refettorio delle Stelline di Milano, the opening of the Digital Gallery and the permanent exhibition of sculptures in the park of Green Life, the Group’s headquarters in Parma.

2024 was a very important year for our Group, featuring the achievement of very considerable business performances and important strategic goals. The significant growth in net income, further capital strengthening and reinforcement of our market position give evidence of the goodness of our business model, which proved able to combine profitability, social responsibility and sustainable innovation. Being the most recommended bank by customers amongst Italian universal banks, the leading bank in the agri-food sector, an excellent issuer of Covered Bonds and the boost to service digitalization give once more evidence of the Group’s ability to interpret and anticipate the needs of households and businesses, offering innovative and sustainable solutions.

These results could be achieved thanks to the skills and dedication of all our personnel, who proved able to address and win the challenges posed by a constantly evolving scenario. Their contribution was essential in order to firmly establish Crédit Agricole Italia’s role as a partner of choice in the Italian banking arena. Thanks to the investments we have made and to our strategy focused on innovation, sustainability and people, we can already look at what lies ahead with optimism and determination, being fully aware that we are a trusted and key partner for our regions.

The Chairman
Ariberto Fassati

CORPORATE OFFICERS AND INDEPENDENT AUDITORS^()**

Board of Directors

CHAIRMAN

Ariberto Fassati

DEPUTY-CHAIRPERSONS

Annalisa Sassi

Olivier Gavalda

CHIEF EXECUTIVE OFFICER

Giampiero Maioli^(*)

DIRECTORS

Evelina Christillin^(°)

Nicolas Denis^(*)

Anna Maria Fellegara^(°)

Lamberto Frescobaldi Franceschi Marini^(°)

Gino Gandolfi

Christine Gandon

Nicolas Langevin

Hervé Le Floc'h^(*)

Michel Le Masson^(*)

Gaëlle Regnard^(*)

Marco Stevanato^(°)

(*) Members of the Executive Committee.

(**) On 23 April 2025 the General Meeting of Shareholders will appoint the new corporate bodies and officers.

(°) Independent Directors.

Board of Auditors

CHAIRMAN

Luigi Capitani

STANDING AUDITORS

Maria Ludovica Giovanardi

Francesca Michela Maurelli

Germano Montanari

Enrico Zanetti

ALTERNATE AUDITORS

Alberto Guiotto

Chiara Perlini

General Management

CO-GENERAL MANAGER

Roberto Ghisellini

RETAIL BANKING AND DIGITAL DEPUTY GENERAL MANAGER

Vittorio Ratto

MANAGER IN CHARGE OF THE PREPARATION OF CORPORATE ACCOUNTING DOCUMENTS

Pierre Débourdeaux

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

KEY FIGURES OF THE CRÉDIT AGRICOLE ITALIA BANKING GROUP

Income Statement highlights (thousands of Euros) ^(*)	2024	2023	2022
Operating income	3,102,460	3,060,853	2,579,180
Operating margin	1,445,943	1,355,820	917,978
Net profit (loss)	808,284	708,185	432,612

Balance Sheet highlights ^(°) thousands of Euro	2024	2023	2022
Loans to Customers	71,358,857	69,433,503	75,995,595
Of which securities measured at amortized cost	5,722,516	5,414,031	12,538,328
Funding from Customers	77,735,518	76,160,617	72,184,520
Indirect funding from Customers	102,007,757	92,888,389	87,172,475

Operating structure	2024	2023	2022
Number of employees	12,419	12,533	12,671
Number of branches	1,001	1,014	1,123

Profitability, efficiency and asset quality ratios	2024	2023	2022
Cost ^(**) /income ratio	51.5%	52.4%	60.7%
Net income ^(^) /Average equity(ROE)	9.9%	9.0%	5.8%
Net income ^(^) /Average tangible equity (ROTE)	12.3%	11.3%	7.4%
Gross non-performing exposures/Gross loans to customers (gross NPE ratio) ^(^,^)	2.7%	3.3%	3.4%
Net non-performing exposures/Net loans to customers (net NPE ratio)	1.3%	1.6%	1.8%
Adjustments to non-performing loans/Gross non-performing loans ^(^,^)	53.7%	50.8%	46.9%

Capital and liquidity ratios	2024	2023	2022
Common Equity Tier 1 ratio	14.0%	13.5%	13.0%
Tier 1 ratio	15.8%	15.7%	15.3%
Total capital ratio	18.6%	18.6%	18.3%

(*) 2022 data net of non-recurring components.

(**) Ratio calculated excluding ordinary and extraordinary contributions to bank resolution funds and non-recurring expenses.

(^) Profit net of non-recurring effects. 2022 non-recurring effects regarded Creval integration expenses and tax items resulting from the realignment of tax bases to carrying amounts.

(^) Applying the treatment of POCL assets.

SIGNIFICANT EVENTS

→ JANUARY



After being the first Italian bank to issue a Green Covered Bond, the Crédit Agricole Italia Group substantiated once again its commitment to the environment with **the issue on the Italian market of a new Green Covered Bond**, for a total of 500 million Euros, which collected orders for nearly 5 billion Euros proving investors' appreciation for Crédit Agricole Italia S.p.A. and for Green Covered Bonds.

The Crédit Agricole Italia Group was **certified by TOP EMPLOYERS for the sixteenth year in a row** and, once again this year, has ranked among the five top performers.



The Crédit Agricole Italia Group **further strengthened its partnership with SACE providing its Customers with the opportunity to benefit from "Garanzia Futuro"**, a digital guarantee intended for Italian enterprises, aimed at supporting their growth mainly as regards loans under Italy's Recovery and Resilience Plan.

The Crédit Agricole Italia Group once again substantiated its support to shared parenthood allowing fathers who had already used their 10 day of statutory leave to have another 10 days of parental leave (a measure that went live in 2023) and another 8 days as of 2024 with 100% pay.



→ FEBRUARY



After the success of the first Les Villages in Milan, Parma and Padua, **Le Village by CA delle Alpi was opened in Sondrio**, as an innovation accelerator serving the startups based in the region. Le Village by CA delle Alpi, which was incorporated in May 2023, gives evidence of the Crédit Agricole Italia Group's attention to the regions and to innovation, as it is intended to provide support to Valtellina, a very strategic area that is a reference point for the Lombardy highlands and the main doorway to the players based in the Alps.



The partnership between the Crédit Agricole Italia Group and **Save the Children** has continued through a **new "Volontari DI valore"** (Worthy Volunteers) initiative, the corporate volunteer work project aimed at combating educational poverty.

Crédit Agricole Italia became the **partner bank and financial advisor of the Municipality of Parma for the implementation of the "Parma Carbon Neutral 2030" programme**.

The partnership agreement provides for projects and itineraries to assist citizens and businesses in climate transition, making investments, expertise and service available to them.



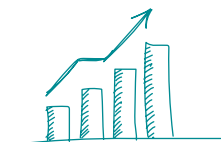
Crédit Agricole Leasing Italia, a company of the Crédit Agricole Italia Group, **ranked for the fourth year in a row as the leader in the Italian market by financed volumes in the Renewable Energy segment**, which gives evidence of the Company's commitment to supporting its customers and to providing them with a diversified range of products and services to develop their business.

→ MARCH



Crédit Agricole Italia successfully completed its second public issue of the year in the Italian market of a Premium Covered Bond. The issue, amounting to 1 billion Euros, raised orders for 4.6 billion Euros, once again giving evidence of investors' continuing appreciation for Crédit Agricole Italia.

Crédit Agricole Greenback Mortgage Loan was awarded the **Product of year 2024 prize**, in the Financial Services, Mortgage loans and Loans category, proving Crédit Agricole Italia's attention to sustainability and energy transition.



Crédit Agricole Italia was again centre stage at the **"Financial Innovation - Italian Awards"** new event thanks to the ESG projects it submitted, thus proving the Group's ability to drive market changes and to promote the culture of innovation in the banking, insurance and financial sector.

Crédit Agricole Italia S.p.A., the title sponsor of the Great Cycling Classics organized by RCS, **hosted the Italian Paracycling National Team**, cycling the 1st stage of the Tirreno - Adriatico tour together with paralympic athletes and professional cycling champions.



The **"Crowd For Innovation - Crédit Agricole Italia e UNIBS, insieme per la ricerca"** crowdfunding campaigns, went live with the first crowdfunding initiative of the University of Brescia in partnership with Crédit Agricole Italia S.p.A. aimed at assisting the implementation of innovative research project with fundraising.

→ APRIL



Once again this year, the Gruppo Crédit Agricole Italia Group was the **partner** of **"Green Week"**, the most sustainable initiative of the year on green economy topics in Parma.

→ MAY

The **partnership between Crédit Agricole Italia and TEDxPadova** continued also in 2024 with the "A Casa Mia" (at my home) initiative, which consists in training healthcare professionals in Africa by the Doctors with Africa CUAMM NGO, via on-the-job training and high-level training for nurses and midwives in schools and universities.



Within the 2024 Sustainable Development Festival, organized by the **Italian Alliance for Sustainable Development (ASviS)** to raise the awareness of the public, associations and institutions about ESG topics, **Crédit Agricole Italia S.p.A. and the Foundation for Financial and Savings Education (FEduF)** invited students from various Italian schools to participate in the "(Un)sustainable choices" Digital Live Talk, aimed at giving some food for thought about sustainability and the conflicts between individual and social interest.

→ JUNE



For the seventh year in a row, Crédit Agricole S.A. made a **share capital increase reserved to the Group's employees**, aimed at retaining its personnel and increasing their share in Crédit Agricole S.A.'s capital.

→ JULY

The Group allocated an amount of 3 billion Euros to **provide Italian corporates with support in meeting the challenge of the twin digital and energy transition**, fostering their environmentally sustainable and technologically innovative investment plans.



Through the Payroll Giving scheme, the Group made a **donation to Fondo di Gio**, a non-profit organization that has long been raising funds for Istituto Tumori di Milano and Università La Sapienza di Roma to support research projects on children's brain tumours, namely to purchase a "Droplet Digital PCR", in instrument that helps to identify personalized therapies tailored for the individual child suffering from this condition.

→ AUGUST

Once again in 2024, Crédit Agricole Italia **supported the Festival della Mente cultural event**, the first European festival of creativity and birth of ideas, where Italian and international speakers, analyze changes, energies and hopes of today's society.



Within the Green Design & Rigenerazione della Biodiversità project, Crédit Agricole Italia chose to reserve an area of the park of Green Life, its headquarters, to honeybees by **setting up and managing a technological apiary**, thus proving true to its commitment to the environment.

Crédit Agricole Italia became a **Sleeve Sponsor of the Top League Male Football Team of Parma Calcio**, through a partnership based on both partners' strong bond with the area and on support to sports values.



→ SEPTEMBER

At the Italian Ministry of Education and Merit in Rome, Crédit Agricole Italia received an important **award for its contribution to the projects implemented in cooperation with ELIS**, a nonprofit organization that operates in synergy with schools and companies in providing orientation and training to students in order to raise their awareness about the future. This award is evidence of the value of the Group's action to support education and integration of youths, as well as of its role as a strategic partner in social responsibility initiatives.



Crédit Agricole Italia opened the doors of Green Life, its headquarters, to its employees, their families and to the community as a whole, on a day named **"CA Green Life Open Day"**, which was dedicated to nature, art and sports, in the setting of its eco-sustainable headquarters surrounded by greenery. It was an opportunity to disseminate the inclusive, value-based and sustainability-based culture of the Group.

As done in the previous years, the Crédit Agricole Italia Banking Group participated in the **Run for Inclusion third event**, a non-competitive run on a route of 7.24 km downtown Milan, for the purpose of enhancing diversities to reach a society that is inclusive 24/7.



→ OCTOBER



Crédit Agricole Gallery - Refettorio delle Stelline di Milano was opened with the "From Arturo Martini to Andy Warhol. The Twentieth Century in Crédit Agricole art collections", exhibition aimed at enhancing the Group's art assets by exhibiting the works of some of the most innovative artists of the twentieth century, including Andy Warhol, Max Ernst, Emilio Vedova, Ettore Sottsass Jr., Marino Marini, Renato Guttuso and Arnaldo Pomodoro.



In Catania **“Le Village by CA Sicilia”** was opened, which is the accelerator at the service of companies and startups based in the region and pursues the goal of promoting and stimulating the growth of businesses through innovation and cooperation, by enhancing the economic, social and cultural specificities of the region.

The Crédit Agricole Italia Banking Group achieved again the **Gender Equality Certification**, which it had first obtained in 2023, giving evidence of the Group’s commitment to ESG matter, with special regard to Diversity & Inclusion and women’s empowerment.



→ NOVEMBER

INCLUSION

Consistently with the *Mois des Diversités* of Crédit Agricole S.A., the Crédit Agricole Italia Group held its Months of Diversities, with the «Distinctive Trait» as its main topic, i.e. the Group’s commitment to diversity and inclusion.

Crédit Agricole Italia, together with the Finsea Group, made a **donation to the Gaslini Foundation** intended for the purchase of a C-MAC videolaryngoscopy system, which will be added to the equipment of the Neonatal and Pediatric Intensive Care Unit of Istituto Giannina Gaslini of Genoa, in order to ensure also emergency use.



Once again in 2024, Crédit Agricole Italia, together with Indosuez and CA Assicurazioni, was part of the **Private Banking Awards** ninth event, thanks to the skills and expertise of its Private Bankers and the Financial Advisor and Wealth Planner teams supporting them, along with the synergies with the Group’s product houses, including Amundi and CA Vita.

→ DECEMBER



Again in 2024, Crédit Agricole Italia received the **Caring company award** from Lifeed, a firm specializing in the development of soft skills, which acknowledges companies that are committed to enhancing work-life synergy, adopt a caring leadership model and continuously showcase people in their diversity.

THE CRÉDIT AGRICOLE GROUP WORLDWIDE



- Retail Bank in Europe¹
- European Asset Manager²
- Cooperative and mutual bank in the world³

2024 KEY FIGURES



54

million Customers



46

Countries



154,000

Employees



8.6 bln€

underlying net income



127%

Liquidity Coverage Ratio



17.2%

Ratio Cet 1

RATING⁴

AA-

S&P Global Ratings

Aa3

Moody's

AA-

Fitch Ratings

AA

DBRS

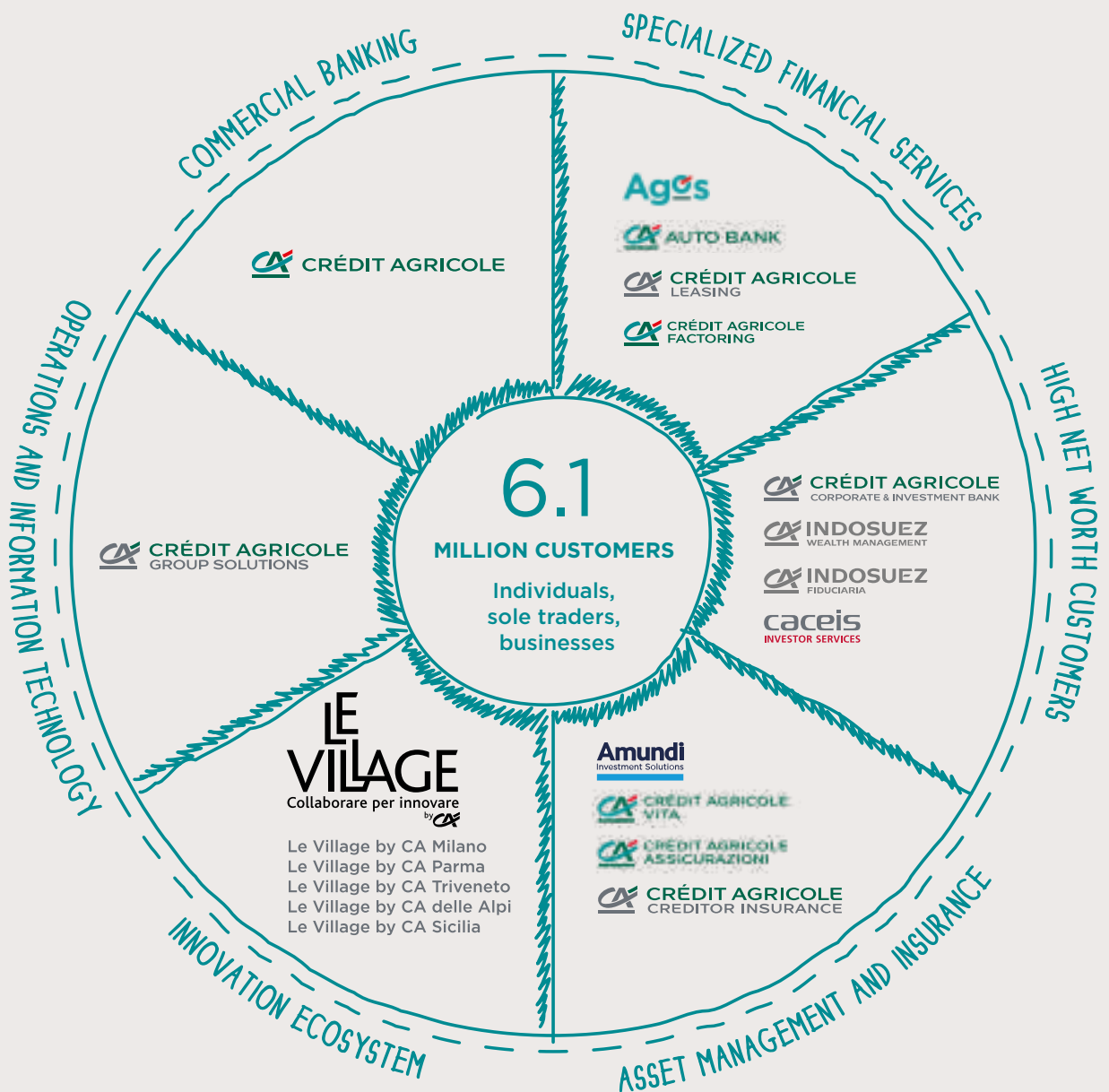
1 Ranking by number of customers.

2 Based on Asset Under Management.

3 Ranking by revenues. Source: The 2023 World Cooperative Monitor (January 2024).

4 Reference: LT/ST Counterparty.

THE CRÉDIT AGRICOLE GROUP IN ITALY



THE CRÉDIT AGRICOLE GROUP IN ITALY



CRI
in Italy



Player in the Italian
consumer finance market



Asset Manager
in Italy

2024 KEY FIGURES



6.1

million active Customers



102 bln€

in loans



16,100

employees



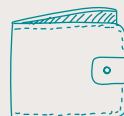
1,556 mln€

net income



340 bln€

total funding



5,096 mln€

revenues

1 Strategic Customer Recommendation Index of Crédit Agricole Italia among universal banks. Survey conducted between July and October 2024 on specific profiles of Customers of the Bank compared to Customers of competitor banks in the regions where Crédit Agricole Italia Branches are based.

2 Source: Assofin.

3 Source: Assogestioni.

THE CRÉDIT AGRICOLE ITALIA BANKING GROUP

The **Crédit Agricole Italia Banking Group*** which is made up of the parent company Crédit Agricole Italia S.p.A., the subsidiaries, jointly controlled companies and associated companies, positions itself as a Commercial Bank that covers all market segments, thanks to its distinctive positioning based on Customer centrality. The main companies of the group are listed below:

CRÉDIT AGRICOLE

The Parent Company of the Crédit Agricole Italia Banking Group, it is one of the leading Italian banks, is strongly rooted in Italy and originated from local banks.

CRÉDIT AGRICOLE LEASING

The Crédit Agricole Italia Banking Group's leasing entity. Crédit Agricole Leasing Italia **operates in the equipment, vehicle, real estate, seacraft and aircraft and renewable energy** financial leasing segments. **At the end of 2024, the loan portfolio amounted to Euro 3,097 million.**

CRÉDIT AGRICOLE GROUP SOLUTIONS

The consortium company of the Crédit Agricole Italia Banking Group in charge of all activities relating to **Operational Processes, Information Systems, Technical Logistics, Safety and Security, Business Continuity, Real Estate Management.**

* For more details, please refer to the following "Section 3 – Scope and method of consolidation".

THE CRÉDIT AGRICOLE ITALIA BANKING GROUP



Oltre 2.8

million Customers



Oltre 12,400

personnel members



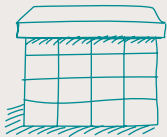
808 mln€

net income - Group share



3.1 bln€

net operating revenues



Around 1,200

points of sale



67 bln€*

total loans



179%

Liquidity Coverage Ratio



14%

Ratio Cet 1

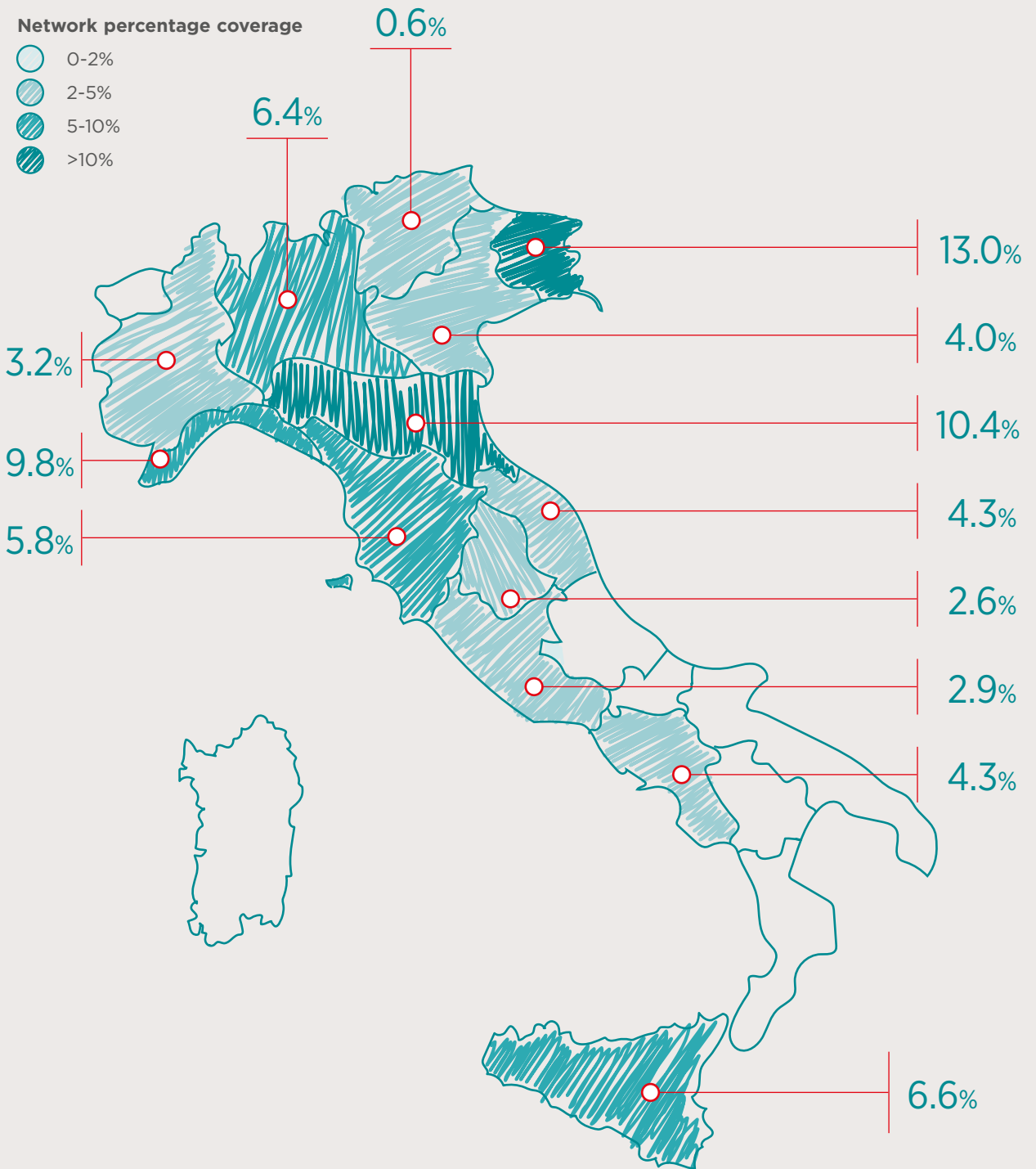
RATING

Baa1

Moody's The highest one in the Italian banking system

* Gross exposure, excluding securities at amortized cost.

BRANCH NETWORK PERCENTAGE



Branch network as at 31 december 2024.

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FINANCIAL HIGHLIGHTS AND ALTERNATIVE PERFORMANCE MEASURES

APM – ALTERNATIVE PERFORMANCE MEASURES

The Crédit Agricole Italia Banking Group has defined some measures, which are set out in the tables of the Group's KPIs and give Alternative Performance Measures ("APM") that are useful to investors as they facilitate the identification of trends in operations and significant financial parameters.

To correctly interpret the APMs, the following specifications are relevant:

- The APMs have been built up based exclusively on historical data of the Group and give no indication about its future performance;
- APMs are not provided for by the International Financial Reporting Standards ("IFRS") and, albeit deriving from the Group's Consolidated Financial Statements, are not included in the audit of the accounts;
- APMs shall not be considered as replacements of the ratios provided for by the adopted financial reporting standards (IFRS);
- Said APMs shall be read along with the Group's financial information as reported in its consolidated financial statements;
- The definitions of the measures used by the Group, as they are not governed by the adopted financial reporting standards, may prove not homogeneous with those adopted by other companies/groups and, therefore, may be not be comparable to them;
- The APMs used by the Group have been prepared with continuity and homogeneity of definition and representation for all the periods for which financial information have been included.

Income Statement highlights ^(a) (thousands of Euros)	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Net interest income	1,790,192	1,800,502	-10,310	-0.6
Net fee and commission income	1,261,802	1,220,530	41,272	3.4
Dividend income	13,193	12,667	526	4.2
Financial income (loss)	24,973	29,313	-4,340	-14.8
Other operating income (expenses)	12,300	-2,159	14,459	
Operating income	3,102,460	3,060,853	41,607	1.4
Operating expenses	-1,656,517	-1,705,033	-48,516	-2.9
Operating margin	1,445,943	1,355,820	90,123	6.7
Cost of risk ^(b)	-244,348	-327,499	-83,151	-25.4
<i>Of which net impairment losses on loans</i>	<i>-244,313</i>	<i>-315,800</i>	<i>-71,487</i>	<i>-22.6</i>
Profit (loss) for the period attributable to the Parent Company	808,284	708,185	100,099	14.1

Balance Sheet highlights ^(a) (thousands of Euros)	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Loans to Customers	71,358,857	69,433,503	1,925,354	2.8
<i>Of which securities measured at amortized cost</i>	<i>5,722,516</i>	<i>5,414,031</i>	<i>308,485</i>	<i>5.7</i>
Net financial assets/liabilities at fair value	155,912	153,276	2,636	1.7
Financial assets measured at fair value through other comprehensive income	3,740,466	3,868,730	-128,264	-3.3
Equity investments	28,130	25,803	2,327	9.0
Property, plant and equipment and intangible assets	2,667,705	2,739,227	-71,522	-2.6
Net due from banks ^(c)	2,525,386	-2,957,086	5,482,472	
Total net assets	90,352,225	88,735,392	1,616,833	1.8
Funding from Customers	77,735,518	76,160,617	1,574,901	2.1
Indirect funding from Customers	102,007,757	92,888,389	9,119,368	9.8
<i>of which: asset management</i>	<i>53,918,202</i>	<i>50,028,256</i>	<i>3,889,946</i>	<i>7.8</i>
Equity	8,292,517	8,004,729	287,788	3.6

Operating structure	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Number of employees	12,419	12,533	-114	-0.9
Average number of employees ^(d)	11,667	11,874	-207	-1.7
Number of branches	1,001	1,014	-13	-1.3

(a) Income statement and balance sheet data are those restated in the reclassified financial statements shown on pages 40 and 51. All in compliance with Consob letter no. 0031948 of 10 March 2017 and with ESMA Recommendation on alternative performance measures.

(b) The cost of risk includes provisioning for risks and charges, net adjustments to loans and impairment of securities.

(c) Net due from banks as at 31 December 2023 (negative mismatch) have been restated to harmonize them with the 2024 balances (positive mismatch).

(d) The average number has been calculated as the weighted average of employees and atypical workers, where the weight is the number of months worked in the year; part-time personnel is conventionally weighted at 50%.

FINANCIAL HIGHLIGHTS AND RATIOS

Structure ratios ^(a)	31 Dec. 2024	31 Dec. 2023
Net loans/Total net assets ^(*)	72.6%	72.1%
Direct funding from Customers/Total net assets ^(*)	86.0%	85.8%
Asset under management/Indirect funding from Customers	52.9%	53.9%
Net loans/Direct funding from Customers	84.4%	84.1%
Total assets ^(b) /Equity	11.1	11.8
Profitability ratios ^(a)	31 Dec. 2024	31 Dec. 2023
Net interest income/Operating income	57.7%	58.8%
Net fee and commission income/Operating income	40.7%	39.9%
Cost ^(c) /income ratio	51.5%	52.4%
Net income/Average equity (ROE)	9.9%	9.0%
Net income/Average tangible equity (ROTE)	12.3%	11.3%
Net income/Total assets ^(b) (ROA)	0.9%	0.8%
Net income/Risk weighted assets	2.0%	1.9%
Risk ratios ^{(a)(A)}	31 Dec. 2024	31 Dec. 2023
Gross bad loans/Gross loans to Customers	0.8%	0.9%
Net bad loans/Net loans to Customers	0.2%	0.2%
Gross non-performing exposures/Gross loans to customers (gross NPE ratio)	2.7%	3.3%
Net non-performing exposures/Net loans to customers (net NPE ratio)	1.3%	1.6%
Net adjustments to loans/Net loans to Customers	0.37%	0.49%
Cost of Risk ^(d) /Operating margin	16.9%	24.2%
Net bad loans/Total Capital ^(e)	2.2%	2.0%
Total Impairments of non-performing loans/Gross non-performing loans	53.7%	50.8%
Total Impairments of performing loans/Gross performing loans	0.6%	0.7%
Productivity ratios ^(a) (in income terms)	31 Dec. 2024	31 Dec. 2023
Operating expenses/No. of Employees (average)	142	144
Operating income / No. of Employees (average)	265	258
Productivity ratios ^(a) (in financial terms)	31 Dec. 2024	31 Dec. 2023
Loans to Customers/No. of employees (average)	5,626	5,392
Direct funding from Customers/No. of Employees (average)	6,663	6,414
Gross banking income ^(f) /No. of employees (average)	21,031	19,628
Capital and liquidity ratios	31 Dec. 2024	31 Dec. 2023
Common Equity Tier 1 ^(g) /Risk-weighted assets (CET 1 ratio)	14.0%	13.5%
Tier 1 ^(h) /Risk-weighted assets (Tier 1 ratio)	15.8%	15.7%
Total Capital ^(g) /Risk-weighted assets (Total Capital Ratio)	18.6%	18.6%
Common Equity Tier 1 (thousands of Euros)	5,546,583	5,041,825
Risk-weighted assets (Euro thousands)	39,755,552	37,232,440
Liquidity Coverage Ratio (LCR)	179%	245%
Net Stable Funding Ratio (NSFR)	131%	136%

(a) The Ratios are based on the income statement and balance sheet data of the reclassified financial statements. All in compliance with Consob letter no. 0031948 of 10 March 2017 and with ESMA Recommendation on alternative performance measures.

Loans to customers are net of the securities component.

(b) Ratio calculated based on total assets as reported in the financial statement.

(c) Ratio calculated excluding ordinary and extraordinary contributions to bank resolution funds.

(d) The cost of risk includes: provisioning for risks and charges, net adjustments to loans and impairment of securities.

(e) Total Capital: total regulatory own funds.

(f) Loans to Customers + Direct Funding + Indirect Funding.

(g) Common Equity Tier 1: Common Equity Tier 1.

(h) Tier 1: Tier 1 Capital.

(*) To represent asset quality and the related ratios, loans to Customers do not include the securities measured at amortized cost (both government and non-government securities).

(*) Due from banks as at 31 December 2023 (negative mismatch) have been restated to harmonize them with the 2024 balances (positive mismatch), therefore, the ratios as at 31 December 2023 have been recalculated based on the restated reclassified statements.

CRÉDIT AGRICOLE ITALIA BANKING GROUP

MANAGEMENT REPORT TO THE CONSOLIDATED FINANCIAL STATEMENTS



THE MACROECONOMIC SCENARIO AND THE FINANCIAL SYSTEM

THE INTERNATIONAL MACROECONOMIC SCENARIO IN 2024¹

In 2024 the **world economy** proved resilient, with the GDP growing (up by +3.2%) at a faster pace than initially forecast, driven by the monetary easing path undertaken by the main Central Banks. Although interest rates remained at relatively high levels if compared with the previous years, inflation gradually going back down and increasing nominal wages contributed to drive domestic demand in most Countries, enabling recovery in households' purchasing power, despite consumer confidence not yet back at pre-pandemic levels in many States. In this context, the labour market proved strong and international trade featured some modest recovery. In western economies, the marked **reduction in inflationary risk** was evident, which had created concern in economic players at the start of the year, when the reduction trend was not consistent with that of energy prices, stimulating a first recovery in real estate and credit markets.

Nevertheless, the international scenario remained complex and not free from **uncertainty elements**: besides the war in Ukraine and the Israeli-Palestinian conflict, which were widely factored in by markets, other elements kicked in, some of which are closer to the western world and may negatively affect international trade in the coming months. After the European Commission opened an infringement procedure against it, **France** experienced yet another internal political instability phase, with the resignation of Barnier's Government, along with the downgrading by Moody's of its sovereign rating (to Aa3 from Aa2) and the downward revision of the Country's growth estimates by the Bank of France. In **Germany**, not only did the Government lose the confidence vote, but the economy continued to be affected by essentially zero growth, with the industrial output remaining a weakness factor, so much so that the Bundesbank revised the 2024 GDP forecasts downwards from +0.3% to -0.2%, aligning to the *consensus*. In **Syria**, the regime was overthrown by the Hayat Tahrir al-Sham (HTS) fundamentalist movement, causing the political leader Assad to flee and opening new tension scenarios in the Middle East. Lastly, **South Korea** had to handle an attempted coup by President Yoon Suk Yeol declaring martial law, which was then thwarted by Parliament, which, at the second attempt, approved the impeachment of the Head of State, after days of rallies and protests by the people.

The 2024 growth in the GDP of the **Euro Zone** is expected to be +0.7%, picking up pace vs. 2023 (+0.5%), although economic performances continued to outline unevenness among the main Countries, with Spain and France steadily growing, while the German economy posted its second annual decrease. Inflation going down and nominal wages going up contributed to driving private consumption and the labour market posted higher participation, fostering recovery in households' purchasing power.

The **United States** continued on its growing path in line with 2023, with the GDP beating the expectations of early 2024 (+2.8%). This dynamics reflected across the board on all the main contribution items: private consumption increased, driven by strong increases in real wages, while public expenditure, steered by the Government of the individual States, was supported by positive budget balances thanks to stable tax revenue and the considerable federal aid distributed during the pandemic. Conversely, trade tensions with China showed no sign of easing, with consequences on global supply chains and new fronts of geopolitical tension. In this scenario, Donald Trump was elected to office as the 47th president of the United States of America, succeeding Joe Biden.

In **China**, the true driver of the GDP growth (+5.0% YoY) proved to be exports of goods and services, thanks to lower prices of factors of production, which enabled Chinese exports to remain highly competitive, in the footsteps of what occurred in the past. Conversely, domestic demand remained weak, being affected by investments in the real estate sector, which were impacted by the persistent collapse of the domestic market; household consumption experienced difficulties, being negatively affected by high precautionary savings, which resulted in the inflation rate growing by as little as +0.2% in 2024, giving signs of difficulties in the Chinese economy.

¹ Sources: Prometeia, Forecast Report (December 2024); ECO, World Macro-Economic Scenario 2024-25 (October 2024); OECD Economic Outlook (December 2024).

To conclude, global economic growth showed the same pace as in 2023, thanks to inflation going back down and to increasing purchasing power. The polarization continued between emerging Countries, which drove development, and industrialized economies, which, conversely, struggled to keep up, especially the Euro Area, which was negatively affected by the complex economic situation that Germany has to handle and that penalizes the States – especially European ones – that have the largest trade relationships with it.

Monetary policies²

The main Central Banks continued to cut key interest rates with a rather even intensity, considering the real economy performance and the inflationary pressure going down, while keeping a *data dependent* approach and giving no *guidance* about further reduction in interest rates. The Bank of Japan proved again an *outlier*, as it adopted a restrictive monetary policy, albeit at very low levels. Specifically:

- During the year, the **Federal Reserve** continued to assess both macroeconomic data and the *outlook* evolution before making its monetary policy decision at the meetings of the Federal Open Market Committee (FOMC). Indeed, while in the first part of the year, the possibility of a longer than expected restrictive approach had arisen, the macroeconomic dynamics in the second part of the year prompted the FED to revise its stance: besides steady growth, inflation gave positive signs, which, in the summer months, went down more than expected (despite the expected rebound in November to +2.7% YoY), but signs of possible recession arose due to the labour market performance. Because of this context, and because of the uncertain economic outlook, the FED cut the *Federal Funds Rate* by a total of 100 basis points, from the 5.25% - 5.50% range to the 4.25% - 4.50% one, thus taking it close to a neutral level. At its last meeting of the year³, the FOMC stressed that it would continue to adopt a *data dependent* approach, and it stated that, if necessary, it stands ready to align its monetary policy stance, in case any risks emerge that may hinder the achievement of its goals. Then, in the last part of the year, the FED announced its intention to modify the tests it conducts every year on banks in order to measure their resilience to adverse economic scenarios, being much criticized by the leading banks, which object to the requirements and restrictions that those tests impose on banks' capital, deeming them very onerous.
- As expected, the **European Central Bank** went towards an easing of monetary policy, considering the weakness in economic growth and inflation close to its 2% target in the medium term, and started to lower rates in June, with a first cut of 25 basis points, followed by other cuts of the same amount in September, October and December (for a total of 100 basis points). At its December meetings, the last of the year,⁴ the Governing Council reasserted that its monetary policy stance will follow a *data-dependent* and meeting-by-meeting approach, based on which the Council will make its decisions without pre-committing to any particular rate path; furthermore, as announced in March 2024, the spread between the rate on the main refinancing operations and the deposit facility rate was reduced, effective as of September 2024, to 15 basis points from the previous figure of 50bps. Consequently, the main refinancing rate decreased from 4.25% in June 2024 to 3.15% in December 2024, with the *deposit rate* becoming the new rate through which the Governing Council steers its monetary policy stance (down from 4.00% in June to 3.00% in December). In December the Pandemic Emergency Purchase Programme (*PEPP*) came officially to an end, with the discontinuation of also reinvestments of principal payments from maturing securities, which had started in March 2022 following the end of net purchases of securities by the ECB.
- The **Bank of England** cut its Bank Rate by one fourth of a percentage point twice in the year, taking it to 4.75% from 5.25%, at its lowest for over a year. At its December meeting, the last one in the year, the Monetary Policy Committee decided not to cut rates further because of inflation rebounding to +2.6% YoY in November, at its highest in the previous eight months.
- The **Swiss National Bank** continued to lower interest rates throughout the year, with three cuts of 25 bps between March and September and a last cut of 50 bps in December, taking its key policy rate to 0.5% (at its lowest since December 2022), vs. 1.75% at the beginning of 2024. These actions were deployed as a response to inflation going back down quite swiftly and coming to +0.7% YoY in November, vs. +1.1% YoY in August and with the goal of limiting the appreciation of the Swiss Franc. The goal of the Swiss National Bank, which was the first to start monetary easing, is to keep average annual inflation between 0 and 2%.
- After over a decade of expansionary monetary policies, in 2024 the **Bank of Japan** had to address inflation that was constantly above the 2% target, with the peak in August (+3% YoY). In this context, also the Bank of Japan started its first restrictive actions to manage inflationary pressure, first raising its *overnight call rate* to above zero in March (0%-0.10% range vs. -0.10%), and then raising it again in July to 0.25% with an unanimous decision.

² Source: Prometeia, Forecast Report (December 2024)

³ www.federalreserve.gov, Federal Open Market Committee.

⁴ www.ecb.europa.eu, Monetary policy decisions.

Main economies⁵

In 2024 international trade recovered, with inflation continuing to slow down and thus generating recovery in households' real income and consumption, along with constant growth in employment, giving evidence of the unquestionable resilience of the world economy. Furthermore, easing monetary policies contributed to driving demand in various parts of the world, with the OECD estimating a growth in the **Gross World Product of +3.2%** in 2024, although growth trajectories still proved largely uneven:

- In the **United States**, the 2024 GDP is expected to have grown by +2.8%, in line with its 2023 figure, but outperforming the expectations at the start of the year, which had forecast a rate of growth of 2%. Development proved to be across the board on all the main items, with private consumption growth that proved robust (+2.7%), driven by strong increase in real wages. At the same time, public expenditure continued to grow at a fast pace (+2.4%), driven by the Governments of the fifty States, which had a favourable budget balance thanks to stable tax revenue and to the considerable Federal aid distributed during the pandemic. Growth in gross fixed investments also proved strong (+4.5%) due to the effects of the new industrial policies that went live in the previous years, although investments in residential construction remained modest, due to high interest rates. Despite the flourishing economic context, uncertainty factors remained, such as the performance of private consumption (households' savings rate further decreased coming to around 3%, vs. 4.5% in 2023) and inflation. Although decreasing vs. its peak of +7.2% YoY in June 2022, inflation stood at +2.9% YoY in December 2024, slightly but constantly increasing vs. its figures in the previous months. Moreover, trade tension with China did not end, and the consequences hit global supply chains – especially as regards high-tech – and will fuel new geopolitical tensions. In this scenario, in the US presidential elections held in November Donald Trump was elected to office as the 47th President of the United States of America, succeeding Joe Biden and became the resident of the White House for the second time.
- The **Chinese economy** still grew by +5.0% YoY, thanks to its performance in Q4 (+5.4% YoY), in line with Beijing's expectations. The true driver of growth – in the footsteps of the previous patterns – continued to be the exports of goods and services, thanks to lower prices of the factors of production, which kept Chinese exports competitive: foreign demand indeed boosted them, especially in high-technology sectors, also driving the industrial output. Conversely, domestic demand remained weak, with real estate investments continuing to decrease due to the persistent collapse of the domestic market, hindering growth, as did household consumption, which struggled to take off, because of high “precautionary” savings. To the contrary, investments in infrastructures grew at a constant but rather modest pace, while those in the manufacturing sector significantly increased thanks to the expansion in foreign demand. The inflation rate grew by as little as +0.2% in 2024, with the last survey in December reporting a +0.1% YoY increase, vs. +0.2% YoY in November and +0.3% in October, posting once again a decrease in the prices of services and thus giving evidence of difficulties in consumption and in the economy of China. In this context, the People's Bank of China started to ease interest rates to drive recovery and to ensure adequate liquidity: interest rates and the reserve requirement ratio for banks were progressively lowered; indeed, the loan prime rate was lowered by 20bps in September and the 1- and 5-year loan prime rate was lowered by 25bps in October, in order to boost demand for real estate. Moreover, towards the end of 2024, the Government rolled out a programme worth 10 thousand billion Yuans (approx. 1,400 billion USD) to refinance the debt of local governments, in order to tackle the so-called “*hidden debt*” on financial vehicles and take it back on the balance sheet of local governments, with lower interest expenses, in order to free resources to be used for development and to increase consumers' confidence.
- The GDP of the **United Kingdom** is expected at +0.9% at the end of 2024, thanks to the virtuous progress in the first part of the year, albeit showing considerable monthly volatility between its various components, which give evidence of uncertainty. After the first half of the year, in which the development in the manufacturing and service sectors proved essential, in the second half of the year the manufacturing sector was weak and services grew at a slower pace than in the first two quarters. The actions against inflation proved effective for the most part of 2024, with the September figure of the *Consumer Price Index* at +1.7% YoY; nonetheless, the 10% increase in the ceiling to energy prices set in October by the regulator OFGEM (*Office of Gas and Electricity Markets*) cause inflation to go back up to +2.5% YoY in December, essentially in line with the November figure⁶. At the same time, the labour market started a process of normalisation between demand and supply, despite the persisting imbalance in some sectors that may further impact on nominal wages, which increased by +4.8% annually, contributing to the generation of domestic pressure on prices, especially in the service sector (+5% YoY both in October and in November). In this context,

⁵ Sources: Prometeia, Forecast Report (December 2024); ECO, World Macro-Economic Scenario 2024-25 (October 2024); OECD Economic Outlook (December 2024).

⁶ Source: Office of National Statistics, Consumer Price Inflation (January 2025).

the fiscal policy was more restrictive in 2024, albeit less than expected, with tax easing in the package of fiscal, spending and debt measures announced in the Autumn Budget, with current expenses and public investments bound to increase.

- In 2024 **Russia's** GDP came to +3.5% despite the slowdown in the third quarter, due to both the decrease in the manufacturing sector and weak growth in industrial output. Russia's economic growth continued to be driven by the war industry, with the budget for defence manufacturing companies coming to over 130 billion Euros in 2024, along with the increase in the workforce in this sector and the more and more material involvement of the other economic sectors in supporting the war industry. The war economy momentum contributed to supporting consumer demand, with private spending that proved one of the main drivers of economic growth in the last quarters, thanks also to the labour market featuring the unemployment rate at its all-time low (2.3% as at the year end). At the same time, inflation sped up, from a minimum of 2.3% in April 2023 to about 9% in H2 2024, to which the Central Bank responded through a severely restrictive monetary policy, with the *CBR (Central Bank of Russia) Key rate* increasing to 21%, from 7.5% at the beginning of 2023.

Negative impacts continued to be generated by the sanctions imposed both by the EU, with its fifteenth package in December 2024, and by the USA – through the Office of Foreign Assets Control (OFAC), with the latter hitting especially Russian banks (*Gazprombank* had remained exempt from sanctions in order to enable the EU Countries to shift to new energy sources in a less than drastic manner) causing the Ruble to collapse. President Vladimir Putin's response to the measures adopted by the EU and the USA consisted in strengthening its trade partnership with China, whereby the bilateral trade between the two Countries has increased by 60% since the outbreak of the war against Ukraine, hitting, in 2023, the record figure of 240 billion Dollars.

The Euro Area⁷

The 2024 GDP of the Euro Area is expected at +0.7%, speeding up vs. 2023 (+0.5%), although the most recent indicators suggest persistent weakness in the economy, with industrial output decreasing in December (-2% YoY), despite private consumption being driven by the growth in real wages. The economic performances show unevenness among the main Countries, with Spain posting a +3.0% growth and France a +1.1% growth, while the German economy continued to be rather weak with zero growth. In the Euro Area inflation continued on its descending trajectory for the most part of 2024, despite the increase in the last quarter of the year (+2.4% YoY in December, vs. +2.2% YoY in November), and still high pressure on some components, such as prices of services, increasing by +4.0% on an annual basis. At the same time, the labour market remained rigid, with shortages of manpower that proved very pressing in administrative and support services and in the construction sector.

After suspending it to respond to the economic crisis caused by the viral pandemic, the European Commission put back the "Stability and Growth Pact" into force, albeit with some new provisions, which entailed the opening of an Excessive Deficit Procedure against seven Member States, including Italy and France, which, in October, submitted a corrective action plan addressing their financial challenges (except for Germany, Austria and Belgium). The period concerned by the Excessive Deficit Procedure is 2023 (average deficit at 3.6% in the Euro Area, expected at 3.1% in 2024), a year in which Italy's deficit hit 7.2% of its GDP, while the deficit of France, whose government debt is the highest in absolute terms (3.1 trillion Euros), hit 5.5%.

⁷ Sources: Prometeia, Forecast Report (December 2024); ECO, World Macro-Economic Scenario 2024-25 (October 2024); OECD Economic Outlook (December 2024).

Average **inflation** in the Euro Area came to +2.4% in 2024, considerably slowing down vs. +5.4% in 2023. Specifically, in December 2024⁸, its trajectory on a monthly basis hit +2.4%, slightly increasing from +2.2% in November, but decreasing vs. the monthly figure of December 2023 (+2.9%). The main driver of the period-over-period performance of inflation were the prices of services (+4.0%), followed by food products, alcoholic beverages and tobacco (+2.6%), while the much more modest changes occurred in non-energy industrial goods (+0.5%) and energy (+0.1%). The inflation rate being consistently near its target level is one of the elements that prompted the European Central Bank to start its expansionary monetary policy cycle, although the level of prices proved very uneven, mostly reflecting the different impact of the energy component, which was affected by the extent and duration of the national measures deployed in the 2022-2023 two-year period to respond to the sudden hike in costs.

With the end of the period of suspension of the Stability and Growth Pact (SGP), under which the EU Member States are not allowed to have their *deficit* to GDP ratio above 3%, Member States' budgetary policies are once again under the **EU surveillance**, with the goal of ensuring that Member States' budgets are unsustainable in the medium term. In this regard, in April 2024, the European Parliament approved **new fiscal rules**, under which the Member States with a debt to GDP ratio higher than 90% shall be required to reduce it on average by 1% per year and by 0.5% per year if the ratio is between 60% and 90%. Furthermore, if a country's deficit is above 3% of GDP, it would have to be reduced during periods of growth to reach 1.5% and build a spending buffer for difficult economic conditions. In June, following the approval new fiscal rules, the European Commission issued its fiscal policy guidance for Member States within its "*Country-specific recommendations*", which list the objectives to be pursued in budgetary policies, the implementation of National Recovery and Resilience Plans and public finance sustainability. Furthermore, "*In-depth reviews*" were published for 12 EU Member States on macroeconomic imbalances, including France, Germany, Spain and Italy: specifically, for Germany and Italy, "*imbalances or excessive imbalances*" were found. As regards Italy, which extended the plan horizon to seven years to reduce the gap between debt and GDP (as did France, Spain, Finland and Romania), and posted a better-than-expected recovery in balances, the 2024 *deficit*/GDP ratio should decrease to below 4 percentage points, affecting the 2025 budgetary policies, which will undergo the excess deficit procedures (along with Belgium, France, Hungary, Malta, Poland and Slovakia), with return below the 3% threshold expected in 2026, despite the debt/GDP ratio being expected to grow.

In December, the Euro Area's **industrial output**⁹ declined by -2.0% YoY, decreasing also vs. November 2024 (-1.1%). The annual decline concerned especially capital goods (-8.1% YoY), along with semi-finished goods (-2.4% YoY) and consumer durables (-2.2% YoY), while fast-moving consumer goods grew (+8.3% YoY) as did energy goods (+0.5% YoY). The Countries that experienced the largest declines were Austria (-9.5%) and Italy (-7.1%), while Malta (+14.4%), Ireland (+10.1%) and Lithuania (+7.6%) posted strong growth.

The unemployment rate¹⁰ came to 6.3% in December, decreasing vs. its figure for the previous year of 6.5%.

The **German** economy declined by -0.2% in 2024 vs. -0.3% in the previous year, due to the contribution of domestic demand and net exports slightly increasing. Household consumption resumed growth after falling in 2023, thanks to the increase in nominal wages of employees, causing the real contribution to rise and driving recovery in retail sale volumes, especially in the third quarter. The confidence of investors and consumers continued to be negatively affected by the uncertainty on the financing of the measures to support the green transition, after the Supreme Court's ruling of November 2023 led to a reduction in the available amounts within the *Climate and Transformation Fund* of 60 billion Euros and to the closing of the Energy Support Fund. This generated a material impact on spending for public investments and on tax incentives for private investments made by households and businesses aimed at the green transition. Furthermore, in early 2024 subsidies for electric vehicles were eliminated, worsening the strong decline in sales and the crisis in the German *automotive* industry even further, with *Volkswagen* announcing important structural actions. Gross fixed investments declined (-2.8%) and, in December, the industrial output was down by -4.0% vs. the previous year, with a *gap* vs. the before-Covid period of about -13%, with the subsequent decrease in manufacturing orders of 5.4% between November and October. Although the labour did show signs of difficulty, the unemployment rate remained stable (3.4% in 2024). Inflation increased by +2.6% YoY in December, up by 1 p.p. vs. its figures as at the end of the summer, especially due to the increases in the prices of services. This setting also features medium-term uncertainty after the fall of the coalition government in December 2024 (the snap elections were held in February 2025), with the German Finance Minister announcing the adoption of a provisional budget at the start of 2025, which will extend expenditure levels from 2024 to 2025, causing fiscal conditions to be more rigid than expected.

8 Source: Eurostat (January 2025).

9 Source: Eurostat (February 2025).

10 Source: Eurostat (February 2025).

The **French** GDP grew by +1.1% in 2024, at a faster pace than expected at the start of the year, with growth both in the domestic component including inventories (+0.6 p.p.) and in the net foreign one (+1.1 p.p.), the main driver of growth. Besides being driven by steady public expenditure, domestic demand benefited also from the temporary momentum in private consumption generated by the Olympic Games in Q3 2024, as well as from the slowdown in inflation (+1.3% YoY in December) which had a positive effect on households' purchasing power, along with the increase in real wages. On the downside, France had to cope with yet another domestic political instability phase with the resignation of the government led by Michel Barnier, who was replaced by Francois Bayrou: in this situation, the announcements came not only of the downgrading of France's sovereign rating by Moody's (to Aa3 from Aa2), but also of the revision down by the Banque de France of its growth estimates for the next two years. Moreover, an impacting factor was the start by the European Commission of the infringement procedure, with the *deficit* that is nonetheless expected to increase to 6.1% of the GDP in 2024, vs. 5.5% in 2023, due to lower-than-expected tax revenue (especially as regards VAT) and to disappointing revenue from the exceptional tax on energy producers, with the ratio that should return below 3% not sooner than in 2029. Like the German scenario, the French Parliament approved a special law to make up for the lack of a budget for 2025, whereby the government will have the power to impose taxes and to borrow to finance the State and social security, while the budget law is expected at the start of the new year.

In **Spain**, the GDP grew by +3.0% in 2024, speeding up vs. +2.7% in 2023. This performance resulted not only from the positive contribution of the net foreign component (+0.5 p.p.), but especially from domestic demand (+2.9%). Specifically, domestic demand was driven by private consumption (+2.7%) thanks both to the increase in real income and to the stability in the labour market, despite a high unemployment rate compared with the main Countries in the Euro Area (12.1% in 2024), as well as by accumulated savings. Gross fixed investments also increased (+1.7%) driven by lower borrowing costs and by the implementation of Spain's Recovery and Resilience Plan. In December inflation spiked again (+2.8% YoY, vs. +2.4% in November), mostly driven by the increase in fuel costs.

The Italian economy

The 2024 growth expectations were revised down to +0.5% (from +0.7% at the start of the year), with the **Italian economy** showing smaller expansion than the Euro Area (+0.7%). After growing in H1, the Italian GDP posted zero growth in the third and fourth quarters, taking the acquired annual increase to +0.5% (slowing down vs. +0.6% in Q2 2024). In real terms, the performance in the year was driven by the positive contribution of net exports (+0.6 p.p.), while domestic demand net of inventories (+0.4 p.p.) was affected by a slowdown in household consumption, despite the strengthening of the labour market and the increase in real pay, as well as by the drop in investments, especially as regards residential real estate, due to the end of tax incentives. Despite a complex scenario, yields of fixed-rate Italian government securities reduced the spread vs. German and French ones, mainly due to the political instability in those Countries, along with the economic difficulties experienced by Germany. Furthermore, in October, rating agency Fitch raised the outlook of Italy's sovereign rating from stable to positive, based on its key rating drivers, including a "credible fiscal plan" and a "stable political situation".

Household final¹¹ consumption expenditure grew by +1.3% in the first nine months of 2024 vs. the same period of 2023, driven by the increase in **gross disposable income**, which went up by +3.7% over the same time horizon. That increase drove households' purchasing power upwards, which, albeit at a slower pace in Q3 (+0.4% Q3. vs Q2) than in the previous periods, grew for the seventh quarter in a row (+2.5% Q1-Q3 2024 vs. Q1-Q3 2023). Likewise, **propensity to save** came to 9.2% in the June-September period, continuing with its period-over-period growth.

In December 2024, the **consumer confidence climate¹²** came to 96.3, decreasing for the third consecutive time in the year. The decrease vs. the previous months can be mainly explained with the economic climate and future climate, while personal climate remained essentially stable. Conversely, the **business confidence climate** grew, up from 93.2 in November to 95.3 in December, with the performance of confidence of market service companies driving the increase.

In the first three quarters of 2024, the **Italian State¹³** posted total net debt amounting to -4.6% of the GDP, markedly improving vs. -7.4% in the same period of 2023. In terms of weight over the GDP, the primary balance remained negative as in the previous year, coming to -0.6% (-3.8% in the same period of 2023). Conversely, the revenue balance came to 0.1% of the GDP, whereas it had a negative weight of -0.5% in the same survey in 2023. In the same period, the tax revenue to GDP ratio came to 39.6% , increasing by 0.9 pp vs. 38.7 in 2023. Lastly, in November, the Italian government debt exceeded, for the first time ever, the three-trillion-euro mark, coming to 3,005.2 billion, increasing by 23.9 billion vs. the previous month, because of higher cash equivalents of the Treasury and public administrations' needs.

In 2024 the **Italian consumer price index for the whole nation¹³ (Italian acronym NIC)** showed figures constantly below the ECB target of 2.0%, with the year average of +1.0% (vs. +5.7% in 2023): the drop in inflation was mostly due to the strong decrease in the prices of energy goods (-10.1% from +1.2% in 2023). In the last survey, in December, consumer prices posted annual growth of +1.3% on a monthly basis, stable vs. the previous surveys. Likewise, the **Harmonized Index of Consumer Prices (HICP)** posted a QoQ increase of +0.1% and an annual one of +1.4% (slowing down vs. +1.5% in November, the second best after Ireland's figure only). The 2024 average posted a period-over-period increase in the HICP of +1.1% (+5.9% in 2023).

The labour market gave positive signs throughout 2024, with the **unemployment rate¹⁴** reaching 6.2% in December, slightly increasing by 0.3 p.p. Vs. the previous month, but decreasing by -0.9 p.p. Vs. the December 2023 figure. Likewise, the employment rate increased coming to 62.3%, up by 0.3 pp vs. the same period of the previous year, while the inactivity rate came to 33.5% in December 2024.

The development in the Italian economy still rests on the set of reforms provided for by **Italy's Recovery and Resilience Plan**. The plan entered its implementation phase despite some operational uncertainties – two thirds of the worksites are at risk of delay – and the many revisions asked for by the Government and then approved by the European Commission, the latest of which in April following the complete update of the plan adopted by the European Council in December 2023. The new setting entailed a different scheme of payment of the funds: the new Plan amount to 194.4 billion Euros (increasing by 2.9 billion Euros vs. the original Plan), including 66 reforms and 150 investments divided into 621 targets and objectives. In August 2024 Italy received payment of the fifth instalment amounting to 11 billion Euros, which took the total resources paid out under the plan to 113.5 billion Euros, considering the pre-financing, the first five instalments and the pre-financing concerning the REPowerEU chapter. Lastly, on 23 December 2024, the European Commission paid the sixth instalment under the Recovery and Resilience Plan to Italy (8.7 billion Euros) regarding the achievement of 39 objectives consisting of public administration reforms, investments in digitalization, sustainability projects and social policy measures.

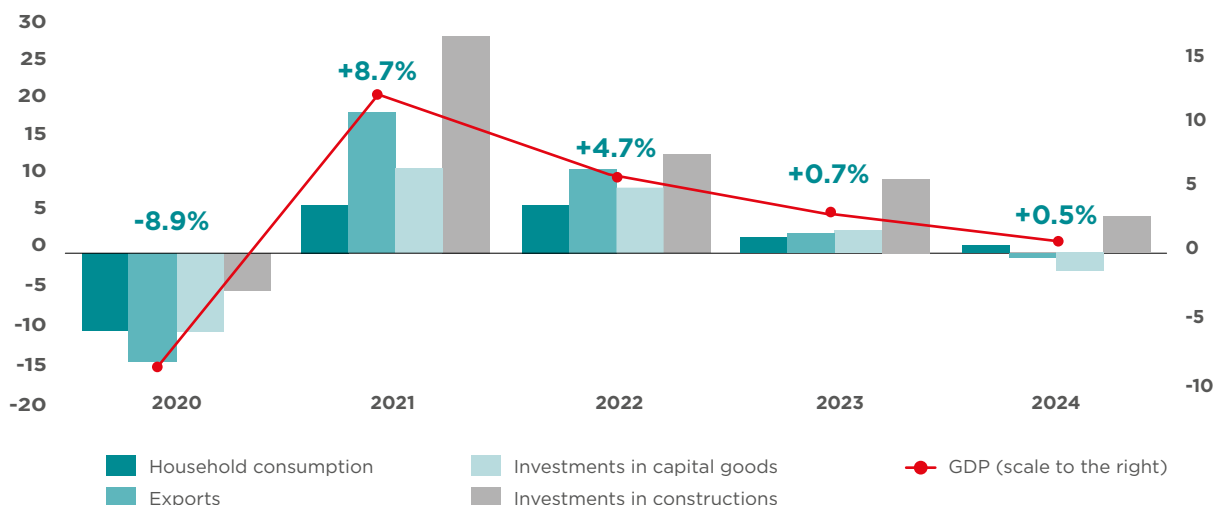
11 Source: ISTAT, Quarterly Account of Public Administrations, households income and saving and company profits(January 2025).

12 Source: ISTAT, Consumer and business confidence (December 2024).

13 Source: ISTAT: Consumer prices (January 2025).

14 Source: ISTAT Employment and Unemployment (January 2025, provisional data).

Italy: GDP and its components



Source: Prometeia, Forecast Report (December 2024).

The banking system¹⁵

In the last weeks of 2024 Italian players protagonists of M&As in the banking system: the stake acquired by UniCredit S.p.A. in Commerzbank Ag; the public tender offer by Banco BPM Vita S.p.A. on Anima Holding S.p.A. (of which it already held 22%); the sale by the Italian Treasury of another 15% of its stake in Banca Monte dei Paschi di Siena S.p.A.; the public exchange offer by UniCredit S.p.A. on Banco BPM S.p.A..

In this context, the ECB openly expressed its assent to combinations between credit institutions, in order to strengthen the European banking system and to be able to stand up to American giants, including through cross-border M&A transactions.

In 2024, the industry **revenues** were again on the trend they showed in the previous years, with net interest income continuing to be decisive in driving the banking system's profitability, along with the contribution of the security portfolio and *hedging* strategies. Profitability was also driven by significant recovery in fee and commission income, thanks to the development in the management and intermediation business, resulting from the increase in asset administration and management. The net interest spread remaining stable and steady revenues led to higher-than-expected performances, despite the first interest rate cuts, with **profits** for the period that prove higher than the ones in 2023, the year of record growth.

Operating costs modestly increased vs. the previous year, being affected not only by the renewal of the Italian national collective bargaining agreement for the industry, but also by continuous investments in technology and specialist human resources aimed at addressing the change in the banking service model towards the search for new business solutions, in order to enhance the efficiency of internal processes and *customer experience*, the pace of which is being sped up by the development of artificial intelligence. Furthermore, the costs of the leading Italian Groups will be affected by the expenses for voluntary redundancy incentives associated with planned exits and rationalization plans that will be implemented in the next three years. Conversely, operating costs benefited from the reduction in **contributions to bank resolution funds**, following the completion of the payments to the *Single Resolution Fund* occurred in 2023 and the last contribution to the *Interbank Deposit Protection Fund* made in July 2024. The ratio of costs to revenues, which remained at still very low levels, thanks to the growth in revenues.

The economic cycle uncertainty with interest rates that remained high throughout 2024, despite the first cuts by central banks, along with slow recovery in purchasing power and the end of the anti-crisis measures deployed in the last few years, does not seem to have had worsening effects on non-performing loans, which showed no signs of obvious problems. New *non-performing* loans were offset by positions that had already been downgraded and returned to be *performing*, while net adjustments resulted in lower provisions and

¹⁵ Sources: Prometeia, Forecast Report (December 2024); Prometeia, Previsioni Bilanci Bancari (October 2024); Bank of Italy, Financial Stability Report (November 2024).

recoveries. Therefore, the **cost of risk** proved in line with 2023, being also mitigated by considerable *overlays* on banks' balance sheets. The rate of impairment remained modest, thanks to the resilience of the productive fabric and the large liquidity reservoir available to customers.

The monetary restriction deployed by the ECB continued to impact on the volume of **loans**, although the decline slowed down in the second part of the year as a consequence of the easing process that started. That scenario had repercussions mainly on non-financial corporations, whose performances declined throughout the year, while bank loans to resident households proved essentially stable. As occurred in 2023 for **bank funding**, the decline in deposits on current accounts of resident customers resulted from the reallocation of savings to instruments giving higher returns, such as fixed-term deposits and **assets under management**, driven also by the positive contribution of financial markets, as well as to **assets under administration**, with still high yields of government securities.

In the Italian banking system **capital positions** remained strong for all significant banks, with capital ratios well above the minimum requirements applicable as of 1 January 2024 as set by the Supervisory Authority after the SREP carried out in 2023. At the end of 2024, further strengthening of capital levels is expected thanks to self-funding with retained earnings, with the CET1 of the Italian banking system standing on average at 15.9% in June 2024 (+0.3 p.p. vs Dec. 2023), a new all-time high. Lastly, the considerable resources invested by Italian banks in the digitalization and IT process started to be screened by the regulator, concerned about possible *cyber risks* to which the banking business may be exposed: in 2024 the first specific stress test on *cyber security* was carried out with favourable results. The test was conducted on 109 banks, 28 of which were examined deeper (through on-site audits by supervisors), and provided for a fictitious scenario in which all prevention measures failed, with a cyber-attack generating severe repercussions on the databases of the core systems of each bank. The conclusions reported that the banks have response and recovery systems in place, but areas for improvement remain. The results, which will be included in the 2024 Supervisory Review and Evaluation Process (SREP), contributed to raise the banks' awareness about the strengths and weaknesses of their respective cyber-resilience systems.

Having regard to the performance of the Italian banking system as a whole¹⁶:

In December 2024 **loans to households and businesses** came to Euro 1,260 billion, decreasing by -1.0% YoY. According to the Bank of Italy's official data, the worst-hit segment is once again the segment of loans to non-financial corporations, which, in December, posted a YoY decline of -2.3%. Conversely, total loans to households slightly increased annually on a monthly basis (+0.2% YoY), with the trajectory of home loans constantly growing in the year.

In December 2024, the volumes of **non-performing loans** (bad loans, unlikely to pay and past due and/or overlimit exposures), net of writedowns and provisions, were stable at 30.4 billion Euros (vs 30.5 billion Euros as at Dec. 2023), and however well below the maximum level of 196.3 billion Euros reached in 2015. Consequently, the ratio of net non-performing loans to total loans remained stable at 1.47% (vs 1.41% as at December 2023).

In December 2024, total **direct funding** (deposits from resident customers and bonds) had increased by +2.7% on a yearly basis, continuing on its growing trend started in early 2024. This performance was driven by medium/long-term funding, consisting of bonds (+7.2% YoY), in addition to the contribution of Customers' deposits, which increased by +2.0% YoY.

As at December 2024, the **interest rates applied to loans to customers** implemented the policy easing deployed by the ECB vs. the end of the previous year: the average rate on total loans to households and non-financial corporations was 4.44%, (vs. 4.76% as at December 2023); the interest rate on newly originated home loans was 3.11% (vs. 4.42% in December 2023), and the interest rate on new loans to businesses was 4.40% (vs. 5.45% as at December 2023).

The **interest rate on bank funding** – deposits, repurchase agreements and deposits – stood at 1.12%, stable vs. December 2023 (1.17%); while the rate paid to households and non-financial corporations on deposits with an agreed maturity in Euros was of 2.89% in December, down by -89bps vs. December 2023.

The **spread on new transactions** between the average rate on loans to households and non-financial corporations and the average one on funding decreased vs. the end of 2023 coming, in December, to 217 basis points (vs. 298 in December 2023).

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16 ABI Monthly Outlook (February 2025).

Indirect funding increased by over 160 billion Euros between December 2023 and December 2024, coming to 1,601 billion Euros, of which 28.7% directly held by consumer households.

Having regard to the **asset management**¹⁷ industry, as at December 2024 the whole-industry net inflows hit +30 billion Euros from the year opening, reversing the trend vs. the -48 billion figure as at December 2023, taking assets under management to 2,500 billion Euros. Over total assets under management, the portion under collective management schemes (open-end and closed-end funds) stood at 1,340 billion Euro, equal to 53.6% of total AuM: investments in portfolio management came to 1,159 billion Euros and accounted for the remaining 46.4% of total AuM.

Sustainability (ESG) and climate-related risks continued to be core in business strategies, risk management and *governance*. The ESG scope continued to be key in business models, becoming important also in communication to the market; the already considerable investments in this scope are expected to further increase, both in order both to comply with the policies issued by the regulator and because of the banks' will, which have been continuing to look for ESG specialists, thus substantiating their awareness of the importance of these topics in order to make their business model resilient. In this context, based on the new "EuGB" (*European Green Bond*) regulation, which lays down the new rules governing European green bonds, **Green, Social and Sustainability Bonds have continued to be placed** in order to finance or refinance new and/or pre-existing ESG projects.

REGULATORY AND SUPERVISORY ACTIONS¹⁸

After the string of extraordinary monetary policy measures adopted by the Supervisory Authority during the after-pandemic period to support the economy, the change in the economic situation and the more restrictive approach in the monetary policy deployed to bring inflation under control entailed the tapering of the adopted measures. Therefore, in 2024 the loans allotted in the third series of **Targeted Longer-Term Refinancing Operations (TLTRO-III)** were fully repaid, with the remaining amount of about 140 billion Euros repaid throughout the year.

Having regard to the **Asset Purchase Programmes (APP)**, the Governing Council confirmed that the APP portfolio is declining at a measured and predictable pace, as the Eurosystem no longer reinvests the principal payments from maturing securities.

Having regard to the **Pandemic Emergency Purchase Programme (PEPP)**, the programme for the purchase of private and public sector securities to address the pandemic emergency, the Governing Council continued to reinvest, in full, the principal payments from maturing securities until June 2024, while, in the second half of the year, the Eurosystem reduced the PEPP portfolio by €7.5 billion per month on average, and discontinued reinvestments under the PEPP at the end of 2024.

As to prudential regulation, the legislative procedure was completed for the transposition of the new Basel standards, named **Basel IV**, with the publication in the Official Journal, in July 2024, of the amendments to the Capital Requirements Regulation and Directive. Therefore, as of 1 January 2025, financial intermediaries shall calculate risk-weighted assets in accordance with the new instructions, which aim at strengthening global financial stability and at enhancing banks' resilience. These standards aim at reducing disparity in capital requirements among banks and increasing transparency, as well as at mitigating systemic risks through the fine-tuning of operational risk calculation, the revision of standardized approaches to measure credit risk and the implementation of an "*output floor*" that limits the benefits from banks' internal models. Albeit increasing capital requirements for some banks, these changes aim at ensuring a more prudential approach in risk management.

17 Source: Assogestioni, Monthly Map of Assets Under Management (January 2025).

18 Source: Press releases of the European Central Bank (ECB) and of the Bank of Italy.

Furthermore, in order to address adverse economic scenarios, the Bank of Italy decided to apply a **Systemic Risk Buffer** amounting to 1.0% of credit risk- and counterparty risk-weighted exposures to residents in Italy, to all authorized banks in Italy, at both consolidated and separate level. The Systemic Risk Buffer target shall be achieved gradually setting aside a buffer equal to 0.5% of the relevant exposures by 31 December 2024, and the remaining 0.5% of the buffer by 30 June 2025.

At the same time, actions started to renew the **Supervisory Review and Evaluation Process (SREP)** in order to ensure optimal management of new risks, through the review of strategies and processes responding to the changes in the external environment that may impact on the banking business. These risks are associated with technological innovation, digitalization, the growth on non-banking financial institution and climate change. The review will be implemented gradually over the next three years (with its completion expected in 2026).

SIGNIFICANT EVENTS IN THE REPORTING PERIOD

Equity investments and Funds

The main events concerning the equity investments held by Crédit Agricole Italia are reported below:

- **Le Village by CA Milano:** in February 2024 a corporate reorganization was finalized, whereby, through a share capital increase of 1.2 million Euros, Crédit Agricole Italia acquired control of the company, with a stake of 51% vs. the previous one of 38.9%. Within that transaction, Amundi became a shareholder of Le Village by CA Milano, with an 8% stake, joining its long-standing shareholders: Agos, CACIB Milano, CA Vita and CA Indosuez, besides Crédit Agricole Italia.
- **Le Village by CA Sicilia:** in April 2024 Le Village By CA Sicilia headquartered in Catania was incorporated, with the subscription by Crédit Agricole Italia of a controlling equity investment equal to 71.3% of its share capital.
- **Rajna Immobiliare:** in October 2024 the 50% equity investment was sold to Banca Popolare di Sondrio, which already controlled the company jointly with Crédit Agricole Italia. The sale was in the scope of the rationalization of the equity investment portfolio resulting from the acquisition of Credito Valtellinese.
- **Startup Style Renaissance and Foolfarm:** the acquisition by Crédit Agricole Italia of equity investments in two innovative startups was finalized. Specifically: 1) in February 2024, Crédit Agricole Italia acquired a stake of approximately 29% in Startup Style Renaissance (a special purpose vehicle to invest in startups operating in the Fashion and Fashion Tech industries); 2) in June 2024 Crédit Agricole Italia acquired a stake of approximately 3% in Foolfarm (a company specializing in setting up and roll out new companies in the artificial intelligence and deeptech sectors). These investments are consistent with the medium-term plan in the scope of supporting innovation in the Italian ecosystem.

Having regard to investments in funds, the following transaction is worth specific mentioning:

- **Fondo FSI II:** a private equity fund in which Crédit Agricole Italia, acquired a 1.5% stake in August 2025. Thanks to this transaction, which was carried out together with Crédit Agricole Partenariat, the Crédit Agricole Group's specialist offering in the Private Equity Italian market can be strengthened.

Les Villages by CA

Since 2018 the Crédit Agricole Italia Banking Group has been substantiating its attention to its regions and innovation by opening "Les Villages by CA". To date, the network consists of **5 Villages operating in Italy and able to accelerate 190 startups and work with over 80 partner firms on their path to innovation**. In the reporting period, the ecosystem of the Italian Villages further grew, thanks to the opening, in February, of Le Village delle Alpi by CA in Sondrio and, in October, of Le Village by CA Sicilia in Catania.

In the year, national activity programmes for the Partner firms and the accelerated startups went live for the first time and generated over 250 new business opportunities, with national and international Demo Days that involved over 150 investors and Venture Capital Funds.

Le Village By CA Milano, in operation since 2018, was the first expression of innovation by CA in Italy and has accelerated over 46 startups with the support of 24 partner firms.

Le Village by CA Parma, which was opened in 2020 and is held by Crédit Agricole Italia and Fondazione Cariparma, has 19 partner firms and 60 resident startups specifically focusing on agrifoodtech, mechanics and mobility, pharma and life sciences and automation.

Le Village by CA Triveneto, which was opened in 2022 in Padua and is held by Crédit Agricole Italia, Parco Scientifico e Tecnologico Galileo, Confindustria Veneto Est and Unismart-Fondazione Università degli Studi di Padova, has 21 partner firms and **53 resident startups**. Its strategic axes are based on 6 sustainable development goals in the UN 2030 Agenda.

Le Village by CA delle Alpi, which was opened in February 2024 in Sondrio and is held by the Crédit Agricole Group and by Fondazione Pro Valtellina, focuses especially on mountain economy. At present, the Village supports 14 resident startups and 12 partner firms in meeting their development and innovation needs.

Le Village by CA Sicilia, which was opened in October 2024, is held by the Crédit Agricole Italia Group, by Amundi and by two leading firms based in the region: Irritec spa, a global leader in sustainable irrigation systems, and Ntet spa, a leading player in Italy and in Europe in the design, manufacturing and marketing of innovative telecommunication products/systems. At present, it has 21 resident startups and can rely on 13 partner firms.

Covered bonds

In the reporting period, the Group finalized three new issues of Covered Bonds for a total of 1,6 billion Euros. Specifically, the Group placed:

- A Green format issue for 500 million Euros with maturity of over 9 years, which received orders for nearly 5 billion Euros, proving investors' appreciation for Crédit Agricole Italia. Consistently with the Group's ESG objectives, the issue aimed at financing or refinancing a pool of residential mortgage loans selected based on sustainability criteria and originated for the purchase of high energy efficiency properties, in accordance with the Green Bond Framework of the Crédit Agricole Group;
- Another issue on the market of Covered Bonds, for an amount of 1 billion Euros and maturity of 12 years. This issue also received a very good response from investors, receiving order for 4.6 billion Euros, giving yet further evidence that Crédit Agricole Italia is highly appreciated.

PERFORMANCE OF OPERATIONS

In a dynamic and very competitive market scenario, the Crédit Agricole Italia Banking Group proved once again able to generate considerable and sustainable profitability on a continuous basis, thanks to its balanced business model that focused on providing support to customers. The Group continued to respond in an effective manner to the financial needs of households and businesses, thanks to its wide range of specialist products designed for its Customers and made available by all the companies of the Group in Italy.

The Crédit Agricole Italia Banking Group specifically focused on providing support to the energy transition associated with home loans, with subsidized terms and conditions reserved to loans for the purchase of properties in energy efficiency class A or B, and specific advisory services supporting the energy efficiency upgrading of homes.

The Bank also continued to prove constant and growing support to its regions and corporate customers in order to assist them in improving their ESG positioning: in 2024 loans originated to support corporate customers' transition amounted to 1.2 billion Euros, consistently with the Group's NET Zero targets and strategies.

Commercial operations performed well in the main business lines, thanks to the diversified range of products and services made available to Customers, benefiting from the services provided by all the companies of the Crédit Agricole Group in Italy.

Worth mentioning is also the significant development in the customer base, with the acquisition of about 190 thousand new Customers (+7% YoY), thanks also to the material contribution of the digital channel (40%), progressively improving vs. the figures posted in the previous two years.

Giving evidence of its unfaltering focus on keeping high customer satisfaction standards, Crédit Agricole Italia ranked again no. 1 amount universal banks in Italy by Customer Recommendation Index - *CRI*, with this level of excellence already achieved in 2023 and confirmed by the latest surveys .

The attention to asset quality has remained constant: the gross and net NPE ratios further decreased - to 2.7% and 1.3% respectively - with further increase in the coverage ratio, which hit 53.7%.

Strong and continuously improving capital position, with capital well above the minimum requirements assigned by the ECB: as at 31 December 2024, the Crédit Agricole Italia Banking Group's CET1 ratio stood at 14.0% and its Total Capital ratio at 18.6%; liquidity also continued to be high with the LCR at 179%.

THE PERFORMANCE OF BALANCE SHEET AGGREGATES

Reclassified Consolidated Balance Sheet

Assets	31 Dec. 2024	31 Dec. 2023 ^(*)	Changes	
			Absolute	%
Net financial assets/liabilities at fair value	155,912	153,276	2,636	1.7
Financial assets measured at fair value through other comprehensive income	3,740,466	3,868,730	-128,264	-3.3
Net due from banks	2,525,386	-2,957,086	5,482,472	
Loans to Customers	71,358,857	69,433,503	1,925,354	2.8
Equity investments	28,130	25,803	2,327	9.0
Property, plant and equipment and intangible assets	2,667,705	2,739,227	-71,522	-2.6
Tax assets	1,543,052	2,029,131	-486,079	-24.0
Other assets	8,332,717	13,442,808	-5,110,091	-38.0
Total assets	90,352,225	88,735,392	1,616,833	1.8

Liabilities	31 Dec. 2024	31 Dec. 2023 ^(*)	Changes	
			Absolute	%
Funding from Customers	77,735,518	76,160,617	1,574,901	2.1
Tax liabilities	295,866	278,173	17,693	6.4
Other liabilities	3,418,549	3,592,135	-173,586	-4.8
Specific-purpose provisions	582,245	674,771	-92,526	-13.7
Capital	1,102,071	1,102,071	-	-
Equity instruments	740,000	815,000	-75,000	-9.2
Reserves (net of treasury shares)	5,706,882	5,438,977	267,905	4.9
Valuation reserves	-64,720	-59,504	5,216	8.8
Equity attributable to minority interests	27,530	24,967	2,563	10.3
Profit (Loss) for the period	808,284	708,185	100,099	14.1
Total equity and net liabilities	90,352,225	88,735,392	1,616,833	1.8

(*) Net due from banks as at 31 December 2023 (negative mismatch) have been restated to harmonize them with the 2024 balances (positive mismatch).

Reconciliation of the official and reclassified balance sheets

Assets	31 Dec. 2024	31 Dec. 2023 ^(*)
Net financial assets/liabilities at fair value	155,912	153,276
20 a. Financial assets held for trading	134,710	198,491
20 c. Financial assets mandatorily measured at fair value	157,998	153,026
20. Financial liabilities held for trading	-136,796	-198,241
Financial assets measured at fair value through other comprehensive income	3,740,466	3,868,730
30. Financial assets measured at fair value through other comprehensive income	3,740,466	3,868,730
Net due from banks	2,525,386	-2,957,086
40 a. Due from banks	4,495,310	2,331,699
10 a. Due to banks	-1,971,856	-5,290,239
To deduct: Lease liabilities	1,932	1,454
Loans to Customers	71,358,857	69,433,503
40 b. Loans to Customers	71,358,857	69,433,503
Equity investments	28,130	25,803
70. Equity investments	28,130	25,803
Property, plant and equipment and intangible assets	2,667,705	2,739,227
90. Property, Plant and Equipment	1,088,171	1,155,920
100. Intangible assets	1,579,534	1,583,307
Tax assets	1,543,052	2,029,131
110. Tax assets	1,543,052	2,029,131
Other assets	8,332,717	13,442,808
10. Cash and cash equivalents	5,296,488	10,383,650
130. Other assets	2,445,522	2,515,010
50. Hedging derivatives (Assets)	754,030	863,647
60. Fair value change of financial assets in macro-hedge portfolios	-164,801	-328,603
120. Non-current assets held for sale and discontinued operations	1,478	9,104
Total assets	90,352,225	88,735,392

Liabilities	31 Dec. 2024	31 Dec. 2023 ^(*)
Funding from Customers	77,735,518	76,160,617
10 b) Due to Customers	61,782,016	61,888,930
To deduct: Lease liabilities	-304,821	-319,971
10 c) Debt securities issued	16,258,323	14,591,658
Tax liabilities	295,866	278,173
60. Tax liabilities	295,866	278,173
Other liabilities	3,418,549	3,592,135
10 a. Due to banks: of which lease liabilities	1,932	1,454
10 b. Due to customers: of which lease liabilities	304,821	319,971
40. Hedging derivatives (Liabilities)	1,672,836	2,139,540
50. Fair value change of financial liabilities in macro-hedge portfolios	-504,834	-791,351
80. Other liabilities	1,943,794	1,922,521
Specific-purpose provisions	582,245	674,771
90. Employee severance benefits	86,558	90,428
100. Provisions for risks and charges	495,687	584,343
Capital	1,102,071	1,102,071
170. Capital	1,102,071	1,102,071
Equity instruments	740,000	815,000
140. Equity instruments	740,000	815,000
Reserves (net of treasury shares)	5,706,882	5,438,977
150. Reserves	2,211,510	1,943,605
160. Share premium reserve	3,495,378	3,495,378
180. Treasury shares (+/-)	-6	-6
Valuation reserves	-64,720	-59,504
120. Valuation reserves	-64,720	-59,504
Minority interests	27,530	24,967
190. Minority interests	27,530	24,967
Profit (Loss) for the period	808,284	708,185
200. Profit (Loss) for the period	808,284	708,185
Total liabilities and equity	90,352,225	88,735,392

(*) Net due from banks as at 31 December 2023 (negative mismatch) have been restated to harmonize them with the 2024 balances (positive mismatch).

Balance sheet aggregates

Loans to Customers

Items	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
- Current accounts	2,751,572	2,938,288	-186,716	-6.4
- Mortgage loans	42,938,603	42,239,669	698,934	1.7
- Invoice financing and credit facilities	19,115,170	17,788,841	1,326,329	7.5
- Non-performing loans	830,996	1,052,674	-221,678	-21.1
Loans to Customers	65,636,341	64,019,472	1,616,869	2.5
Securities measured at amortized cost	5,722,516	5,414,031	308,485	5.7
Total Loans to Customers	71,358,857	69,433,503	1,925,354	2.8

As at 31 December 2024, loans to Customers came to 65.6 billion Euros, increasing by 1.6 billion Euros vs. 2023 (up by +2.5%) performing against the trend in the Italian banking system which proved decreasing (down by -1%)¹⁹. Net of non-performing loans (-21%), the perimeter of performing loans only, amounting to 65.2 billion Euros, increased by 3%, driven by home loans and by invoice financing and credit facilities to corporates.

Specifically, once again the Group provided constant support to the real economy, focusing especially on the ESG transition, through:

- Origination of home loans for 4.1 billion Euros, increasing vs. the previous year (+8%), growing at a faster pace than the market (which posted a lower performance of +1%²⁰ . Marked increased in loans financing the purchase of homes in *energy efficiency classes A and B* (+83% YoY), with a weight on total originated mortgage loans of 27% (vs. 16% in 2023) of ESG-linked loans;
- Loans to corporations coming to over 4 billion Euros, growing vs. 2023 (+4%), a performance that was achieved through a development path based on specialization, innovation and sustainability. Over 1.2 billion Euros in originated ESG products (*Sustainability Linked Loans* and *Green Loans*) to support corporations' sustainability, consistently with the Net Zero targets and bespoke for counterparties required to present non-financial reporting;
- Further strengthening of strategic positioning in the *Agri Food* business – a core segment for the Group – with loans up to +3% vs. 2023, while the market declined by -1.6% YoY²¹. In 2024 Crédit Agricole Italia became an “Authorized Bank” for Supply Chain contracts within the 5th Tendering Procedure under Italy's Recovery and Resilience Plan, addressed to corporations operating in the agricultural and agri-food sectors, substantiating its tangible commitment to being a partner at the side of the Italian agri-food sector. Furthermore, the Group presented its second “*Agricoltura tra sostenibilità e innovazione*” (Agriculture between Sustainability and Innovation) white book, in partnership with Bocconi University Agri Lab, concomitantly announcing a new amount of three billion Euros allocated to loans intended to finance sustainable development projects;
- Development in the leasing business through the subsidiary Crédit Agricole Leasing Italia, which, accounting for 1.4 billion Euros in leases (up by +5% YoY) ranks now no. 4 among the top players in Italy, with a 6.6% market share.

As at the reporting date, securities measured at amortized cost amounted to 5.7 billion Euros, up by 0.3 billion Euros vs. 31 December 2023.

¹⁹ Source: ABI Monthly Outlook January 2025 “Loans to households and non-financial corporations”, as at December 2024.

²⁰ Source: ABI Monthly Outlook (January 2025).

²¹ Source: The Bank of Italy.

Loans to customers: asset quality

Items	31 Dec. 2024			31 Dec. 2023		
	Gross exposure	Adjustments	Net exposure	Gross exposure	Adjustments	Net exposure
Bad loans	536,213	385,214	150,999	600,108	461,278	138,830
Unlikely to Pay	1,245,622	572,840	672,782	1,519,162	617,786	901,376
- Past-due/overlimit loans	11,176	3,961	7,215	19,269	6,801	12,468
Non-performing loans	1,793,011	962,015	830,996	2,138,539	1,085,865	1,052,674
Performing loans - stage 2	7,232,251	318,413	6,913,838	7,768,257	334,899	7,433,358
Performing loans - stage 1	57,963,192	71,685	57,891,507	55,607,443	74,003	55,533,440
Performing loans	65,195,443	390,098	64,805,345	63,375,700	408,902	62,966,798
Loans to Customers	66,988,454	1,352,113	65,636,341	65,514,239	1,494,767	64,019,472
Securities at amortized cost	5,735,913	13,397	5,722,516	5,426,766	12,735	5,414,031
Total Loans to Customers	72,724,367	1,365,510	71,358,857	70,941,005	1,507,502	69,433,503

Items	31 Dec. 2024			31 Dec. 2023		
	Gross exposure/ total	Net exposure/ total	Coverage ratio	Gross exposure/ total	Net exposure/ total	Coverage ratio
- Bad loans	0.8%	0.2%	71.8%	0.9%	0.2%	76.9%
- Unlikely to Pay	1.9%	1.0%	46.0%	2.3%	1.4%	40.7%
- Past-due/overlimit loans	0.0%	0.0%	35.4%	0.0%	0.0%	35.3%
Non-performing loans	2.7%	1.3%	53.7%	3.3%	1.6%	50.8%
- Performing loans - stage 2	10.8%	10.5%	4.4%	11.9%	11.6%	4.3%
- Performing loans - stage 1	86.5%	88.2%	0.1%	84.9%	86.7%	0.1%
Performing loans	97.3%	98.7%	0.6%	96.7%	98.4%	0.7%
Loans to Customers	100.0%	100.0%	2.0%	100.0%	100.0%	2.3%

Asset quality further improved vs. the previous year: total net non-performing loans came to Euro 0.8 billion, down by -21% vs. December 2023, consistently with the derisking action under the Medium-Term Plan, thanks to effective management of non-performing exposures and to new defaults under control. The NPL coverage ratios hit 53.7%, increasing by 2.9 percentage points vs. December 2023 due to the higher coverage ratio of Unlikely to Pay, which hit 46.0% (+5.3 percentage points).

Lower interest rates, along with the corporate model revision, led to the revision of downgrading thresholds with consequent reduction in stage 2 performing loans and increase in the related coverage ratio.

The weights of non-performing loans on total loans also improved: the net NPL ratio decreased to 1.3% (vs. 1.6% in December 2023) and the gross NPL ratio went down to 2.7% (vs. 3.3% in December 2023).

Funding from Customers

Items	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
- Deposits	2,667,818	3,537,774	-869,956	-24.6
- Current and other accounts	58,213,824	57,338,336	875,488	1.5
- Other items	595,553	692,849	-97,296	-14.0
Due to Customers	61,477,195	61,568,959	-91,764	-0.1
Debt securities issued	16,258,323	14,591,658	1,666,665	11.4
Total direct funding	77,735,518	76,160,617	1,574,901	2.1
Indirect funding	102,007,757	92,888,389	9,119,368	9.8
Total funding	179,743,275	169,049,006	10,694,269	6.3

As at 31 December 2024, total funding, as the sum of direct and indirect funding, came to Euro 179.7 billion, increasing by Euro 10.7 billion (up by +6.3%) vs. 31 December 2023.

Specifically, total direct funding came to 77.7 billion Euros (up by +1.6 billion Euros, i.e. +2.1% YoY), in line with the system (+2.4% YoY²²). This growth took place in the most stable component of direct funding and resulted from both the issue of bonds and certificates of deposit and the placing on the market of two Covered Bonds *Premium Label* for a total of 1.5 billion Euros, of which 0.5 billion Euros in Green format. In this regard, it is pointed out that, at the XI Covered Bond Investor Conference in Frankfurt, Crédit Agricole Italia was awarded as “the most regular Italian issuer of covered bonds proving innovative – the only one with maturities of 10 years, 12 years, 15 years, 20 years and 25 years in the last decade”, giving evidence of the strong relationship established over time with Italian and international institutional investors.

Indirect funding

Items	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
- Wealth management	26,652,996	23,100,478	3,552,518	15.4
- Insurance products	27,265,206	26,927,778	337,428	1.3
Total assets under management	53,918,202	50,028,256	3,889,946	7.8
Assets under administration	48,089,555	42,860,133	5,229,422	12.2
Indirect funding	102,007,757	92,888,389	9,119,368	9.8

As at 31 December 2024, indirect funding came to Euro 102.0 billion, increasing by Euro 9.1 billion (up by +9.8%) vs. 31 December 2023, benefiting also from the growth in market prices. The asset management in-force business came to Euro 53.9 billion, increasing by Euro 3.9 billion (+7.8%) vs. the end of 2023, and showed higher growth in the products more related to market performances (Wealth management up by +15.4%).

Assets under administration came to Euro 48.1 billion increasing by Euro 5.2 billion (+12.2%) with marked progress vs. 2023 tanks to purchases and subscription of securities, mostly government securities.

Net interbank position

As at 31 December 2024 the net interbank position reported gross credit position of Euro 4.5 billion and a net one of Euro 2.5 billion.

More than satisfying liquidity position, with the LCR at 179%.

22 Source: ABI Monthly Outlook (January 2025).

Financial assets held

Items	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Financial assets and liabilities measured at fair value through profit or loss				
- Debt securities	1,034	1,434	-400	-27.9
- Equity securities and units of collective investment undertakings	157,044	151,682	5,362	3.5
- Derivative financial instruments with positive FV	134,630	198,401	-63,771	-32.1
Total assets	292,708	351,517	-58,809	-16.7
- Derivative financial instruments with negative FV	136,796	198,241	-61,445	-31.0
Total liabilities	136,796	198,241	-61,445	-31.0
Net Total	155,912	153,276	2,636	1.7
Financial assets measured at fair value through other comprehensive income				
- Debt securities	3,487,358	3,615,158	-127,800	-3.5
- Equity securities	253,108	253,572	-464	-0.2
Total	3,740,466	3,868,730	-128,264	-3.3

As at 31 December 2024 financial assets measured at fair value through other comprehensive income amounted to Euro 3.7 billion, decreasing by 3.3% YoY.

Government securities held

	31 Dec. 2024			31 Dec. 2023		
	Nominal value	Book value	Valuation reserve	Nominal value	Book value	Valuation reserve
Financial assets held for trading						
Italian Government securities	1	1	0	11	13	X
Argentinian Government securities	87	0	X	87	-	X
Financial assets through other comprehensive income						
Italian Government securities	3,485,000	3,487,359	11,195	3,633,500	3,615,157	11,528
Financial assets measured at amortized cost						
Italian Government securities	4,987,000	5,036,894	X	4,565,000	4,655,255	X
Total	8,472,088	8,524,254	11,195	8,198,598	8,270,425	11,528

As at 31 December 2024, the total of government securities held amounted to Euro 8.5 billion in nominal terms, increasing by Euro 0.3 billion vs. the end of 2023 resulting from the amortized cost portfolio.

Property, plant and equipment and intangible assets

As at the end of 2024, Property, Plant and Equipment and Intangible Assets amounted to Euro 2.7 billion (-2.6% YoY).

Specifically, “property, plant and equipment” came to Euro 1.1 billion (-6% YoY), due to decommissioning of and adjustments to property totalling Euro 36 million, as well as to the recognition of depreciation and of the change in assets recognized as “right of use” (in compliance with IFRS 16); “intangible assets” came to Euro 1.6 billion (stable YoY) with this figure including goodwill for Euro 1.3 billion.

Specific-purpose provisions

Items	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Employee severance benefits	86,558	90,428	-3,870	-4.3
Provisions for risks and charges	495,687	584,343	-88,656	-15.2
a) commitments and guarantees given	93,123	80,428	12,695	15.8
b) post-employment and similar obligations	28,932	30,643	-1,711	-5.6
c) other provisions for risks and charges	373,632	473,272	-99,640	-21.1
Total specific-purpose provisions	582,245	674,771	-92,526	-13.7

As at 31 December 2024, specific-purpose provisions came to Euro 582.2 million, slightly decreasing by Euro 92.5 million YoY (-13.7%): specifically, item “other provisions for risks and charges” decreased by Euro 99.6 million for uses mainly of provisions for personnel and of provisions for risks for loan management.

Equity

Items	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%.
Share capital	1,102,071	1,102,071	-	-
Share premium reserve	3,495,378	3,495,378	-	-
Reserves	2,211,510	1,943,605	267,905	13.8
Equity instruments	740,000	815,000	-75,000	-9.2
Reserve for valuation of financial assets through other comprehensive income	-20,195	-14,794	5,401	36.5
Reserves from valuation of actuarial gains (losses) relating to defined-benefit pension plans	-44,525	-44,710	-185	-0.4
Treasury shares	-6	-6	-	-
Profit for the FY	808,284	708,185	100,099	14.1
Total (book) equity	8,292,517	8,004,729	287,788	3.6

As at 31 December 2024, book equity stood at Euro 8.3 billion, increasing by Euro 0.3 billion YoY (+3.6%).

The increase mainly resulted from the profit for the FY amounting to 808 million Euros net of distributed dividends (362 million Euros) and from the decrease in equity instruments (-75 million Euros).

The “Equity instruments” item reports the amount of additional tier 1 (AT1) instruments, amounting to Euro 740 million as at the end of 2024.

The Group proved once more its capital strength, which further improved and came well above the minimum prudential requirements assigned by the ECB for 2023, with the ratios given below: Fully-loaded Common Equity Tier 1 Ratio at 14.0% and Total Capital Ratio at 18.6%.

Own Funds

Categories/Values	31 Dec. 2024	31 Dec. 2023
A. Common Equity Tier 1 (CET1) prior to the application of prudential filters	7,102,579	6,810,039
of which CET1 instruments subject to transitional arrangements	-	-
B. CET1 (+/-) prudential filters	-38,506	-34,971
C. CET1 gross of the elements to be deducted and of the effects of the transitional regime (A +/- B)	7,064,073	6,775,068
D. Elements to be deducted from CET1	1,517,490	1,733,243
E. Transitional regime – Impact on CET1 (+/-), including minority interest subject to transitional arrangements	-	-
F. Total Common Equity Tier 1 (CET1) (C – D +/- E)	5,546,583	5,041,825
G. (Additional Tier 1 (AT1) gross of the elements to be deducted and of the effects of the transitional regime	740,000	815,000
Of which AT1 instruments subject to transitional arrangements	-	-
H. Elements to be deducted from AT1	-	-
I. Transitional regime – Impact on AT1 (+/-), including instruments issued by subsidiaries/associates and included in AT1 under transitional arrangements	-	-
L. Total Additional Tier 1 (AT1) (G - H +/- I)	740,000	815,000
M. Tier 2 (T2) gross of the elements to be deducted and of the effects of the transitional regime	1,124,272	1,072,535
of which T2 instruments subject to transitional arrangements	-	-
N. Elements to be deducted from T2	-	-
O. Transitional regime – Impact on T2 (+/-), including instruments issued by subsidiaries/associates and included in T2 Per under transitional arrangements	-	-
P. Total Tier 2 (T2) (M - N +/- O)	1,124,272	1,072,535
Q. Total own funds (F + L + P)	7,410,855	6,929,360

Capital Adequacy ratios

Categories/Values	Non-weighted amounts		Weighted amounts/requirements	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
A. RISK ASSETS				
A.1 Credit and counterparty risks	94,975,082	96,479,153	34,840,958	32,695,071
1. Standardized approach	58,629,340	60,469,510	26,878,009	24,250,692
2. IRB approach	36,344,788	36,008,298	7,955,696	8,432,019
2.1 Foundation	-	-	-	-
2.2 Advanced	36,344,788	36,008,298	7,955,696	8,432,019
3. Asset-backed securities	954	1,345	7,253	12,360
B. SUPERVISORY CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risks			2,787,277	2,615,606
B.2 Credit valuation adjustment risk			1,380	1,534
B.3 Regulatory risk			-	-
B.2 Market risks			543	638
1. Standardized approach			543	638
2. Internal models			-	-
3. Concentration risk			-	-
B.3 Operational risk			391,245	360,818
1. Basic indicator approach			7,955	7,296
2. Standardized approach			383,289	353,522
3. Advanced approach			-	-
B.5 Other measurement elements			-	-
B.6 Total prudential requirements (*)			3,180,444	2,978,595
C. RISK ASSETS AND CAPITAL ADEQUACY RATIOS				
C.1 Risk-weighted assets			39,755,552	37,232,440
C.2 Common Equity Tier 1/Risk-weighted assets (CET 1 capital ratio)			14.0%	13.5%
C.3 Tier 1 capital /Risk-weighted assets (Tier 1 capital ratio)			15.8%	15.7%
C.4 Total own funds/risk-weighted assets (Total capital ratio)			18.6%	18.6%

The minimum capital requirements applying to the Group as at 31 December 2024 amounted to the sum of:

- Minimum requirement under Article 92 of the CRR: Common Equity Tier 1 (CET1) ratio 4.50%; Tier 1 (T1) ratio 6.00%; Total Capital (TC) ratio 8.00%.
- Pillar 2 Requirement (P2R), under Article 16 of Regulation (EU) No 1024/2013 (P2R component equal to 1.75%). Having regard to Article 104-bis of CRD V, pursuant to which the P2R may consist by at least 56.25% of Common Equity Tier 1 and by 75% of Tier 1, the P2R component can be broken down as follows: CET1 0.98%; T1 1.31%; TC 1.75%.
- Capital conservation buffer (CCB) in accordance with Article 129 of the CRD (2.50%).
- Systemic Risk Buffer (SyRB buffer), pursuant to Article 133 of the CRD, required by the Bank of Italy as of 31 December 2024 with a target rate to be reached by 30 June 2025: equal to 0.44% as at 31 December 2024.

Based on the foregoing, as at 31 December 2024 the requirements to be complied with by the Group were as follows:

- 8.42% the CET1 ratio;
- 10.25% the T1 ratio;
- 12.69% the TC ratio.

Within its capital management activities, the Crédit Agricole Italia Group monitors the regulatory ratios in compliance with the obligations concerning all the elements that make up its Own Funds (CET1, AT1 - Additional Tier 1 and T2 - Tier2 Capital) and optimizes the various financial instruments Own Funds consist of. Planning and monitoring concern, on the one hand, total Own Funds and, on the other hand, risk-weighted assets (RWA).

Having regard to Own Funds, as at 31 December 2024 Common Equity Tier 1 came to Euro 5,547 million, increasing vs. the figure for the previous FY (up by Euro +505 million). This increase mainly reflects the evolution in book equity items, including the calculation of the portion of annual earnings retained, lower deductions for DTA, lower deductions for other intangible assets and lower deductions resulting from Calendar Provisioning (NPL backstop), as well as the annual interest paid on the set of outstanding Additional Tier 1 instruments.

The Additional Tier 1 and the Tier 2 Capital figures report the transactions made in 2024 by Crédit Agricole Italia with its Parent Company Crédit Agricole S.A. as the counterparty; specifically: issue in June of an AT1 instrument of Euro 275 million and concomitant repayment, on the early repayment date provided for by the related contract, of an AT1 instrument of Euro 350 million issued in 2018; new issues of T2 instruments for Euro 45 million in June and another Euro 80 million in September; issue, in December, of a T2 instrument of Euro 190 million and concomitant early repayment of a T2 instrument of Euro 250 million issued in 2017. The Tier 2 Capital amount includes both the effect of the amortization of the junior notes and the above-listed repayments and new issues of T2 instruments.

As at the reporting date risk-weighted assets (RWA) amounted to 39,756 million Euros, increasing by 2,523 million Euros vs. 31 December 2023, mainly reflecting the developments in loans to customers, as well as the increase in operational risk associated with the increase in net banking income for 2024.

Following the above-reported developments, the CET1 ratio as at 31 December 2024 came to 14.0% (13.5% as at 31 December 2023), the Tier 1 ratio to 15.8% (15.7% as at 31 December 2023) and the Total Capital ratio to 18.6% (essentially in line with the figure as at the end of the previous year).

PROFIT OR LOSS

The Crédit Agricole Italia Group proved once again able to generate considerable and sustainable profitability on a continuous basis, thanks to its balanced business model that focused on providing support to customers. Consolidated statutory net income increased by +14.1% vs. the same period of the previous year, hitting 808 million Euros.

Reclassified income statement

	31 Dec. 2024	31 Dec. 2023	Changes Absolute	%
Net interest income	1,790,192	1,800,502	-10,310	-0.6
Net fee and commission income	1,261,802	1,220,530	41,272	3.4
Dividend income	13,193	12,667	526	4.2
Financial income (loss)	24,973	29,313	-4,340	-14.8
Other operating income (expenses)	12,300	-2,159	14,459	
Operating income	3,102,460	3,060,853	41,607	1.4
Personnel expenses	-1,029,312	-1,017,173	12,139	1.2
Administrative expenses	-429,728	-490,008	-60,280	-12.3
Depreciation and amortization	-197,477	-197,852	-375	-0.2
Operating expenses	-1,656,517	-1,705,033	-48,516	-2.8
Operating margin	1,445,943	1,355,820	90,123	6.6
Net provisions for risks and charges	648	-22,823	23,471	
Net impairments of loans	-244,313	-315,800	-71,487	-22.6
Impairment of securities	-683	11,124	-11,807	
Profit (loss) on other investments	-16,281	-16,235	46	0.3
Profit (loss) before taxes from continuing operations	1,185,314	1,012,086	173,228	17.1
Taxes on income from continuing operations	-375,037	-302,159	72,878	24.1
Profit (Loss) for the period	810,277	709,927	100,350	14.1
Net profit (loss) for the year attributable to minority interest	-1,993	-1,742	251	14.4
Profit for the period attributable to the Parent Company	808,284	708,185	100,099	14.1

Reconciliation between the Official and the Reclassified Income Statements

	31 Dec. 2024	31 Dec. 2023
Net interest income	1,790,192	1,800,502
30. Net interest income	1,777,563	1,745,562
40. Fee and commission income: of which Deposit Fees and Commissions	-	1
90. Net gains (losses) on hedging activities: of which amortized cost effect of hedging of debt instruments	807	-874
230. Calit IAS gain	2,457	2,039
100. Profits (losses) on disposal or repurchase of: a) financial assets measured at amortized cost: o/w profit on disposal on inflation-linked BTP govies	7,239	40,273
100. Profit (loss) on disposal or repurchase of: b) financial assets measured at fair value through other comprehensive income: of which profit on the disposal of inflation BTP	2,126	13,501
Net fee and commission income	1,261,802	1,220,530
60. Net fee and commission income	1,261,438	1,219,403
To deduct: Deposit fees and commissions	-	-1
To deduct: Fees and commissions on disposal of investments	-	648
200. Other operating expenses/income: of which Commission income from Fast Loan Application Processing	364	480
Dividends and similar income = item 70	13,193	12,667
Financial income (loss)	24,973	29,312
80. Net gains (losses) on trading activities	17,022	14,681
90. Net gains (losses) on hedging activities	-12,068	-8,897
90. Net gains (losses) on hedging activities: of which amortized cost effect of hedging of debt instruments	-807	874
100. Profit (loss) on disposal or repurchase of: a) financial assets measured at amortized cost - o/w security portfolio	4,959	10,824
100. Profit (loss) on disposal or repurchase of: b) financial assets measured at fair value through other comprehensive income	21,362	26,007
To deduct: Profit (loss) on disposal or repurchase of: b) financial assets measured at fair value through other comprehensive income: o/w profit on Inflation BTP	-2,126	-13,501
To deduct: release of provision for impairment of securities measured at fair value through other comprehensive income	-2,920	-2,149
100. Profit (loss) on disposal or repurchase of: c) financial liabilities	-728	-1,670
110. Net gains (losses) on other financial assets and liabilities measured at fair value through profit or loss	-1,781	2,566
To deduct: b) other financial assets mandatorily measured at fair value of which measurement of financial instruments	2,060	577
Other operating income (expenses)	12,300	-2,158
230. Other operating costs/income	423,054	385,262
250. Gains (Losses) on equity investments of which Price Adjustment for disposal of equity investments	-	53
To deduct: expenses recovered	-404,307	-383,074
To deduct: recovered expenses for the management of non-performing loans	-2,568	-1,779
To deduct: Commission income from Fast Loan Application Processing	-364	-480
To deduct: Calit IAS gain	-2,457	-2,039
To deduct: profit/losses from sublease contract under IFRS 16	-1,058	-101
Operating income	3,102,460	3,060,853
Personnel expenses = item 190 a)	-1,029,312	-1,017,173
Administrative expenses	-429,728	-490,008
190. Administrative expenses: b) other administrative expenses	-846,331	-885,397
230. Other operating expenses/income: of which expenses recovered	404,307	383,074
190. Administrative expenses: b) other administrative expenses: of which expenses for the management of non-performing loans	12,296	12,315
Depreciation and amortization	-197,477	-197,852
210. Net adjustments to/recoveries on property, plant and equipment	-121,102	-126,214
To deduct: impairment/impairment recoveries on non-current assets held for investment/IFRS 16 right of use	21,941	19,003
To deduct: impairment on assets held for sale under IFRS 5	-	3,433

	31 Dec. 2024	31 Dec. 2023
220. Net adjustments to/recoveries on intangible assets	-98,316	-94,074
Operating expenses	-1,656,517	-1,705,033
Operating margin	1,445,943	1,355,820
Net provisioning for risks and charges = Item 200 b) other net provisioning	648	-22,823
170. Net provisioning for risks and charges; b) other net provisioning	-2,202	-38,823
To deduct: provision for loan management	2,850	16,000
Net impairments of loans	-244,313	-315,800
100. Profit (loss) on disposal or repurchase of: a) financial assets measured at amortized cost	31,308	73,176
To deduct: profit (loss) on disposal or repurchase of: a) securities classified as financial assets measured at amortized cost	-4,959	-10,824
To deduct: release of provision for impairment of securities measured at amortized cost	-1,623	-9,528
To deduct: gains on disposal of inflation BTP Italian Government securities	-7,239	-40,273
110. Net gains (losses) on other financial assets and liabilities measured at fair value through profit or loss; of b) of other financial assets mandatorily measured at fair value: of which measurement of financial instruments	-2,060	-577
130. Net adjustments for credit risk of: a) financial assets measured at amortized cost	-235,515	-286,167
To deduct: net adjustments for credit risk of: a) securities classified as financial assets measured at amortized cost	2,286	-1,048
140. Profits/Losses on contract modifications without derecognition	-1,238	-7,495
190. Administrative expenses: b) other administrative expenses: of which expenses for the management of non-performing loans	-12,296	-12,315
To deduct: recovered expenses for the management of non-performing loans	2,568	1,779
200. Net provisioning for risks and charges: a) commitments and guarantees given	-12,695	-6,528
200. Net provisioning for risks and charges: b) other net provisioning o/w provision for loan management	-2,850	-16,000
Impairment of securities	-683	11,124
130. Net adjustments for credit risk to: a) securities classified as financial assets measured at amortized cost	-2,286	1,048
130. Net adjustments for credit risk of: b) financial assets measured at fair value through other comprehensive income	-2,940	-1,601
100. Profits (losses) on disposal or repurchase of: a) impairment release on securities measured at fair value through other comprehensive income	2,920	2,149
100. Profits (losses) on disposal or repurchase of: a) of which impairment release on securities measured at amortized cost	1,623	9,528
Profit (loss) on other investments	-16,281	-16,235
250. Profit (losses) on equity investments	2,873	4,147
to deduct Gains (Losses) on equity investments: of which Price Adjustment on disposal of equity investments	-	-53
260. Net gains (losses) from property, plant and equipment and intangible assets measured at fair value	-345	-402
280. Gains (losses) on disposals of investments	2,074	3,056
210. Net adjustments to/recoveries on property, plant and equipment: o/w impairment/impairment recoveries on non-current assets held for investment/IFRS 16 right of use	-21,941	-19,003
210. Net adjustments to/recoveries on property, plant and equipment	-	-3,433
230. Other operating costs/income: o/w profit/losses from sublease contracts under IFRS 16	1,058	101
50. Fee and commission expenses: fees and commission on disposal of investments	-	-648
Profit (loss) before taxes from continuing operations	1,185,314	1,012,086
Taxes on income from continuing operations = item 300	-375,037	-302,159
300. Taxes on income from continuing operations	-375,037	-302,159
Retained earnings for the period	810,277	709,927
Profit for the period attributable to minority interests	-1,993	-1,742
Profit for the period attributable to the Parent Company	808,284	708,185

Operating income

Operating income hit 3,102 million Euros, growing by +1.4% YoY, driven by the increase in the fee and commission component, which grew by +3.4% YoY, while net interest income proved essentially stable.

Net interest income

Items	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Business with customers	1,751,601	1,748,059	3,542	0.2
Business with banks	327,768	114,461	213,307	
Debt securities issued	-704,867	-500,950	203,917	40.7
Financial assets held for trading	6	6	-	
Assets measured at fair value	521	273	248	90.8
Securities measured at amortized cost	182,877	240,530	-57,653	-24.0
Securities through other comprehensive income	132,310	134,377	-2,067	-1.5
Other net interest income	99,975	63,746	36,229	56.8
Net interest income	1,790,192	1,800,502	-10,311	-0.6

Net interest income came to 1,790 million Euros (-0.6% YoY). In H2 the ECB started to ease its monetary policy and lowered its Deposit Facility Rate (DFR) to 3.0% (-100 bps vs. 31 December 2023). In this context, net interest income proved essentially stable thanks to specific interest rate risk hedging policies.

Net fee and commission income

Items	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
- guarantees given	15,120	12,859	2,261	17.6
- collection and payment services	99,299	93,779	5,520	5.9
- current accounts	254,194	278,981	-24,787	-8.9
- debit and credit card services	90,781	81,862	8,919	10.9
Commercial banking business	459,394	467,480	-8,087	-1.7
- securities intermediation and placement	273,199	246,659	26,540	10.8
- intermediation in foreign currencies	7,458	7,053	405	5.7
- asset management	12,854	11,483	1,371	11.9
- distribution of insurance products	374,096	340,205	33,891	10.0
- other intermediation/management fee and commission income	58,945	68,067	-9,122	-13.4
Management, intermediation and advisory services	726,553	673,467	53,086	7.9
Other net fee and commission income	75,856	79,583	-3,727	-4.7
Total net fee and commission income	1,261,802	1,220,530	41,272	3.4

Fee and commission income came to Euro 1,262 million, increasing by +3.4% YoY: the performance of this aggregate resulted from the good contribution of the “management, intermediation and advisory services” component, which grew by +7.9% YoY, driven by the brilliant results of placement of Wealth Management products, as well as by market dynamism; conversely, the contribution from “commercial banking activities” decreased (-1.7% YoY), with a decrease in income from keeping and managing current accounts (-8.9% YoY) only partially offset by the good performance of collection and payment services (+5.9% YoY) and debit and credit card services (+10.9% YoY), associated with the development in transaction volumes and transactions by customers.

Dividend income

Dividend income from equity investments came to 13.2 million Euros, mainly regarding the stake in the Bank of Italy for Euro 9.6 million.

Financial income (loss)

Items	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Interest rates	5,794	4,404	1,390	31.6
Stocks	-1	-	1	
Foreign exchange	11,229	10,278	951	9.3
Total profits (losses) on financial assets held for trading	17,022	14,682	2,340	15.9
Total profits (losses) on assets held for hedging	-12,875	-8,023	4,852	60.5
Net gains (losses) on financial assets and liabilities measured at fair value	279	3,143	-2,864	-91.1
Total profit (losses) on securities recognized as assets and liabilities measured at amortized cost	4,231	9,154	-4,923	-53.8
Total profit (losses) on securities through other comprehensive income	16,316	10,357	5,959	57.5
Financial income (loss)	24,973	29,313	-4,340	-14.8

Financial income came to Euro 25 million, down by Euro 4 million YoY, with the decrease resulting from several factors, such as the measurement of hedges (-4.9 million Euros), which was affected by the lower rates on hedges of fixed-rate liabilities, and realized gains and losses/measurement of securities mandatorily measured at fair value (-2.9 million Euros). Conversely, income from trading activities increased (+2.3 million Euros), as regards both interest rates and foreign exchange, as did income from the sale of own proprietary securities (+1 million Euros).

Other operating income (expenses)

The balance of item “Other operating income (expenses)” was positive by Euro 12 million and reports higher recoveries on leases and contingent assets for insurance repayments.

Operating expenses

Items	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Personnel expenses	-1,029,312	-1,017,173	12,139	1.2
- general operating expenses	-87,446	-102,942	-15,496	-15.1
- IT services	-180,183	-179,231	952	0.5
- direct and indirect taxes	-176,534	-160,792	15,742	9.8
- real estate property management	-19,656	-21,320	-1,664	-7.8
- legal and other professional services	-17,609	-22,874	-5,265	-23.0
- advertising and promotion expenses	-23,162	-19,267	3,895	20.2
- indirect personnel expenses	-6,263	-9,019	-2,756	-30.6
- contributions to bank resolution funds	-58,000	-101,038	-43,038	-42.6
- other expenses	-265,183	-256,599	8,584	3.3
- expenses and charges recovered	404,308	383,074	21,234	5.5
Administrative expenses	-429,728	-490,008	-60,280	-12.3
- intangible assets	-98,316	-94,074	4,242	4.5
- property, plant and equipment	-99,161	-103,778	-4,617	-4.4
Depreciation and amortization	-197,477	-197,852	-375	-0.2
Operating expenses	-1,656,517	-1,705,033	-48,516	-2.8
Operating expenses net of contributions to bank resolution funds	-1,598,517	-1,603,995	-5,478	-0.3

Operating expenses came to Euro 1,657 million decreasing by Euro 49 million, i.e. by 2.8% YoY, of which Euro 43 million for lower contributions to the Bank Resolution Fund, as it reached the necessary amount in 2023.

Net of that expense, the other administrative expenses decreased by 4.7%, thanks to the structural efficiency enhancing actions, whereby the cost basis could be reduced over time; conversely, the cost for personnel increased by 1.2% due to the alignment with the applicable Italian national collective bargaining agreement, partly offset by the reduction in employees on staff; total operating costs, including depreciation and amortization (stable YoY) came to Euro 1,599 million, slightly decreasing YoY (-0.3%).

Thanks to costs that proved stable and income that grew, the Cost/Income ratio improved and, net of contributions to bank resolution funds, came to 51.5% vs. 52.4% in 2023.

Operating margin

The operating margin came to Euro 1,446 million, increasing by +6.6% YoY; net of the contributions to bank resolution funds, the figure hit Euro 1,504 million, up by +3.2% YoY.

Net Provisioning for risks and charges

Items	31 Dec. 2024	31 Dec. 2023	%	
			Absolute changes	changes
- revocatory actions	-95	-401	-306	-76.3
- non-lending-related legal disputes	-9,488	-15,060	-5,572	-37.0
- other	10,231	-7,362	17,593	
Total specific-purpose provisions	648	-22,823	23,471	

Net provisions for risks and charges referred mostly to non-lending-related legal disputes. The aggregate benefited from recoveries on provisions set aside upon the PPA recognized following the acquisition of Crevall, for which the probability of the specific risk ceased to exist.

Net adjustments to loans

	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
- bad loans	-72,712	-77,520	-4,808	-6.2
- Unlikely to Pay	-129,769	-147,285	-17,516	-11.9
- Past-due loans	-5,079	-4,819	260	5.4
Non-performing loans	-207,560	-229,624	-22,064	-9.6
- Performing loans - stage 2	-19,641	-100,803	-81,162	-80.5
- Performing loans - stage 1	11,459	55,763	-44,304	-79.5
Performing loans	-8,182	-45,040	-36,858	-81.8
Net losses on impairment of loans	-215,742	-274,664	-58,922	-21.5
Profits/Losses on contract modifications without derecognition	-1,238	-7,495	-6,257	-83.5
Measurement of financial instruments	-2,060	-577	1,483	
Provisions for loan management	-2,850	-16,000	-13,150	
Expenses/recovered expenses for loan management	-9,728	-10,536	-808	-7.7
Net losses on impairments of guarantees and commitments	-12,695	-6,528	6,167	94.5
Net impairments of loans	-244,313	-315,800	-71,487	-22.6

Net adjustments to loans, coming to Euro 244 million, proved on a significantly decreasing trend from Euro 316 million in the same period of the previous year (-22.6% YoY). Furthermore, thanks to close attention to asset quality, the volumes of new defaults, could be kept at extremely low amounts (default rate at 0.7%), generating a marked decrease in net non-performing loans (-21.1% vs. December 2023).

The weights of adjustments to loans came to 37 bps vs. 49 bps as at December 2023.

Profit (loss) on other investments

Activities on other investments posted an amount of -16 million Euros (stable YoY) resulting from writedowns of the property portfolio (in accordance with the Group policy) for Euro 22 million and from a positive effect of Euro 2 million from sale of properties and Euro 3 million from earnings on equity investments.

Gross profit (loss), taxes and Net income

Profit before taxes came to Euro 1,185 million, increasing by 173 million Euros (+17.1%) vs. 2023.

Net of taxes, amounting to 375 million Euros, consolidated net income came to 808 million Euros vs. the 2023 statutory net income of 708 million Euros (+14.1% YoY).

Comprehensive income

Items	31 Dec. 2024	31 Dec. 2023
10. Profit (Loss) for the period	810,277	709,927
Other comprehensive income after tax not reclassified to profit or loss		
20. Equity securities designated at fair value through other comprehensive income	313	-9,741
30. Financial liabilities designated at fair value through profit or loss (changes in own credit rating)		
40. Hedging of equity securities designated at fair value through other comprehensive income		
50. Property, Plant and Equipment	-	
60. Intangible assets	-	
70. Defined-benefit plans	191	-5,726
80. Non-current assets held for sale and discontinued operations	-	
90. Share of valuation reserves on equity investments measured using the equity method:	-6	-19
100. Financial revenues or costs relating to insurance contracts issued		
Other comprehensive income after tax reclassified to profit or loss		
110. Hedges of investments in foreign operations	-	
120. Foreign exchange differences	-	
130. Cash flow hedges	-	
140. Hedging instruments (non-designated elements)		
150. Financial assets (other than equity securities) measured at fair value through other comprehensive income	-5,714	10,887
160. Non-current assets held for sale and discontinued operations		
170. Share of valuation reserves on equity investments measured using the equity method:		
180. Financial revenues or costs relating to insurance contracts issued		
190. Financial revenues or costs relating to reinsurance cessions		
200. Total other comprehensive income after taxes	-5,216	-4,599
210. Comprehensive income (Item 10+170)	805,061	705,328
220. Consolidated comprehensive income attributable to Minority Interests	1,993	1,741
230. Consolidated comprehensive income attributable to the Parent Company	803,068	703,587

Comprehensive income posted a net decrease of Euro 5.2 million (Euro -4.6 million in 2023) mostly attributable to the security portfolio, which posted value decreases directly recognized in equity reserves for Euro 5.4 million, while, on defined-benefit plans, increases were recognized in equity amounting to Euro 0.2 million.

Therefore, comprehensive income attributable to the Parent Company came to Euro 803 million (vs. Euro 704 million in 2023).

It is pointed out that the inclusion in comprehensive income of the item reporting “Financial assets measured at fair value through other comprehensive income” entails strong volatility that must be taken into account when analyzing the table.

Operations and profitability by business segment

As regards operations and profitability by business segment, please refer to the Note to the financial statements Part L – Segment Reporting.

STRATEGIC PLAN AND BUSINESS DEVELOPMENT LINES

STRATEGIC PLAN

The **Medium Term Plan** (2022- 2025) of the Crédit Agricole Italia Banking Group has continued on the transformation path it had started on in the previous three-year period, pursuing the ambition to firmly rank among the **top players in the Italian market** within the Group's *Raison d'Être*, drawing on its distinctive factors: proximity and enhancement of regions, full and international range of products and services thanks to the Group and its product factories, relational excellence and specialization in key business lines.

The Group's long-term strategic ambitions have been confirmed, along with the centrality of its transformation path and the related investments, in a macroeconomic scenario featuring persistent geopolitical uncertainty and gradual easing of the monetary policy in the second part of the year.

The **Medium Term Plan** (MTP) is proceeding well beyond expectations and has achieved the most part of the objectives scheduled at the end of the Plan a year before. The main evolutions attained on the various strategic axes that the MTP comprises are reported below, along with the main results achieved:

- **Technological Transformation**, to become a fully digital, data-driven bank:
 - **Increase**, vs. the previous years, in **«Change the Bank» IT investments** on core banking, new platforms at the service of external customers (e.g. Corporate Banking platform) and of internal customers (e.g., the new front-end for account managers), strengthening **cyber-security and regulatory compliance** (e.g. DORA), flexible and open application architecture;
 - **Implementation** of **architectural and infrastructural initiatives** aimed at making the model more flexible, scalable and open, optimizing the time to market and enhancing cost effectiveness;
 - Development of the **first generative Artificial Intelligence use cases** and adoption of an **Agile work model** in implementing the main transformation projects;
- Business model: **Customer-focused universal bank**, with specialist expertise on higher-value segments and focus on organic growth and relational excellence reaching the top ranking in Italy by Customer Recommendation Index:
 - Strengthening even further the Group's **leadership** in its **scopes of excellence** (Mortgage loans, Agri-Food) with constant increase in the related market shares, and boosting the **businesses with high growth potential** (WM, Bancassurance, Private banking), thanks to the important extension in its range of products and services, in synergy with the Group's Product Factories, and to the evolution in its service models;
 - Developing the **Financial Advisors** channel focusing on upper affluent customers, entrepreneurs and self-employed persons, with a service model of excellence through off-premises distribution and «added value» bespoke advisory services;
 - Strengthening **specialization** on Mid-Corporate Customers, also through sustainability-oriented products, leveraging also on synergies with the Group;
 - Implementation started of a new **platform** to provide support to **Corporate Customers**, to continuously improve customer satisfaction and the digitalization of products and processes, up to the best market practices.
- **Omnichannel digital Service Model** in order for account managers' time to be "100% relational": and strengthening of digital acquisition, thanks to continuous digitalization of products, processes and tools:
 - Extension of the range of products supplied digitally that can be purchased in a self-mode and sold remotely, with special focus on the Small Business segment, in order to ensure full understanding of Customers' needs and to give them the choice of their preferred channel, thanks to an **advanced omnichannel model**;
 - Go-live of tools and evolution of platforms featuring high technological innovation, aligned with the best market practices, in order to improve the relational experience with Customers, reducing the weight of **administrative activities**;
 - Evolution in **Customer Service in an omnichannel direction with the automation of assistance activities** and **increase in specialization** on products and services, strengthening its commercial engine nature;
 - **Transformation in the Customer Relationship Management (CRM) framework**, to appreciably improve the customization of products and services and roll out initiatives in real time based on users' interaction on the Bank's main *touchpoints*;

- **New Lending Model**, data- and digital-driven for improved recovery performances, in order to reduce the cost of credit and to have faster and more effective decision-making processes:
 - **Credit risk optimization** by implementing **machine learning algorithms** and automating processes for proactive and early loan management and shorter time-to-yes;
 - **Evolution of the data infrastructure** to make it fit to support the entire lifetime of loans, developing specific datalakes;
- **Capital and risks:**
 - Evolution in the Bank's systems with substantial modifications to the capital treatment of credit, operational and market risks, in accordance with the "Basel IV" new regulatory framework;
 - The process to implement the new internal rating models continued, consistently with the developments in the applicable legislation and regulations;
- **People Project:** centrality of Human Capital as a key driver for the achievement of the plan ambitions and for the path towards change:
 - **"Top Employer" for the 17th year** in a row, and for the first time amongst the TOP20 in the official ranking;
 - The **Gender Equality** certification was confirmed;
 - Start of **specialist and managerial training** through internal Academies focused on specific profiles/roles and through external tools (e.g. LinkedIn Learning);
 - **Development of advanced welfare initiatives** aimed at making **"work-life balance"** central: **support to parenthood** regarding daycare facilities, parental leave for fathers, extension of smart working for vulnerable categories;
 - Continuing with the **"Next Generation"** extensive generational turnover plan, which started at the beginning of the Plan and provides for young talents to be hired and their growth fostered so that profiles and skills can be diversified;
 - **Transformative programme** for digital evolution of the HR processes and tools, in line with the Group's new size and ambitions;
- **Sustainability/ESG:**
 - Development of a **commercial offering** to assist **individuals** (e.g. *"Greenback home loan linked to earned value in construction works"*, go-live of the Crédit Agricole Home portal with a wide range of ancillary services to home loans) and **corporates** in their **climate transition** (e.g. Sustainability-Linked Loans) also through partnerships with leading service providers (e.g. Cerved and MBS Consulting);
 - Continuous initiatives aimed at fostering **inclusion and equality** in line with the Group's initiatives (Week and Month of Diversities). New projects promoting **social and educational inclusion** to assist students and youths from disadvantaged backgrounds in their future occupational choices (Génération Project and Peripheries at the Centre Project);
 - Continuous deployment of social, institutional and commercial initiatives contributing to the achievement of the target CO2 emission reduction within the **"Parma Carbon Neutral 2030"** project.

For more exhaustive information on sustainability, please see the Consolidated Sustainability Report in the Management Report.

- **Geographical footprint and real estate strategy:**
 - Evolution of the **geographical footprint model** with a differentiated approach in accordance with the potential of each specific region, maximizing the synergies between the commercial channels and the factories of the Group;
 - **Optimization** actions **were carried out** on the Group's **real estate assets**.

BUSINESS DEVELOPMENT LINES

In 2024 the Crédit Agricole Italia Banking Group continued to strengthen its customer-focused universal banking model even further, working every day to be closer and closer to its Customers and to be able to provide households, associations and corporates with the best possible solutions. Indeed, in 2024, the customer base posted significant growth through the acquisition of about 190 thousand new Customers (+7% YoY), thanks also to the material contribution of the digital channel (40%), progressively increasing vs. the figures posted in the previous two years (36% as at Dec. 2023, 30% as at Dec. 2022).

The Bank operated in the following directions:

- Relational excellence, disseminating a Customer relationship culture that is even, distinctive and high-quality, by raising its personnel's awareness about customer satisfaction to offer a bespoke experience fit to meet customers' needs and continuous listening to the "Voice of the Customer" to detect without delay any disservice and to deploy targeted actions;
- Evolution of the digital channel within a firmly established omnichannel strategy, with strengthening of distance selling processes, more services accessible from home banking/app and development of tools supporting closeness to Customers, also remotely;
- CRM tools to support higher and higher proactivity in meeting Customers' requirements and expectations thanks to products and services fit to meet their needs, behaviours and interests by means of predictive and advanced profiling models, direct marketing tools and tools designed to listen to Customers;
- Constant focus on supporting local economies and to developing ESG matters through initiatives in the regions and bespoke products/services.

Customer Base development

In 2024 the customer base development strategy continued through acquisition and retention actions that generated an improvement vs. 2023 in both the acquisition rate (coming to 6.8%, up by +0.3 pp) and in the churn rate (5.1%, down by -0.8 pp).

Specifically, in 2024 these activities followed some main directions with actions and tools designed for the purpose:

- **Development of the internal customer base**, with initiatives dedicated to **Customers' children**, to generate that generational turnover that is key in the light of Italy's demographics, to **heirs** who are not our customers, to **Affluent** customers who are not borrowers, to *prospects* who are owners of customer corporates;
- **Development of synergies with the regions** promoting a range of products and services reserved to **employees of corporates that are already our customers** and constant advisory services to our corporate customers, contributing to enrich their corporate welfare schemes;
- **Development of specific targets** focusing on young people, specifically the students of the Universities having the Group as their financial partner, with bespoke initiatives and advisory desks at the Universities' premises;
- **Development on Third Sector organizations**, such as volunteer associations, social cooperatives, religious institutions and amateur sport associations. In the reporting year, **Yapla** went live, an *all-in-one* digital platform designed for the day-to-day management of the activities of associations;
- **Retention**, focusing on caring tools and **a strategy for retention and churn risk mitigation designed** for the Customers of the branches being rationalized;
- **Development of treasuries**, through the targeted acquisition of Public Sector Institutions, with special focus on Universities. Thanks to the effective retention and acquisition actions deployed, on the one hand the most part of the managed Institutions could be retained and, on the other hand, our banking services could be proposed also to their employees.

Customer satisfaction and relational excellence

In 2024 the Crédit Agricole Italia Banking Group **continued to pursue its ambition of achieving relational excellence** through a set of initiatives aimed at continuous improvement in customer experience, a true distinctive factor in a market where services are often perceived as standardized.

Once again in 2024 the Group **ranked no. 1 amongst universal banks in the Italian market by Customer Recommendation Index (CRI), this outperforming all traditional players** and proving firmly on the excellence trend already achieved in the previous years.

This goal was achieved thanks to the activities implemented together with the network's and the central structures' staff:

- Initiatives aimed at **proactive contact with Customers** and continuous **management of response** to inbound calls;
- **Omnichannel relational model**, disseminating the *best practices* aimed at improving our Customers' and Personnel's experience;
- **Training plan**, to foster the dissemination of an approach to customers fit to enhance all aspects of the relationship;

- **Listening to the Voice of Customer** through the various channels (interviews on Customer Recommendation, complaints, grievances, reviews on Google and social networks, instant feedback), to identify without delay any areas for improvement and the solutions to any disservice;
- **Online reputation**, through the development of a process to manage Google reviews Google in order to proactively respond to the requests of customers and prospects.

Digital strategy and omnichannel mode integration

The Crédit Agricole Banking Group has continued to evolve its online channels within a well-established **omnichannel strategy**. Its **digital offering supplements and is integrated with its traditional services**, meeting the needs of customers who are more and more connected customers and have shown **appreciation** for the **innovation path** the Group is on.

The Group has been acknowledged as having some of **best practices in the retail banking market** of universal banks, thanks to a strategy resting on the following directions:

- **Go-live of the website** to revamp its online positioning, overseeing ESG and Youths topics and with the concomitant streamlining of the wide ecosystem of the Group's websites within the www.credit-agricole.it portal. The new website – now the only entry points for digital acquisition of new customers – features a fully refreshed graphic layout and user experience, a new architecture of pages and menus, new layouts of forms and processed to apply for products.
- **Strengthening digital acquisition of individuals**, which, in 2024, accounted for 39% of total acquired customers and for 33% of total home loans, through the new positioning of the Online Account offering boosted by digital advertising and brand campaigns.
- **Development of the customer base through the digital-network synergy**, boosted by bespoke marketing initiatives, by the improvement in the conversion of the processed leads with the go-live of SoLead and by the activation of push notifications in the app. Growth was driven also by the go-live of new simulators for Individuals and SMEs on e-money, non-life insurance, energy efficiency upgrading.
- **Extension of sale and after-sale processes** - enrichment of the products and services that can be accessed by Customers remotely, either in a self-service mode or with the support of the Account Manager (e.g. home loans, modular home insurance policies, cards and loans for SMEs, Cartaconto card control).
- **Implementation of innovation elements** - customized menus and contents (e.g. financial education podcasts for young people), portability of accounts held at other banks and non-financial services thanks to the partnerships with Drivalia on mobility and with Papernest for the optimization of home utility expenses.
- **Continuous improvement of the user experience** - alignment of the experience among online channels, restyling of the home banking and new sections for SMEs.
- **Increase of the digitalization of customers and employees**, fostering the adoption of the new processes thanks to a bespoke digital education and training programme.

Digital transformation is based on close listening to Customers, through direct collection of feedbacks (e.g. surveys, store comments, focus groups) and the constant involvement of the commercial network, which is an active player in the definition of the online channel development directions.

Customer Service evolution

The Customer Service structure is run by 200 resources who work at the 8 hubs in Italy and, in 2024, maintained the high inbound activity volumes (answering calls to the toll-free number, customer care, processing of leads on web home loans and online accounts) posted in the previous year, managing about 668 thousand items. Furthermore, the outbound activity (i.e., contacting customers for relational and commercial activities, such as liquidity management, proposition of personal loans/non-life insurance policies) with a total of over 261 thousand useful contacts made (+16% vs. 2023).

Amongst the new tools made available, worth mentioning are the Chatbot for the management of requests and inquiries from Crédit Agricole public website, and Power Dialer, a software solution that puts calls through to specialists only when the customer is on the line.

The customer satisfaction survey gave once again evidence that the Group's Customers like the Service, with a Customer Recommendation Index (CRI) ranking the Crédit Agricole Italia Banking Group no. 1 amongst the leading traditional banking players.

Mortgage loans

As done with the actions deployed in 2023 and consistently with the ambitions set in the 2022-2025 MTP, the initiatives included in the **"2024 Mortgage Loan Programme"** were developed on five main strategic drivers, in order for the Group to be the leading player in this market:

- **Evolution in the offering. Go-live of the Flexi Option**, which enriches the "CA Greenback Home Loan" and has joined the "Scelte di Valore" programme and the flexibility options already provided by the product. This option, which gives the possibility to switch from a fixed to a floating interest rate (and vice versa) 4 times over the home loan life, rolled out in the market in April, along with a distinctive interest rate campaign ("Promo 1.99%") thanks to which the Group strengthened its market share, coming to 9.5% in the first 9 months of 2024 (source: Bank of Italy's data processing). The **Home Loan linked to progress in construction works (earned value)** was revised as to pricing and structure, in order to boost competitiveness in this market segment. Lastly, special attention was given to supporting the energy transition, not only with subsidized price terms and conditions reserved to loans financing the purchase of properties in energy efficiency class A or B, but also thanks to the advisory services on the home energy efficiency upgrading. This scope also included the go-live of the **CA Home Portal**, which was created in order provided customers with *green* advisory services, the release of the simulator of the property energy efficiency diagnosis and the "turnkey" renovation and upgrading services offered by Harley & Dickinson.
- **Technological innovation.** Go-live of the **Mutuo a Distanza**, home loans that can be applied for from the app, with the support from Customer Service and the help of MutuoMap, the features that enables customers to identify themselves, examined and sign their home loan application, and send the necessary documents for the application processing to the Account Manager.
- **Process streamlining.** Some of the implemented actions are the **signing of home loan application at branches via OTP, the Home Loan contract execution calendar** – shared by the network and the Home loan back office – for more convenient scheduling of home loan contract executions, **the integration between the Home Loan Tool and the PEF** (Electronic Loan Application Processing) solution to streamline the network's operations, the implementation of the **ESG Framework**, which gives the account manager a set of useful information for the assessment of physical risks and environmental transition risks the mortgaged property securing the loan is exposed to.
- **Commercial development: CA Greenback Home Loan Campaign**, roadshow throughout Italy, addressed to Branches and third-party networks, focusing on lending and commercial training.
- **Organizational coordination.** In the strategic regions, the "Entry Point Digital" role has been confirmed for the management of online channels.

In 2024 home loans were originated for an amount of over 4 Bln € (+ 7.5% vs. home loans originated in 2023) comparing with the market that grew by about +6% (November figure - Source Assofin), with originated "green" home loans (properties in energy efficiency class A or B) accounting for about 22% (+ 10 p.p. vs. 2023); the market share by originated home loans in the provinces where the Group operates came to 9.5% in the first 9 months and hit 11.1% in Q3 2024. (Source: Bank of Italy's data processing).

Wealth Management

In 2024, financial markets saw:

- Inflation going gradually down, albeit not yet close to its target figures;
- Bond markets benefiting from still high key interest rates, but decreasing vs. the previous year;
- The main stock market indices posting growth.

In 2024, the decrease in interest rates reduced the appeal of debt securities and deposit accounts, driving the recovery in **asset management**, especially towards coupon products, and in **insurance-based investment products**.

In this scenario, the Crédit Agricole Banking Group worked to provide solutions in line with market yields and with Customers' needs (guaranteed capital, interest return, new insurance solutions), continuing, at the same time, to invest in its valuable advisory services (wealth management and advanced advisory services).

The **catalogue of Funds and SICAV** was enriched with new segments, in order to extend the range in terms of asset classes, management houses, investment strategies and share classes. The “**CA Value**” service offering was also enriched, with the inclusion of new investment strategies and the go-live of the wealth analysis service, which provides the customer with the possibility to activate “ancillary” modules giving a full picture of the customer’s net worth. These modules comprise:

- Monitoring of financial portfolios held at other intermediaries, to give a full view and a full-range diagnosis of the customer’s financial wealth;
- The analysis of real estate assets, with the performance of the economic value of owned properties;
- The generational turnover module, for mindful advisory services for succession purposes.

In 2024, the **certificates** market featured the placement of mostly protected products, but products with barrier for conditional capital protection are also on the increase. Upon the annual revision of the catalogue of certificates and structured products, the Group included additional controls in the placement process in order to increase investor protection, setting a maximum concentration threshold in portfolios by single issue, which is different based on the instrument protection level.

The **catalogue of insurance-based investment products** was enriched with the “CA Vita Rendimento Sostenibile” multiline policy, with an ESG-connoted multimanager and multiasset unit-linked component, and with the “CA Vita Gestione 2 Plus” line I policy and the “CA Vita Dynamic Strategy HNWI Plus” multiline policy, which provided for the investment of the line I component in two segregated funds in a fixed combination (known as “double track”).

Once again in 2024, the provision of high-quality **specialist training** was a priority. Having regard to training topic, worth mentioning is the Human Capital enhancement programme, which involved the Retail banking specialists (Wealth Management Contract Persons, Advisors and Accounts Managers in the Affluent segment).

Involving the Group’s product companies, training sessions were organized to develop skills on the market, portfolio optimization and product range, in order to steer the Customers’ asset allocation in the best possible manner towards investment solutions that are consistent with their risk profile.

Sustainability continued on its way to being firmly part of the management approach, consistently with the actions started in the previous two years. The main activities carried out are summarized below:

- Implementation of the portfolio assessment in accordance with the EU taxonomy within advisory services;
- Reclassification pursuant to Article 8 of the SFDR (Sustainable Finance Disclosure Regulation) of the flagship products in the Wealth Management catalogue;
- Fine-tuning of the sustainability assessment of insurance products using a *look-through* method on the actually invested underlying assets, in order to accurately assess the sustainability of IBIPs (Insurance Based Investment Products) consistently with the approach adopted by the Group;
- Inclusion of sustainability drivers in the product catalogue assessment phase, in order to ensure extensive coverage of sustainable instruments.

Small Businesses

Once again in 2024 the Crédit Agricole Banking Group reasserted its commitment to providing its Customers with support through several initiatives:

- **Developing high-potential customers** (e.g. self-employed persons, sole traders, craftspeople and small merchants) through *bundle* offerings and commercial campaigns tailor-made based on the geography’s specific features;
- **Developing loans** with a focus on retention-effective technical forms, also using preauthorized credit lines and allocated amounts with subsidized terms and conditions;
- **Developing funding**, thanks to instruments remunerating direct funding (e.g. promotion on certificates of deposit);
- **Providing support to vulnerable regions or areas hit by unforeseen weather events** (e.g. “Earmarked funds for catastrophe events”, “Amount allocated for earthquake in Central Italy”, suspension of home loan repayment instalments and “Amount allocated for Floods”);
- **Supporting energy efficiency enhancement works** on buildings, consistently with the wider social impact goals set in the Group’s MTP;

- **Increasing the synergies** with the **Les Villages already in operation** and **opening soon**, in order to develop specific products and services for resident startups, with the goal of supporting the new generation of entrepreneurs;
- **Strengthening management and control of credit risk**, through accurate **monitoring** and **support** to the network throughout geographies.

Consistently with the goals of the Societal Project, **ESG** initiatives and initiatives under **Italy's Recovery and Resilience Plan** remained central and based on 3 main pillars:

- **Disseminating an ESG culture** and especially **knowledge** of the main **invitations to tender under Italy's Recovery and Resilience Plan**/for specific regions that may prove interesting, through meetings with the Network and with Customers, also in order to help them to access subsidized measures (e.g. Partnership with Finpiemonte, Veneto Innovazione, the Lombardy Regional Government...);
- **Evolving the commercial approach** thanks also to "**ESG Direction**", a new tool to measure the firm's positioning in environmental, social/governance and geography terms;
- **Raising Customers' awareness** through **events** organized in cooperation with Warrant Hub and trade associations, and the finalization of **local agreements to promote an ESG culture** at firms (e.g. Parma 2030 Agreement, partnerships with Pordenone Merchant Association and Friuli Confidi (Italian mutual loan-guarantee consortia)).

Furthermore, the Group has reasserted its will to invest in **innovating its service model in an omnichannel direction**, through several initiatives:

- **Improving the Easy Business process**, whereby a selected Customer target can access short-term credit facilities in an easy and fast manner, from their home banking (about 28.5 million Euros lent out in 2024, increasing by approx. 50% vs. the previous year);
- **Streamlining and automation of sale processes**, with the extension of the perimeter of Customers enabled to **sign electronically at their premises** and with the release of the first **distance selling** infrastructure;
- **Maintaining the process for digital acquisition** of Customers via landing page, as done in 2023;
- **Continuing with the change management programme**, through training and upskilling of our resources.

Agri-Food

The agricultural and food sectors are core for the Crédit Agricole Italia Banking Group's business, with approximately 6 billion Euros in total loans to those sectors as at December 2024 with market shares in the regions where it operates of over 8%.

In the 2022-2025 MTP, the Agri-Food sector has been identified as one of the strategic priorities for business development; consequently, some initiatives were deployed aimed at strengthening the market shares and strategic positioning of the Group in this sector.

In 2024, to support our Agribusiness Customers in their **ESG transition**, the following activities were carried on:

- Support through bespoke **ESG products** (Agri Energia and Agri Blu) and support in participating in **calls for tenders under Italy's Recovery and Resilience Plan** focusing on energy transition (Agrisolar, Agrivoltaics, Biomethane, etc.) thanks also to Warrant Hub's advisory services on Transition 5.0. ESG loans originated and combined with "Percorsi Agri" questionnaires posted about 300 transactions in the year, totalling over 50mln€ (vs. 19 mln€ in 2023).
- Awareness-raising and **training** programmes for the Network on ESG topics, through the "Sustainability in action" training plan in cooperation with SCS Consulting (each Account Manager received 20 hours of training and 4 training pills).
- At the beginning of the year, the **Percorsi Agri** platform went live (drawing on the experienced of our shareholder Regional Banks) to assist our Customers in their ESG transition. In 2024 over 400 "Percorsi Agri" questionnaires were completed and a **Contest** was held for Customers that filled in the questionnaire and took out an Agri Blu loan, in order to incentivize the transition of customer firms.
- Assistance was provided to the first Italian **Renewable Energy Communities (REC)** in the Agricultural sector. In the Veneto region, 44 farms were provided support to install photovoltaic plants on cowshed roofs for self-consumption, with a total investment of 7mln€.
- A bespoke offering was designed to support **transition to Organic farming and defence of Biodiversity**, with new **product lines** ("Scelgo io Agricoltura" and "Finanziamento Progetto Agricoltura") and the creation of a **brochure** on biodiversity. A strategic partnership agreement was signed with the **FederBio**

Organic and Biodynamic Farming Association and **Biodiversity enhancement projects were carried out within the Group** (e.g. Biodiversity Oasis, Vegetable Garden, “Adopt a beehive” project, “CrowdForLife” project, BIO Bar, BIO Benefit).

Important investments were also made in **digital services**:

- The **end-to end revision of the core processes of the Agri-Food offering pursuing automation and digitalization** on agricultural promissory notes, inventory financing, revolving pledge, advances on government grants.
- The **Inventory Chain Platform (ICP)** was integrated in the inventory pledge process, enabling to monitor the pledged inventories remotely and, therefore, strengthening the trust feature on agricultural and agri-food inventory financing.
- The new **Agriadvisor** service went live being integrated in the app and internet banking.

The specialization and **approach by supply chain** features were enhanced:

- **Crédit Agricole became an “Authorized Bank” for Supply Chain contracts within the 5th Tendering Procedure under Italy’s Recovery and Resilience Plan**, being awarded 2 supply chain contracts and operating as the financing bank for the tenderer corporates on 4 supply chain contracts; 14 Retail businesses were financed for a total of 20 mln€.
- Initiatives for **development bespoke for Protected Designation of Origin and Protected Geographical Indication areas of production and supply chains** were carried out in all regions, working in synergy with the Corporate Banking channel to develop Supply Chain Heads and Players:
 - Wine - promotion of revolving pledge in high-potential geographies (e.g. Veneto, Trentino, Piedmont, Lombardy, Sicily);
 - Dairy - action to develop the Parmigiano Reggiano and Grana Padano supply chains boosting the “pledge on milk quotas” product.
- **Partnership agreements with 11 Consorzi Agrari (farmers cooperatives)** for the purchase of technical equipment by the member farmers, with 710 transactions financed for a total of 40 mln€ (of which over 40% on *prospects*).
- New important **Agri-Food supply chain agreements** were signed (e.g. Terre Cevico and La Contadina) **through the “supply chain finance” programme**.
- The “key” supply chains were overseen by our **Supply Chain Experts**, with analyses and studies on the market dynamics.

The following were also achieved:

- The signing of important **institutional agreements**:
 - The Agriculture project stream within the **Parma 2030** project was developed;
 - New **partnership agreements in the wine sector** were signed with **FIVI** (the Italian Federation of Independent Winemakers) **and in the Renewable Energy sector with CIB** (the Italian Biogas Consortium);
 - The partnership agreements with the 3 main Agriculture **Trade Associations** (Coldiretti, Confagricoltura, and CIA), strengthening the partnerships also locally.
- Important communication initiatives:
 - The second edition of the **whitebook** on Agriculture was published in cooperation with Bocconi University;
 - The process for the rebranding of our specialist Agriculture Hubs was completed with the distribution of the account manager’s kits.

Development of synergies between business lines.

Bancassurance: Bancassurance continues to play a leading role in the Group development and this business is pursued in partnership with the insurance entities *Crédit Agricole Creditor Insurance*, *Crédit Agricole Assicurazioni* and *Crédit Agricole Vita*. In 2024 this line of business posted considerable growth thanks mainly to the following drivers:

- **Restyling of the range of products in order to align them to new emerging needs and increase the distinctiveness of our insurance solutions**, with higher flexibility in the choice of the insurance policy modules, inclusion of new coverage scopes and higher degree of coverage, with innovative services for specific targets (e.g. restyling of the Protezione Casa Più home insurance policy into **Protezione Vivi Casa of CA Assicurazioni**, a multirisk solution to protect the home, its contents, wealth, family and/or pets).

Meeting the need for protection of commercial and/or business properties against the risks of fire, theft or other damages, including those caused by natural disasters and catastrophe events in compliance with

Italian Law no. 213 of 30 December 2023 (or the 2024 Budgetary Bill), in December 2024 distribution started of **Protezione Valore Impresa**, the new collective policy of Reale Mutua Assicurazioni.

- **Sale process evolution**, with constant development of the omnichannel model through the improvement of **user experience in self-service purchases** (activation of push notifications, go-live of the simulator of the Mobile Devices Protection policy repayment and of the “Contingency Game” in the app).
- **Optimization of the contact plan**, with the development of automated mechanisms for *real-time* recontacting by the Customer Service in the App and thanks to promotional actions driven by the behaviours and needs expressed by Customers (omnichannel customer journey, cash back, prize contests).
- **Upskilling, with intensive training on relationship management provided to Family and Small Business account managers** (“InsuranceLab” Academy focusing on the development of commercial skills) and **webinars/training pills** provided to all the Network personnel on the new products in the catalogue.

Consumer Credit: growth in consumer credit continues to play a key role among the Group’s development axes, through the partnership with AGOS. The main action lines followed in 2024 concerned the following scopes:

- A new **service model for Affluent Customers with bespoke products, offering and process**;
- Continuous **improvement** in the **customer experience in applying for loans from the app**, with the possibility to be recontacted and receive support from the Customer Service;
- **Campaigns that are more and more driven by the behaviours and needs expressed by Customers** (customer journey).
- Improvement in **Customer user experience through campaigns supporting Green housing and mobility**.

PRIVATE BANKING CHANNEL

In 2024, the Private Banking channel of the Crédit Agricole Italia Banking Group further strengthened the evolution of the **new service model**, which is strongly oriented towards **Customer satisfaction** and the **professional development of its staff**.

Specifically, 2024 featured the following:

1. Supplementing the **specialist team** in financial and non-financial scopes, with high-standing profiles to cover needs in terms of management of the entire set of assets.
2. Strengthening of the process for the **evolution of the role of Private Banking Client Advisors**, which started in H1 2022 pursuing the objective of larger commercial footprint and support to Private Banking Customers.
3. Enrichment of our **commercial offering** to give more commercial opportunities regarding Private Banking Customers, aligning with the leading market players and proposing high-standard solutions, to increase the satisfaction of our Customers and Bankers with an open architecture approach. The approach to wealth management is based on understanding the needs, objectives, risk appetite and behavioural profile of each Customer, in order to propose bespoke and consistent solutions, constantly monitoring the overall portfolio risk. Our offering includes asset management, collective investment undertakings, insurance products, transaction services and full-range wealth management advisory services.

The main actions in 2024 concerning the development of the range of products and investment Services for the Private Banking channel were:

- **Bespoke collective investment schemes**, in cooperation with Amundi SGR and third-party SGRs
 - **Privileged access to a Private Equity strategy**.
4. The **Group Synergies** continue to be one of main strengths of the Private Banking Channel, develop, on the one hand, with all the Group’s specialist entities at an international level and, on the other hand, with our colleagues from the Corporate Banking Channel, with whom cooperation is constant for full-range management of Customer Entrepreneurs, providing them with a single partner Bank able to meet both their personal and corporate needs.

The above-described service model is based on the professional management of private wealth and, with it, the Private Banking Channel achieved excellent results, thanks also to the ability of building investment solutions based on the Customers’ needs and to adapt portfolios in accordance with sudden changes in the scenario.

Some of the other very significant aspects of its 2024 activities are:

- The **commercial network continued to be strengthened**.
- The **satisfaction of our Private Banking Customers** continued to grow.

- Events on wealth protection topics with the support given by renowned specialists in the regions and at exhibitions and sport events of national importance.
- **Communication to Customers** continued also on digital channels.
- Collaboration with the We Wealth - Next magazine continued, for the publication of articles, spread throughout the year on Private Banking topics and, specifically, on the main new developments deployed by the Private Banking Channel of the Crédit Agricole Italia Banking Group.
- The Private Banking channel received a prize for the fourth year in a row within the **Private Banking Awards** (BFC Media). In 2024 it was awarded the “Top Private Banking Advisor” prize for its ability to provide financial and wealth management advisory services thanks to the skills and expertise of its Private Bankers and Financial Advisors and Wealth Planners teams, along with the synergies with Amundi and CA Vita/CA Assicurazioni.

CORPORATE BANKING CHANNEL

The Corporate Banking channel continued its activities providing support to the regions and corporates, not only as a financial partner but also as an enabler and accelerator of its Customers' projects for growth. Its innovative and full-range advisory approach proved able to meet Customers' needs in a fast-changing and more and more complex social, macroeconomic and geopolitical scenario.

With an open and innovative approach, always based on Customer centrality and on closeness to the regions, the Corporate Banking channel has been assisting its Customers in their economic growth and on their transition paths towards sustainable and innovative business models, with a complete offering comprising various tools, activities and projects:

- **Support to strategic projects for growth thanks to Structured Finance and M&A Advisory services:** structuring of tailor-made financing solutions, arrangement of debenture loans, M&A Advisory services to support investments, restoration of a sound financial position and corporate governance restructuring.

Our offering was differentiated also through **2 new Private Equity funds: the APEI Fund** (AmundiPrivateEquityItalia Fund) to provide support to entrepreneurs and corporates operating in diverse sectors, by acquiring strategic minority interests, and the **Ambition Agri Agro Investissement Fund**, to invest in French and Italian companies operating in the agri-food sector and engaged in the challenges of the agricultural and agri-food transition.

- **Offering of Capital Market products in line with the Customers' needs and expectations:**
 - Support provided to Customers in defining strategies to hedge interest rate, foreign exchange and commodity risks, through standard or tailor-made derivative instruments.
 - Continuous evolution in products and advisory services for Corporate Customers, to structure tailor-made solutions aimed at optimizing corporate liquidity, with the support of the specialists and of the skills and expertise of the CA Group in Italy and abroad, through the close cooperation with Credit Agricole Corporate & Investment Banking.
- **ESG:** full integration in the commercial operations of the ESG central desk to oversee and coordinate sustainability matters, staffed with specialists in order to provide commercial support and advisory services along multiple lines of action: relational listening, creation of products and services that are accessible by all enterprises, finalization of partnerships to provide advisory services to Customers in the sustainability scope.

In order to engage the network and disseminate our internal culture at all levels, projects and actions were carried out:

- Within the wider Sustainability Plan of the Group, the “Sustainable Evolution” project was enriched with the ambition of contributing to a change in the perspective from which companies look at banks when they have any need regarding environmental, social and corporate matters. The project was awarded several prizes in the past few years (e.g. the ABI 2022 Award and the 2022 Prize of Prizes), and received honourable mentions from the Italian Financial Innovation Think Tank AIFIN and from the jury of the LC Publishing Group Sustainability Awards.
- The Group's sustainability strategy is substantiated also by the wide range of solutions offered to our Customers, from Sustainability-Linked Loans to ESG KPI-Linked Loans, all the way to ESG derivatives and SACE Green Loans. The offering is going to be further enriched with products currently being implemented: The Green Loan and Transition Goal products, intended to finance specific-purpose projects.

Besides banking products, the Corporate Banking Channel stood by its Customers, as it always does, also to support them in meeting their non-financial needs, with the go-live of our Value Services, in cooperation with external partners specializing in the transition towards sustainable business models. Besides the existing

partnership with Corporate Benefits Italia and assistance to Customers in the process of being certified as B-Corps thanks to the cooperation with InVento Innovation Lab., our offering of sustainability services has been strengthened partnering up with MBSConsulting, a company of the Cerved Group. Lastly, several events were held throughout Italy aimed at disseminating the culture of sustainability, both participating in university training programmes and contributing to initiatives in partnership with Employers' Associations (e.g. Confindustria Spezia, Unione Parmense Industriale).

- **Strengthening of the Food:** development of the specialist model thanks to the roles of Food Sector Banker, of Food Sector Specialists and the "Banquiers Conseil" in order to ensure that the Bank is closer and closer to its Customers, to the supply chains and trade associations and the advisory services it provides are of a higher and higher level. For this sector, the range of products and services continued to be innovated, for example focusing on revolving pledges, whereby food processing companies, such as those operating in the dairy, cured meats and wine sectors on PGI and PDO products, can use the liquidity from pledge financing and concomitantly sell the goods in their warehouses restoring the amount of the goods pledged as collateral replacing them with new similar products. Furthermore, cooperation and arrangements in the energy transition scope have been enhanced, supporting Customers' projects regarding Biomethane.
- **Supply Chain Finance offering:** in 2024 the Supply Chain offering depth was increased, with higher product specialization resulting from partnership synergies (Findynamic with CA-Factor and Findynamic with CA-Cib), whereby lending capacity in large corporates' big deals could be strengthened. Moreover, thanks to the increase in the resources on the team, product segmentation could be developed, with important dissemination of the product amongst customer SMEs operating in the agri-food sector (50% of the agreements in 2024), generating a considerable increase in registered suppliers.
- Strengthening of the **team and services relating to Italy's Recovery and Resilience Plan** to develop a specific service model based on more and more specialist and advisory approach to corporate Customers, in cooperation with external partners. The role of Authorized Bank within the 5th Tendering Procedure and Financed District under the National Plan Supplementing Italy's Recovery and Resilience Plan. Funds were allocated to the Transition 5.0 measure and the subsidies aimed at supporting corporates' transition were focused on.

Support to enterprises continues to be proposed also through:

- Origination of new loans backed by the Central Guarantee Fund and joining the **SACE Futuro Guarantee**, a tool designed to support the development of Italian corporates.
- Use of tools and agreements with financial institutions to develop products and facilitate access to credit by SMEs, such as the **agreement with the European Investment Bank (EIB)** and funds earmarked for Capital Goods, which increase the competitiveness of the production system and facilitate access to credit by enterprises.
- Continuation of the **"Meet the Champions"** initiative, which, through on-the-road meetings with firms that proved the best performers in the year, enabled to network with Italian players of excellence, providing them with support and making all the Crédit Agricole Group's potential available to them..
- Organization of **events such as "Coffee with Enterprises" and other initiatives in the regions, themed webinars and workshops** which had over 1100 participants and 600 firms, sharing and examining themes such as ESG, Italy's Recovery and Resilience Plan, Internationalization and Trade Finance, Structured Finance and M&A, Supply Chains and Open Innovation, besides participation in trade fairs and other initiatives in the regions pursuing commercial development and networking.
- Constant **attention to Customers and to customer experience**, as substantiated by the continuous improvement in the Customer Recommendation Index, which continued on its growing trend started in the previous years (+0.4% vs. 2023), thanks to the Group promotion activity, the increase in "promoters", as well as a relationship based on skills, expertise, proactivity and constant increase in the quality of the service provided, in line with the distinctive features of the Crédit Agricole Group.
- Continuous support in export to corporates that want to start operations in foreign markets, thanks to the advisory services provided by the International Desk and to the global network of the Group's banks, which offers corporates the opportunity to have business relationships with the same Banking Group in 46 Countries worldwide. Specifically, the International Desk engages in the following activities:
 - Promotion of Crédit Agricole Italia's activities abroad by participating in day events on this matter within the network of the Regional Banks and of LCL in France with the presentation of Crédit Agricole Italia's services to French Customers;
 - Cooperation with the Chambre de Commerce Francaise in Italia (CCI) for example by participating in the Club del Mezzogiorno to promote the start of operations of French corporates in Italy.
 - Cooperation with Altios, a partner in assisting enterprises to do business abroad, with solutions designed to support enterprises in their international development. Thanks to the Coffee with Enterprises event

and the “World Tour” event in partnership con Altios, Trade Finance and International development topics were analyzed and we gave our Customers the opportunity to have meetings with Country experts to thoroughly assessing banking and international strategy needs.

- Continuation of the **ITACA (Italian Corporate Ambition)**, initiative, which focuses on a full range of products and services for Mid-Corps, in synergy with CACIB, which has promoted cooperation inside the international Group in the interest of Corporate Banking high-end Customers.
- Support to the development of synergies between **Corporate Banking and Private Banking through the Synergies Team** in order to evolve in the approach via a combined action aimed at ensuring that Corporate Bankers and Private Bankers provide support and advisory services on constant cooperation, in order to achieve the best strategic positioning in the global relationship with the enterprise and the entrepreneur.

PERSONNEL

In 2024 the 2022-2025 Medium Term Plan (MTP) continued to be implemented. Specifically, the objectives to be achieved within the People Project concerned the focus on individual responsibility and on collective strength to provide Customers with a service of excellence, on reasserting our distinctive culture to attract, involve and retain talents and to ensure the sustainability of our managerial culture and the dissemination of initiatives aimed at substantiating the centrality of the values of inclusion and pluralism.

In terms of number, resources on the Group employee ledger as at 31 December 2024 were **12,419** and are broken down by entity here below:

RESOURCES ON THE EMPLOYEE LEDGER	31 Dec. 2024	
	POINT-IN-TIME	FTE
Crédit Agricole Italia	11,793	11,439
Crédit Agricole Group Solutions	555	544
Crédit Agricole Leasing Italia	67	66
Other	4	4
Total Resources of the Crédit Agricole Italia Banking Group*	12,419	12,053

At the Banking Group level, in the reporting year there were 357 new hires and 477 terminations.

New hires were assigned by over 69% to the Network and to specialist channels. Recent graduates accounted for 61% of total new hires, consistently with our Group's values. On the other hand, retirement accounted for about 26% of terminations.

Personnel consists by **98.51%** of employees with permanent employment contracts, while, in terms of gender, women account for **49.38%** of total resources.

The Group operates in 15 Regions of Italy, while keeping strong roots in the Emilia-Romagna, Lombardy, Tuscany, Friuli Venezia Giulia, Veneto and Sicily Regions where over 79.15% of the Group personnel works.

In the reporting year, the Medium Term Plan of the Crédit Agricole Italia Group continued to be implemented through training and development initiatives, which were carried out in growing synergy between the various divisions of the HR Function in order to share the focus, purposes and targets in terms of both strategy and of contents and management. More specifically, the objectives to be achieved within the “People Project” concerned the development of individual responsibility and of the multichannel relationship of excellence with Customers, the dissemination of an ESG culture reasserting the centrality of the values of inclusion, pluralism and sustainability to attract, involve and retain talents and the managerial model evolution.

In the reporting year, the Group's People were trained with a total of over 630,000 hours of training (equal to approximately 85,000 man-days) and an average of 51 hours of training per person.

Training was provided with different methods, in accordance with the related contents: both in person, especially as regards behavioural and managerial training, and remotely, through some more specific platforms, including the Digital Academy for our IT colleagues. In 2024, LinkedIn Learning also went live: it is a constantly updated and opened to the market platform, with many crosswise contents (over 20,000 programmes) which stimulates self-learning and the responsibility lying with the individual for his or her development goals.

* The companies included in the consolidation perimeter are described in Section 1 - Equity investments in subsidiaries in Note to the financial statements - Part A

As done in the previous years, also in 2024 the Group proposed a training ecosystem designed to adapt to the needs of each single person, ensuring the provision of quality training up to the challenges generated by the present scenario and proposing training initiatives aimed at evolving internal skills and at successfully managing change. The learning programme was administered via multimedia training channels and vertical paths working on skills and mindset to meet the different learning needs and to maximize the development of skills supporting people's growth.

Amongst the main training scopes, which fall within the wider "People Project", innovation played a central role, especially with a specific focus on generative artificial intelligence, which is going to be the subject-matter of in-depth training also in 2025, both for managers, with specific meetings, and for all personnel, through a digital pill programme, as well as, of course, for the specialist roles that are impacted the most by this big innovation.

ESG training continued to be an important pillar with specific training programmes for our managers and with the publication of new pills for all our personnel.

In addition to the above, 2024 featured the following:

- The go-live of the IT Academy involving colleagues from Digital and IT structures to strengthen the business skills to which their technical expertise is to be applied, with constant assistance through training programmes and project work, with a more hands-on approach;
- Going on with projects that, inside the specialist channels, worked on Account Managers' hard and soft skills, in order to foster the entrepreneurship of our people, responsibility taking and the creation of synergies.
- An ESG training programme designed for both the Small Business and Individuals segments staff, aimed at increasing Account Managers' commercial skills in line with the growth strategy set in the MTP;
- A training investments on the Human Capital Value, intended for the Affluent segment Account Managers, aimed at improving their skills, abilities and knowledge, making them more aware of the changes in the market and able to adapt to the new technologies;
- The identification and training, within technological innovation, of FrEE (FRont End Evolution) Ambassadors tasked with assisting the commercial network in implementing and using the new digital tools to support their activities.

As in the last few years, also in 2024, the Crédit Agricole Italia Banking Group was certified as a **Top Employers** company. The annual survey carried out by the Top Employers Institute certifies the best companies in the world in the HR scope, those that provide excellent work conditions, that train and develop talents at all corporate levels and that make constant efforts to improve and optimize their Best Practices in the field of Human Resources.

Equal opportunities and Inclusion

As regards **Diversity&Inclusion** matters, the Group continued on its inclusion path, which started fifteen years ago, setting also the goal of fostering a cultural change that is necessary to achieve full enhancement of **of all diversities**, besides gender, from which the path had started.

As regards **inclusion**, consistently with the activities organized by Crédit Agricole S.A., in March **the Week of Diversities** was held to disseminate awareness of the Group's Diversity & Inclusion strategy and joined the **Month of Diversities** held in November: five weeks of initiatives and events involving all the People of the Group to reflect and talk together on inclusion topics. Besides the D&I strategy and its five dimensions (Representativeness, Openness and Curiosity, Solidarity and Responsibility, and Equality of Opportunities), this year thoughts and talks focused on the value and importance of **Respect**. Within the "Storie di tutto rispetto" (Respectable Respectful Stories) contest, the closing event of the Month of Diversities was held in Venice, in synergy with our colleagues and customers based in the area and giving voice to the story of a colleague with disability, who told her story of inclusion and fulfilment within our Group.

The attention to creating a respectful climate was once again substantiated with the updating and dissemination of the principles laid down in the **Charter of Respect**, which was issued for the first time in 2019. Furthermore, important new tools went live, such as the **«Time Care» Outlook feature**, which enables to customize available slots in the calendar consistently with one's working hours and set one's «protected time», to foster proper balance between work time and personal time, and the related "Reporting Box", to report any breaches of the Charter.

In May 2024, within the continuing cooperation with **Fondazione Libellula**, a partner of the Group in the D&I scope, a training cycle was held named “I Martedì di Libellula”, consisting of three webinars on gender violence and how it manifests. Cooperation also continued with **Valore D**, an association of enterprises promoting diversity, talent and female leadership: thanks to the partnership with Valore D, **Younicity**, a new platform to exchange, create and use contents on Diversity and Inclusion, was made available to all the Group’s people. In 2024, the Group was the main sponsor of **#RUNFORINCLUSION**, a non-competitive run serving the purpose of enhancing uniqueness. The run took place in Milan on 21 and 22 September 2024, with a rich programme of meetings, talks, initiatives and activities held in cooperation with associations and entities operating in the inclusion scope.

In 2024 new **ERG (Employee Resource Groups)** were set up, which are voluntary self-organized groups of employees who share characteristics or interests. The project, which started in 2023, pursues the goal of fostering an inclusive culture, boosting innovation and facilitating networking among Employees, by promoting initiatives and positive changes to the benefit of the Company and of the community.

As regards social inclusion, in 2024 two projects were rolled out in partnership with ELIS, which have a two-year duration and aim at fostering work inclusion of young generations. The “**GénérAction Project**” involves about 2000 students in their 4th and 5th year of upper secondary school and in lower secondary school from the regions where the Group operates and provides an orientation programme at the schools involved to make Crédit Agricole better known and to orient the students towards the opportunities offered by the labour market. Furthermore, 100 boys and girls are given the opportunity to have a one-week training internship. At the same time, the “**100 Youths Project**” went live, which gives 100 new secondary school graduates, in the 2024-2025 two-year period, the opportunity to enter the world of work with a 3-month internship aimed at developing their knowledge and potential.

In the **organizational wellbeing** scope, the **Good Life** activities continued, the project aimed at raising awareness of the importance of physical exercise and of a healthy lifestyle, by extending several initiatives within the *wellbeing* programme: in the *Sports and Physical Exercise* scope, sports classes were strengthened both online and in person (at Green Life and in Milan) organized in cooperation with **Go!Athletic, which can be booked from the app to ensure higher flexibility and accessibility, thus incentivizing attendance**; in the *Prevention and Health* scope, thanks to the partnerships with Stimulus, Fondazione Onda and Lifeed, the “Appointments with Wellbeing” initiative was proposed again, which is a **Plan to raise awareness of psycho-physical wellbeing**, with training contents proposed through monthly legs, each one focusing on a specific topic (e.g.: balances, family, health and wellbeing, etc.).

The partnership with Stimulus, regarding the **Psychological Wellbeing Service** and **Welfare support** (the latter since 2023), which are tangible help to all the people of the Group in managing different situations that they may have to face in their daily life at work and in their personal and family sphere giving care.

The partnership with **Jointly** continued and was extended to new regions, whereby a **network of partner qualified daycare facilities** has been established, from which our employees that are parents of newborns will be able to choose based on their needs, assessing the facilities through a reserved and customized platform.. Advantages: right of first refusal, warranty on facility quality and extension of opening hours/months, reserved discount on fees.

Thanks to the attention given and to the various initiatives deployed, once again in 2024 the Group obtained the **Gender Equality Certification**, an important nationwide award that gives evidence of its commitment to diversity and inclusion matters and values. The certification was issued in 2023 by Bureau Veritas, an independent accredited certifier, after assessing and rating the gender equality management system implemented by the Group, which has been found compliant with the relevant Italian standard (UNI/PdR 125:2022).

Furthermore, once again in 2025, the Group obtained the **Health Friendly Company (HFC) stamp** from Fondazione Onda, acknowledging firms that stand out for their commitment to protecting the health and wellbeing of their employees. The Group also obtained the Lifeed award as **Caring Company** and the **ELIS** one, at the presence of the Italian Ministry of Education and Merit, for its contribution to the inclusion of **new generations** and school-business cooperation.

Generational turnover and Next Generation

In 2024, the Crédit Agricole Italia Banking Group resolutely continued on its path set by the “People Project”, a strategic initiative designed to support the Group’s organizational, cultural and managerial transformation. This project continued to be a cornerstone of the 2022-2025 Medium Term Plan, with the goal of hiring, by the end of 2025, over 1,100 new resources with specialist skills and distinctive talents and inclinations.

The “Next Generation” programme, which went live in 2021, continued to play a central role in fostering renewal and intergenerational integration. This plan focuses on the enhancement of the candidates’ inclinations and talents, moving away from the traditional approach based exclusively on hard skills. Thanks to the activity performed in 2024, the set target could be achieved ensuring also further diversification of professional profiles, with the entry of young people with diverse academic backgrounds, including humanities, digital/IT and quantitative sciences, economics and law.

At the same time, regional development projects were deployed, in high-potential geographies, and projects to strengthen specialist commercial channels with bespoke hiring plans.

Significant investments were made for the onboarding programme for new hires, in order to assist them in discovering the different Functions of the Group, give them useful tools to find their way in the first weeks in their new jobs and to give them opportunities to develop their soft skills. In 2024, the onboarding project was revised in order to detect the needs of new hires without delay, in the light of collected feedback and with the will to pursue more and more internal customer satisfaction. Open and constant dialogue amongst generations was at the centre of many initiatives, with opportunities for exchange of views and networking, which have strengthened crosswise knowledge and sharing of the Group’s values.

Managerial development and growth

Great importance is attached to the development of our people’s potential, with bespoke programmes including one-to-one development interviews, training and crosswise experiences, mentoring and meetings with experienced managers. Indeed, the talent management team has the task of assisting those about to take high responsibility roles, with activities designed to increase their full-picture view and strategic vision, as well as their soft skills, following them personally through regular meetings.

As to managerial growth, various training and shadowing programmes are in place, as are schemes to assess the acquired knowledge and skills, in order to assist our people in the best possible manner where it is deemed useful for their new roles, along with bespoke coaching and mentoring programmes. These schemes allow one’s potential to be maximized and the expression of a leadership that is more and more consistent with the Company’s values, besides fostering the exchange of experiences.

To support internal mobility, the Group made a large investment in upgrading the skills of its personnel, with specific upskilling and reskilling paths, especially for the resources on staff in the commercial area, who work every day to meet Customers’ needs and expectations. The people on staff at the commercial network and in the specialist channels are provided with support in acquiring new hard digital and behavioural skills, in order to ensure a service that is constantly excellent to our customers.

In 2024, the analysis of our personnel’s hard and behavioural skills was further fine-tuned so that more and more bespoke training programmes can be developed. This approach involved an increasing number of our people, strengthening the skills and professional growth of all our resources.

Remuneration Policies

The guidelines and directions for the Group remuneration policy are set by the Parent Company Crédit Agricole S.A. in order to ensure harmonized and consistent management at a global level; said guidelines and directions are then adopted by the Crédit Agricole Italia Banking Group, which implements them in its remuneration policies adapting them to its own reference scope, also in compliance with the Italian applicable legislation, and submits them to the Remuneration Committee, to the Board of Directors of each Entity (for Crédit Agricole Italia on 19 March 2024) and, then, to the General Meeting of Crédit Agricole Italia Shareholders for final approval (24 April 2024).

The remuneration policies of the Crédit Agricole Italia Banking Group have been designed to create value and to pursue sustainable growth; they aim at attracting, motivating and retaining personnel, as the Group believes that a culture based on merit, fairness, competitiveness and abidance by the rules is a pillar and a

driver of a positive sense of identity, which is essential for long term prosperity. The remuneration policies are different in accordance with the reference target personnel, both as regards corporate governance processes and as regards the remuneration systems and instruments used, and, also in accordance with the specific requirements of the Italian supervisory regulations, they are based on the following principles:

- **Acknowledgement of merit**, appropriately rewarding personal contributions expressed as performances, behaviours and enacted values. Individual contributions are measured in several ways and at several levels, through assessment processes that are structured also in order to ensure fairness – internal and external – of treatment. The remuneration policies also aim at acknowledging and rewarding team work and sense of belonging. Fair and gender-neutral remuneration policies also ensure good attraction and retention levels. Specifically, the remuneration fixed component increases through merit-based initiatives, closely in accordance with the responsibility level managed or achieved, to the ability to consistently replicate the achieved performances (performance stability) and to the development of distinctive skills. Those initiatives are promotions (the person is given a higher position) and increases in remuneration, which may regard the fixed or the variable component (the latter is linked to profitability indicators, appropriately adjusted for risk, as well as to the set capital and liquidity gates), or both;
- **Focus on risk and compliance with the legislation**, consistently with the Group's Risk Appetite Framework (RAF) and risk governance and management policies, including NPL management strategies, setting the preliminary conditions for access to incentive systems and determining conditions and limits, in order for the total amount of remuneration variable components does not affect capitalization levels and is appropriate for the risks taken. The remuneration policy implements a conservative and far-sighted approach ensuring that a strong capital base is always maintained and has been designed in order to foster full compliance with all applicable legislation and regulations and with the Articles of Association, the Code of Ethics and the Code of Conduct. It must take into account the cost and level of capital and liquidity necessary to meet the activities undertaken and must be structured in order to prevent incentives that conflict with the entity's interests, from a long-term perspective. In awarding variable remuneration, including the use of *malus* and clawback arrangements, the policies are consistent with a conservative path towards the achievement of capital requirements (including the combined buffer requirement and the leverage ratio requirement) and with the SREP outcomes. The remuneration policies and practices are also designed with special attention to credit risk management, ensuring appropriate strategies to monitor and manage NPLs and with the aim to prevent any conflicts of interests. Specifically, for identified staff engaged in loan origination, management and monitoring, the remuneration policies do not provide for any incentive to taking risks breaching the tolerance threshold and are aligned with the Group's long-term strategy, objectives and interests. The remuneration policies also provide for suitable measures to manage conflicts of interests, in order to protect consumers from any damage caused by the remuneration of sales personnel. To these ends, the process to measure performances and risks in order to determine the variable remuneration of the staff engaged in loan origination comprises appropriate credit quality metrics that are consistent with the entity's credit risk appetite. In general, the remuneration policies of the Crédit Agricole Italia Banking Group are designed to prevent that its personnel's performances be assessed with methods that are incompatible with the duty to act in the best interest of customers; furthermore, they are informed by diligence, transparency and fairness in business relations with customers, strict control on legal and reputational risks, customer protection and retention, abidance by the code of ethics and the code of conduct. Specifically, the Crédit Agricole Italia Banking Group adopts remuneration policies that are not based exclusively on business objectives and that do encourage or incentivize its personnel to recommend any financial instrument to Retail Customers, if the investment firm can offer a different instrument that is more suitable for the Customer's needs or to sell or place products that are not adequate to the Customers' financial needs;
- **Affordability of the remuneration and incentive systems**, setting a relationship between labour cost and performances expected and achieved, in order for that relationship to ensure essential "self-financing" of the variable remuneration systems, affordability and income and financial equilibrium in the short, medium and long term, as well as to be consistent with the target market;
- **Competitiveness**, through constant reference to market standards, also with the support of tools designed to analyse and measure work positions by specialized companies providing reference benchmarks for each type of position, company size and market, in order to attract and retain the best managerial and professional resources in the market;
- **Gender neutrality**, ensuring that, with equal activities performed and equal professional content of operations, all personnel members have the same remuneration level, also in terms of the conditions for its awarding and payment, in order to pursue the utmost equality of all personnel members. Consistently with this principle, in 2019 the "Charter of Respect" was published, which protects gender diversity and respect for all, while promoting an approach among based on cooperation, human relationship and dialogue, and, in 2022, Crédit Agricole Italia's Board of Directors approved an internal regulation that meets the purpose of representing the actions carried out by the Crédit Agricole Italia Banking Group to ensure gender equality

at a corporate governance and organization level, setting out the strategic plans to ensure that equal opportunity is an actual and crosswise fact, with full enhancement of female talent and, more in general, of all diversities. Furthermore, the Group has chosen to further strengthen its strategies for female talent enhancement and equal opportunities signing the ABI-promoted charter “Women in banking: enhancing gender diversity”. The ABI Charter promotes the values of gender diversity and inclusion, at all stages and levels in work relationships. To give a tangible token of its closeness to abused women, on 25 November 2020, on the International Day for the Elimination of Violence against Women, the Group signed the ABI protocol laid down measures in favour of women that are victims of violence. In 2024 the Group obtained once again the Gender Equality Certification in accordance with the Italian Gender Equality Standard UNI PdR 125:2022, which was achieved for the first time in 2023, proving its unfaltering commitment to ensuring gender equality to its personnel;

- **Consistency with the climate and environmental (risk) approach and alignment with the ESG goals of the Crédit Agricole Italia Banking Group**, contributing, by deferring the variable remuneration component and defining performance criteria, to promoting a long-term approach for the management of climate and environmental risks that is in line with the Group’s risk appetite and strategy. In this context, in order to encourage behaviours that are consistent with the Parent Company’s approach to climate-related and environmental risk and with the guidelines on energy transition and mitigation of its impacts, ESG indicators are implemented in the incentive systems applying to employees, the achievement of which contributes to the determination of variable remuneration. Specifically, the Crédit Agricole Italia Banking Group’s ESG goals aim at: taking into account the Group’s long-term interests, stimulating behaviours that are consistent with its approach to environmental, social and governance risks (which have also been integrated in the internal governance arrangements), preventing any conflicts of interest in business decision making, supporting the achievement of an appropriate risk culture.

The remuneration policies of the Crédit Agricole Italia Banking Group for 2024, which were prepared in agreement with the Parent Company Crédit Agricole S.A., are compliant with the regulatory provisions contained in the 37th update of Bank of Italy Circular no. 285/2013, published on 24 November 2021, which transposes the relevant EU Directive, and with the other applicable rules issued by the various Supervisory Authorities (specifically, ECB, EBA, ESMA and Bank of Italy). More specifically, the Group’s Remuneration Policies are compliant with regulatory aspects, including those concerning: the definition of the “Top Staff” perimeter, the structure and rules for variable remuneration payout and paymix, with special regard to the provisions on deferral and updating of the “particularly high amount”; *malus* and clawback clauses; retention bonuses; the need to strengthen the link between the Risk Appetite Framework (“RAF”) and the incentive systems, the provisions regarding golden parachutes, non-competition agreements and agreements for prior notice extension; the definition of a self-assessment process to determine the “identified staff” and the obligations concerning this category. Furthermore, the Group’s 2024 Remuneration Policies implement the applicable legislation and regulations concerning gender-neutrality, ESG criteria and disclosure to the public.

Having regard to the gender neutrality of remuneration policies, the Group conducted its annual assessment of the gender pay gap as at 31 December 2024 in accordance with the methods set by the Italian and EU Regulators (the Bank of Italy and the EBA) and in accordance with the European Sustainability Reporting Standards (ESRS); however, the Gender Pay Gap thus calculated does not take into account the complexity of the role and, consequently, does not capture the real extent of this phenomenon. Therefore, the Group assessed the gender pay gap applying its internal model based on the principle of “equal pay for equal work” whereby the pay equity level can be assessed by employee clusters that are comparable, defined based on equal complexity managed (Job Evaluation grade), role and seniority. The identification of yet other methods in addition to those set out by the supervisory regulations to analyze the gender-pay gap is an option permitted by the applicable legislation and regulations on remuneration policies and is consistent with the market practices. The method, which was adopted for the first time in 2021, was endorsed by a leading consulting firm, which supported the Group in developing the analyses.

Furthermore, in 2024, in order to monitor, assess and address the “gender gap” in a comprehensive manner – not only in remuneration terms, but also in management terms – a regulation was adopted that enables to explain the approach and monitoring methods set in order to deploy any appropriate corrective actions.

Thanks to the application of the above-described approach and to the activities carried out in 2024, the differences found as at 31 December 2024 are limited to a small panel of roles and for not very material amounts. The breakdown of the gaps reflects the same situation as in the previous years: the average remunerations are essentially equal for the two genders in the clusters featuring lower organizational complexity, mainly consisting of white-collar roles and without responsibilities. However, the gap is slightly larger, albeit little significant in terms of number and percentage, in the clusters featuring higher complexity and responsibilities, mainly in the category of senior managers. Substantiating its commitment to this matter,

the Group set objectives of progressive mitigation in the scope of a multi-year plan; the progress towards the achievement of these objectives shall be reported on a yearly basis to the Remuneration Committee and to the Board of Directors of the Parent Company Crédit Agricole Italia.

The Group continues to apply management and remuneration policies ensuring gender equality, as substantiated by the obtainment in October 2023 and the confirmation in 2024, of the Gender Equality Certification in accordance with the Italian standards UNI PdR 125:2022. In this scope, the initiatives and processes linked to communication, selection, management and development and compensation have been favourably assessed in terms of gender equity.

The Group attaches great importance to the social and environmental context in which it operates and, for this reason, has chosen to pursue not only profit but also the objective of creating long-term value for the Company, its people, its customers, the community and the environment. The Group intends to be a responsible financial Intermediary that generates collective value, being aware that its operations and corporate responsibility can contribute to reducing the impacts generated on society by climate change and social inequality.

In an economic and social scenario featuring more and more opportunities associated with ESG factors to achieve a sustainable business development model, to create value for all stakeholders and to communicate its responsible business approach, the Group is strongly engaged in managing the climate and energy transition. In the light of the above, in 2024 the Crédit Agricole Italia Banking Group continued to define specific ESG KPIs to be used in the annual performance management systems (MbO - Management by Objectives and Incentive System).

For the Group, remuneration is an important strategic factor, as it is key to effectively handle competition reducing the risks associated with a more and more complex market scenario, developing a compliance culture and enabling optimal management of the available resources.

The document on the Remuneration Policies of the Crédit Agricole Italia Banking Group is published on its website as is the disclosure provided within Investor Relations, in compliance with the applicable EU and domestic legislation and regulations.

For further information on the "Personnel" topic, please see section "ESRS S1 - Own workforce" in the Consolidated Sustainability Report.

FINANCE

The directions followed by the Crédit Agricole Italia Banking Group concerning financial balances and management rest on three main guidelines:

- The management of interest rate risk;
- The management of liquidity risk, including intraday;
- Capital management.

In terms of interest rate risk and in accordance with the policies set by Crédit Agricole S.A., the Crédit Agricole Italia Banking Group, through the Finance structure, adopted a model to determine the "cumulative gap", measured using different metrics for the various financial statement items.

Consistently with the past, the objective was conservative asset-liability management by hedging the cumulative exposure.

As regards liquidity, the refinancing strategies continued with the diversification of sources through the issues of Covered Bonds.

In January 2024, Crédit Agricole Italia went to the market with a new issue of Green Covered Bonds, with 9.5-year maturity for an amount of 500 million Euros. Moreover, a private placement issue for 77 million Euros was sold to institutional investors with 15-year maturity. Lastly, on 11 March 2024, a Covered Bond Premium Label was issued for an amount of 1 billion Euros with 12-year maturity.

Given the market rate scenario in the year, the Bank chose medium/long-term stable founding sources and, to that end, it is reported that the placement with Customers of senior bonds continued.

Having regard to capital management, in 2024 Crédit Agricole Italia carried out the transactions reported below, with its Parent Company Crédit Agricole S.A. as the counterparty:

- i) *Perpetual subordinated debt instruments (Additional Tier1 – AT1)*: issue in June of an AT1 instrument for 275 million Euros and concomitant repayment, on the early repayment date provided for in the related contract, of an AT1 instrument of 350 million Euros issued in 2018.
- ii) *Non-perpetual subordinated instruments (Tier2 – T2)*: new issues of instruments for 45 million Euros in June and for another 80 million Euros in September; issue in December of an instrument of 190 million Euros and concomitant early repayment of an instrument of 250 million Euros issued in 2017.

Capital management was optimized also in order to ensure present and forward-looking compliance with the Pillar 2 MREL (*Minimum Requirement for own funds and Eligible Liabilities*), which is assigned yearly to Crédit Agricole Italia, on a consolidated basis by the Single Resolution Board.

In this context, it is reported that, in 2024, Crédit Agricole Italia made the following transactions for the issue and repurchase of *Senior Non-Preferred (SNP) Bonds*, with its Parent Company Crédit Agricole S.A. as the counterparty: a new issue for 310 million Euros at the end of H1; then, in October and November, two issued for 240 million Euros and 190 million Euros, replacing similar instruments for the same amount that were repaid early (originally issued in 2019 and 2020, respectively). Lastly, in December, there was a new issue of SNP instruments for 130 million Euros.

The Board of Directors of the Parent Company Crédit Agricole Italia exercises control and coordination of financial activities, which also require the Board's approval.

RISK MANAGEMENT

Objectives and policies on risk taking, management and hedging

1.1 SUMMARY OF THE SYSTEM, PERIMETER AND ROLES

The Crédit Agricole Italia Banking Group attaches great importance to the measurement, management and control of risks, in order to achieve sustainable growth in a political-economic scenario, such as the present one, featuring high complexity and evolving rapidly.

Within the Crédit Agricole Italia Banking Group, the Parent Company Crédit Agricole Italia is responsible for overall steering, managing and controlling risks for the whole Group, triggering operational action plans that allow reliable control on all risk situations. In turn, the system set by Crédit Agricole Italia is based on the Supervisory regulations and on the directions issued by Credit Agricole S.A. concerning its Subsidiaries. The Risk Management and Permanent Controls Structure (Italian acronym RPC) performs risk management and control activities for all the Companies of the Crédit Agricole Italia Banking Group.

The founding principles informing all activities for risk management and control are the following:

- Clear identification of risk-taking responsibilities;
- Measurement and control systems that are compliant with the Supervisory guidelines and consistent with the solutions more frequently adopted at an international level;
- Organizational separation between operating and control functions.

The perimeter of risks detected, monitored and integrated in the economic capital (taking account also of diversification advantages) consists of the following:

- Credit and counterparty risks; this category also includes concentration risk;
- Market risk of the Trading Book;
- Price risk of the Banking Book;
- Interest rate risk of the Banking Book;
- Liquidity risk;
- Foreign exchange risk of the Banking Book;
- Operational risk (including Information and Communication Technology Risk).

The Crédit Agricole Italia Banking Group updates, normally on a yearly basis, its Risk Strategy, which sets the levels of risk (credit, financial, market and operational risks) which the Group deems adequate to its

development strategy. Based on the strategy, which is submitted to the Risk Committee of Crédit Agricole S.A. for its approval, global limits and alert thresholds are set and are appropriately supplemented with operational limits that are specific to each single Entity in the Group. This system, setting limits and/or alert thresholds, is submitted to the Boards of Directors of the Parent Company Crédit Agricole Italia and of the single Entities of the Group for their approval.

The Group's main Committee overseeing the specific risk scopes is the Risk and Internal Control Committee, which coordinates the structures that are the holders of control functions (Internal Audit, Compliance, and Risk Management and Permanent Controls), as well as the set of internal control arrangements, in compliance with the procedures adopted by the Crédit Agricole Italia Banking Group. The Risk and Internal Control Committee is responsible for examining and approving risk management guidelines and for deciding on any proposals submitted by operational work teams that handle the specific problems generated by the different risks.

In accordance with their respective responsibilities, the control functions sit also on other management Committees, including the New Activities and New Products Committee (Italian acronym NAP), the Asset&Liability Management (ALM) Committee, the Investment Committee, the Loan Committee, the Non-Performing Exposures Committee and the Performing Loan Monitoring Committee.

Lastly, the control functions participate in and report to the Audit Committee for Internal Control; this is a Board Committee set up by the Parent Company's Board of Directors in order to have support in ensuring the effectiveness of the internal control system, pursuant to the "Supervisory provisions concerning banks' organization and corporate governance" issued by the Bank of Italy on 4 March 2008, which recommend that Board Committees be set up within entities that are large-sized or feature high complexity. The Audit Committee for Internal Control also verifies whether the incentive system implemented by the Crédit Agricole Italia Banking Group is consistent with the applicable legislation and regulations.

1.2 RISK APPETITE FRAMEWORK

The Group's Risk Appetite Framework (RAF) expresses the approach and risk level that the Group is willing to take, as regards each type of risk. The Group's risk appetite has been determined based especially on its financial policy and on its risk management policy and is expressed through:

- A selective and responsible funding policy within a conservative lending policy that is set out in the Risk Strategy, consistently with the corporate social responsibility policy and with the system of decision-making powers in force.
- Orientation towards a low risk profile on all main financial risks, with specific focus on limiting the exposure to market risk.
- Strict oversight on exposure to operational risk.
- Orientation towards a low Information Technology (IT) risk profile.
- A system of controls aimed at managing non-compliance risk (identified and monitored).
- Careful measurement of risk-weighted assets.
- Integrated management of the Group's assets and liabilities.
- Careful mapping of all material or emerging risks that may generate impacts on the Group.

The Risk Appetite Framework structure consists in activities for the monitoring and control of risks, in order to ensure that they are managed, driving continuous development and improvement of the methods and models for their measurement.

To this end, the Crédit Agricole Italia Banking Group uses methods, measurement standards and risk control tools that are consistent throughout the Group and adequate to the type and extent of the risks taken, involving and informing the corporate bodies of the subsidiaries about the choices made as regards risk management procedures and policies.

Within the Risk Appetite Framework, limits and alert thresholds are set on Solvency, Liquidity, Asset Quality, Profitability, Credit/Concentration, interest Rate, operational and Compliance main ratios/indicators, which are fit to verify the affordability of the Group's Budget and MTP on a continuous basis, as well as to identify the first alerts in case such ratios/indicators worsen, in order for all corrective actions to be triggered and to return to normal operation.

Moreover, the Group's risk appetite is also expressed by controlling qualitative risks, inherent in its strategy and operations, in order to pursue sustainable development and effective management of risks.

The Risk Appetite Framework plays a pivotal role in the definition of the Governance framework, since it includes the business model and the strategic plan, the risk appetite, tolerance thresholds, risk limits, risk governance policies and the reference processes required to define and implement them.

Furthermore, the set of documents regarding the Group's Risk Appetite Framework was updated; specifically, in terms of Governance, the following items were revised:

- The RAF Policy, which defines the RAF scope of application, the process to determine and monitor the thresholds, in order to ensure consistency between the Group's operations, complexity and sizes.
- The Policy on Material Transactions ("*Operazioni di Maggior Rilievo*", or with the Italian acronym OMR), which sets forth the methodological approach and the operational aspects of the MRT management process, including the related identification criteria in order to ensure full compliance with the applicable legislation.
- The Stress Testing Policy, in accordance with the instructions given by Crédit Agricole S.A., which sets forth the annual Stress Test programme of the Group, the Governance and the responsibilities of the various players involved and any improvement areas/points scheduled in the year.
- The Risk Appetite Statement (RAS). The document sets forth the Risk Management and Governance process and the roles played by the Group's bodies engaged in management and control functions and the map of material risks. This document also reports the quantitative ratios/indicators expressing the main risks the Group is exposed to, along with exhaustive description of the logic behind the determination of RAF thresholds and limits. For qualitative risks, the document sets forth the control processes and mitigation tools implemented by the Group.

In 2024, the Crédit Agricole Italia Banking Group carried out the usual process for the identification of material risks, in accordance with the layout received from the Parent Company Crédit Agricole SA, and consistently with information given in the ICAAP document and in the Internal Control Annual Report (ICAR or with the Italian acronym RACI); 17 material risks were identified, falling into the following macro-categories: credit risk, financial risks, strategic risk, operational risks, noncompliance risks and real estate risk. Furthermore, the Crédit Agricole Italia Banking Group and Crédit Agricole S.A. have always paid close attention to climate and environmental issues and, in 2024 environmental risk, in its sub-categories of physical risk and energy transition, was included in the Group's Risk Map, as done in in the previous years. In the reporting year, the Group carried out several activities aimed at including ESG criteria in the RAF, in accordance with the overall schedule of the Sustainability Plan.

The Crédit Agricole Italia Banking Group is implementing the forward-looking action plans that it defined at the beginning of 2021, pursuing the goal of progressively including climate-related and environmental factors in its business model and strategy, in its governance and organization, in its risk management system and in its disclosure to the market, in accordance with the ECB "Guide on climate-related and environmental risks - Supervisory expectations relating to risk management and disclosure" and in accordance with the instructions given by the Parent Company.

The Crédit Agricole Italia Banking Group has adopted a sustainability governance framework on four levels: a specific Board Committee, a Managerial Committee, the Sustainability function as the unit in charge of coordinating the various project activities and a network of owners belonging to operational structures and – in an independent position – to control structures. The structures engaged in control functions have extended their scope of activity also to ESG matters applying the model based on three lines of defence.

The actions deployed in 2024 concerned the training of the Board and of personnel, the remuneration policies, the lending policies and processes, the development and marketing of products and services, the provision of investment advisory services, the monitoring of exposures and management reporting, data collection and management, the development of IT applications, disclosure to the public and reporting to the Supervisory Authorities. Furthermore, climate-related and environmental risk indicators have been included in the Risk Appetite Framework (RAF).

Furthermore, the Crédit Agricole Italia Banking Group shares, with its French Parent Company, the Net-Zero Banking Alliance commitments in order to align the emissions of the various portfolios with the achievement of climate neutrality by 2050, and, to this end, pursues the objective of providing support to its Customers in their transition process.

As already done by the ECB and by other national Supervisory Authorities, in April 2022 the Bank of Italy published its “Supervisory expectations for climate-related and environmental risks”, which are a first set of supervisory expectations regarding the integration of climate-related and environmental risks into business strategies, governance and control frameworks, the risk management framework and in the disclosure to be given by supervised banking and financial intermediaries.

In order to meet the “Supervisory expectations for climate-related and environmental risks” of the Bank of Italy, Crédit Agricole Leasing Italia continued to implement the related action plans. In 2024, amongst the activities carried out, the following are worth mentioning: monitoring of exposures and management reporting, contribution to the disclosure to the public and to supervisory reporting, training on this matters.

The Risk Management continues to monitor, on an ongoing basis, the action plans and the monitoring outcome is reported also to the Board.

In general terms, the Risk Appetite Framework of the Crédit Agricole Italia Banking Group is structured as follows:

- Risk Appetite (risk target): the level of risk (overall and by type) that the Group is willing to take in order to pursue its strategic objectives.
- Risk Tolerance (tolerance threshold): maximum allowed deviation from the Risk Appetite; the tolerance threshold has been set in order to ensure that, in all cases, the Group has sufficient margins to operate, also in stress scenarios, within its risk capacity.
- Risk Capacity (maximum risk that can be taken): the maximum level or risk that the Group is technically able to take without violating any regulatory requirements or other restrictions laid down by its Shareholders or by the Supervisory Authority.
- Risk Profile: the risk actually taken, as measured at a given point in time.
- Risk Limits: the structuring of risk objectives into alert thresholds and operational limits, set in accordance with the proportionality principle, by types of risk, business units and/or lines, product lines, types of Customers.

The Group's risk profile is monitored and submitted, with specific periodic reports, to the Risk and Internal Control Committee (RICC or with the Italian acronym CRCI) and to the Boards of Directors of the Parent Company Crédit Agricole Italia and of the other Entities of the Group, as well as to the Controlling Company Crédit Agricole S.A..

In case the tolerance and capacity levels of the RAF ratios/indicators are exceeded, an escalation process is provided for, which has been designed to involve the corporate roles responsible for defining the corrective actions needed to return to the normal risk levels and which is revised and updated at least on a yearly basis.

2. RISK MANAGEMENT AND HEDGING

Credit Risk

Portfolio Analysis and Reporting

Within the Risk Management and Permanent Controls functions, the Portfolio Analysis and Reporting team:

- Participates in preparing the Group Risk Strategy (*Cadre des Risques*) document, as regards credit risk, in cooperation with the Parent Company Crédit Agricole S.A. and with the relevant management functions of Crédit Agricole Italia and CALIT, assessing the proposals received from the latter and afterwards monitoring compliance with the set limits. If the limits are breached, it triggers the relates Alert Procedure, assessing, approving and monitoring the implementation of the actions plan proposed by the relevant corporate structures.
- It constantly oversees asset quality and the evolution in the portfolio of the various customer segments through specific monthly reports that the subject-matter of interactions with the Lending and Commercial Functions, to identify any corrective measures aimed at preventing credit risk.
- It monitors the structured finance portfolio (leveraged loans) and prepares the regulatory reporting on that perimeter.
- It reconciles the exposures in the commercial customer segments with the FINREP regulatory exposures, reporting on their evolution to the Board of Directors within the production of the quarterly Risk Reports.

- It monitors the evolution in the SME and CRE regulatory portfolios.
- Through periodic reports, it analyzes new classifications to Non-performing Loans, assessing their provenance in terms of commercial segment and economic sector, the year of origination, stage, etc. in order to identify any corrective measures aimed at preventing credit risk.
- It monitors the portfolio of mortgage loans to individuals, in-force business and new ones, in terms of the energy efficiency class of the mortgaged properties backing the loans.
- It monitors the evolution in the exposures from the various economic sectors by attractiveness and ESG score.
- It carries out sectoral or thematic analyses, on historical data or forward-looking, as deemed of interest regarding credit risk, in cooperation with the relevant Management Functions.
- It performs the permanent controls falling within its remit.
- On a monthly basis, it prepares the list of preauthorized loans for the Retail Small Business segment and monitors the evolution in KRIs.
- It coordinates the work for maintenance of and evolution in the detection/classification logics of the forbearance engine.

Within the Risk Management and Permanent Controls Function, the Credit and Operational Risk Control Function is responsible for overseeing the risks associated with the Bank's lending activity.

The Credit and Operational Risk Control Function's activity concerning credit risk takes place both at the general level of the Bank's lending operations, and at the level of individual loan dossier analysis, via constant analysis of individual dossiers and structured controls on specific cases.

Specifically, the Credit and Operational Risk Control Function:

- Takes part in the design of the Risk Strategy as regards credit risks.
- It is asked for its opinion on the applicable legislation, regulations and corporate policies on loans. This role is particularly important as regards the general regulations on loans, both performing and non-performing, lending and performing loan management policies and the policies for the collection of non-performing loans, as well as individual provisioning policies on NPLs and the rules on the appraisal of properties pledged as collateral.
- It sees to the transposition in the internal normative instruments of the Operating Notes issued by the Parent Company on credit matters.
- It gives its opinion on the credit line proposals that are submitted to the collective bodies for each entity of the Banking Group. Its opinion is given in the form of a self-standing document that is independent of the considerations made by the proposing Structure, contains the assessments of compliance with the Bank's lending policies and of the risk taken, and its final opinion may contain recommendations addressed to the decision-making bodies. The opinion it expresses concerns proposals on both performing loans and non-performing ones.
- It carries out second-level permanent controls on credit risk, proposing, where appropriate, any changes in order to detect any new credit risk indicators.
- It reviews the regulatory portfolios via sample controls, based on identified risk clusters, on individual dossiers in accordance with the directives laid down by the Supervisory regulations. Specifically, the reviews of individual positions assess, for each position, the quality of the loan monitoring processes (including correct appraisal of guarantees) and of the processes for the collection of non-performing loans; furthermore, correct classification of the loan and the consistency of the related provisions are also reviewed.
- It performs sectoral portfolio reviews, in cooperation with the Commercial and Lending Functions, with special regard to the segments provided for by the Parent Company's normative instruments (real estate promoters and leveraged loans) besides those impacted by sectoral or macroeconomic events.
- It ensures proper application of the "Double Regard" principle to the ratings of counterparties and groups, while also ensuring compliance with the principle of separation between the proposing structure and the validating structure, through rating validation on the perimeter of Non-Retail Customers of the the Crédit Agricole Italia Banking Group. This activity is carried out based on the models set by the Parent Company with coverage also of counterparties that, for their very nature, do not present financial statements or standard characteristics, which are analyzed on with a judgemental ("a dir d'expert") approach. It constantly participates in work groups tasked with defining more and more efficient validation procedures.
- It takes part in Interfunctional Teams in charge of defining the actions to be deployed on the single matters concerning credit risk.

- Besides internally producing several reports that are necessary for its control activity, it periodically issues detailed analyses, which are distributed to the relevant Structures and to the Top Management.

IRB/Basel II advanced approach

For determining its capital requirement for credit risk, the Crédit Agricole Italia Banking Group has been using (since December 2013) internal ratings with an Internal Rating Based – Advanced approach (PD, LGD and EAD internal models) regarding "Retail Loan Exposures", known as the "Retail Portfolio". Since June 2023, the exposures coming from the subsidiary Crédit Agricole Carispezia, which was merged by absorption into Credit Agricole Italia in 2019, have been treated with advanced approaches, subsequent to the validation given by the ECB in June 2022 following the Material Model Change application submitted in 2020.

Since the merger by absorption of Creval into Crédit Agricole Italia in 2022, the former-Creval exposures have been treated with the AIRB approach using Creval metrics in force before its absorption (the Interim Period) as agreed on with the ECB within the Return to Compliance process, which provides for the revision/recalibration of the models of the Crédit Agricole Italia Banking Group on the target bank portfolio.

The present choice of treating all exposures referring to the subsidiary Crédit Agricole Leasing on a Permanent Partial Use (PPU) basis has been made considering the immateriality of the portfolio size and the specificities of the leasing company's core business within the Crédit Agricole Italia Banking Group as a whole.

In 2021 Crédit Agricole Italia formalized its "explanatory note for PPU authorization", regarding the required information in order to file a formal PPU application for the exposures treated with the standardized approach and not included in the IRB roll-out plan, which was approved by the Internal models Validation Committee on 17 February 2021 and is monitored on a yearly basis. After sending of the application package on this matter in April 2021 and the subsequent talks with the ECB, the CAG is updating its internal normative instruments governing the assessment of eligibility of the individual exposures for the PPU and the application package is still being revised and will have to be submitted again to the Supervisory Authority.

The risk measurement system is fully integrated in the decision-making processes and in the management of corporate operations: the rating system has long played an essential role in loan authorization, risk management, internal allocation of capital and in the Bank governance functions, as well as in contributing to ensure risk prevention and mitigation. In order to ensure that lending processes and credit risk measurement are homogeneous, the internal models are used by all the Entities of the Crédit Agricole Italia Banking Group.

The above-described risk measurement system is also subject to constant monitoring and updating by the Model Development Service of the Crédit Agricole Italia Banking Group. In 2020, an Application Package for Material Model Change was sent to the ECB concerning the Retail rating models and the extension of the advanced approach use to former Carispezia exposures; following the submittal of the Application Package, Crédit Agricole Italia underwent an Internal Model Investigation (IMI) in H1 2021 and, in June 2022, was informed by the ECB of the IMI outcomes and authorized to use the new models on the Retail perimeter, which went live in March 2023. Concomitantly, following the acquisition of the former-Creval portfolio, parameter updating/calibration activities were carried out, which entailed the submission to the ECB of an application for authorization, which was filed in July 2023. In H1 2024, the ECB carried out an on-site mission on Retail internal rating models. The exit meeting was held in September 2024 and thereafter the Crédit Agricole Italia Banking Group gave its official feedback to the ECB draft report. The ECB decision letter on this matter is expected to be received in 2025. In the meantime, in November 2024, the ECB started its mission on the corporate internal rating models, which was limited to the PD model only as, at the end of October, requested its authorization application to be modified from the AIRB to the FIRB approach.

The rating systems are used within the main phases in the lending value chain. With specific reference to loan origination and monitoring, the management use of the rating system results in:

- Lending policies – the set lending policies govern the procedures through which the Banks and the Companies of the Crédit Agricole Italia Banking Group authorize loans and manage credit risk.
- Loan origination: creditworthiness assessment upon origination of the first loan and upon review of/change in credit lines, as well as for determination of decision-making powers concerning loan origination.
- Loan monitoring – the use of the performance-measuring PD, combined with other variables, for performance monitoring, in order to detect and correct non-performing positions before they are classified as defaulted.
- Collective impairment – the new IFRS9 entered into force on 1 January 2018 and introduced a new approach to calculate collective impairment of performing loans, using appropriately adjusted Basel metrics (PD and

“point in time” LGD) to determine the provisioning value (ECL - Expected Credit Loss) . The Loss Given Default (LGD) is to be estimated taking into account also a downturn in the business cycle (downturn LGD).

- Bank reporting – the use of the risk measures produced by the Bank’s reporting model.

Said full integration in the loan management processes allows the creation and development of internal models that support the measurement of creditworthiness and can be used to assess, with statistical objectivity, the probability that the counterparties default.

The calculation of capital requirements using internal rating-based approaches allows optimal management of the regulatory capital, as it also allows a “weighted” analysis of the loan portfolio, “aware” lending development considering the risks taken and, thus, better planning of loans and of credit risk over the medium-/long-term.

Lastly, more effective detection and measurement of risks ensures better disclosure and subsequent enhanced transparency in reporting, which is a key element to meet the requirements of the Group’s various Stakeholders.

Interest Rate Risk and Price Risk of the Banking Book

The measurement, management and control of financial balance (Asset Liability Management) concern both modelled and non-modelled positions of the Banking Book. The Banking Book consists of the core positions in the Group’s business operations, which are lending and funding without trading objectives. Therefore, interest rate risk is measured with reference to all on-balance-sheet and off-balance-sheet transactions, excluding the supervisory trading book.

The governance model adopted by the Crédit Agricole Italia Banking Group assigns the responsibility for the measurement and management of interest rate risk to the CFO, who, through the Finance Structure of Crédit Agricole Italia, performs centralized management of this risk at Group level and for the single Entities of the Group, in accordance with the guidelines set by Crédit Agricole S.A..

The Risk Management and Permanent Controls Structure of Crédit Agricole Italia is responsible for independent control of the interest rate risk management system, by verifying its compliance with the risk measurement model.

In 2024 the hedging of interest rate risk continued using derivatives, namely Interest Rate Swaps and Interest Rate Options. The hedged items mainly were:

- Fixed-rate securities recognized as assets (micro-hedging).
- Covered Bonds issued (micro-hedging).
- Interest rate gaps shown by the internal model, handled with macro-hedging transactions (macro hedging of current accounts, funding and mortgage loans).
- Floating-rate mortgage loans with cap option.

As regards the Crédit Agricole Italia Banking Group, the investment portfolio, comprising the HTC and HTCS business models and held for Liquidity Coverage Ratio (LCR) purposes and to support net interest income, mainly consists of Italian Government Securities with modest average duration, for amounts that have been set by the Risk Committee of the Crédit Agricole Group and approved by the Boards of Directors of Crédit Agricole Italia.

The assets at *fair value* comprise securities and units of funds whose management model provides for their sale should the opportunity arise.

The limits applying to the investment portfolio are defined on the basis of the type of instruments that can be held and are expressed with reference to the maximum nominal value that can be held by each bank of the Group.

Furthermore, the Crédit Agricole Italia Banking Group has implemented a system of limits and alert thresholds, consistently with the directions set by the Crédit Agricole SA Group.

The Risk Management and Permanent Controls structure of Crédit Agricole Italia is responsible for independent control of the Banking Book price risk management system, by verifying its compliance with the stress testing method set by Crédit Agricole S.A.

In accordance with the guidelines issued by Crédit Agricole S.A. and with the applicable prudential regulations, the framework system for market risk is reviewed normally on a yearly basis within the Risk Strategy and is approved by the Board of Directors and by the Risk and Internal Control Committee.

The model for market risk management and governance has been applied to the entire consolidation perimeter.

Liquidity risk

Liquidity risk, both short-term and medium-/long-term, is the risk of not being able to promptly meet their payment commitments, due to the fact that they cannot obtain funding on the market (funding liquidity risk) and cannot sell their assets on the market (market liquidity risk).

The Governance model adopted by the Crédit Agricole Italia Banking Group assigns the responsibility for the measurement and management of liquidity risk to the CFO, who, through the Finance Function of Crédit Agricole Italia, performs centralized management of this risk, in accordance with the guidelines set by Crédit Agricole S.A.

The Risk Management and Permanent Controls Function is tasked with the monitoring of liquidity risk, again in accordance with the guidelines set by the Crédit Agricole Group.

The management of short-term liquidity, that is to say, the management of events impacting on the liquidity position of the Crédit Agricole Italia Banking Group in a time horizon from over-night to 12 months, has the main objective of maintaining the Group's ability to meet its recurring and non-recurring payment commitments, minimizing the relevant costs.

In order to monitor short-term liquidity management, the Crédit Agricole Italia Banking Group has implemented a system of limits in accordance with the directions set by the Crédit Agricole Group, which is based on stress scenarios in order to ensure surplus liquidity on various time horizons and in increasingly severe scenarios. The stress assumptions used cover idiosyncratic crises, systemic crises and global crises.

Within the short-term management limits, a limit to short term refinancing with market counterparties has been set in order to limit short-term funding on the market over a one-year time horizon. Furthermore, in order to strengthen the Group's liquidity management, the Parent Company has set an alert threshold on the *Deficit Crédit Collecte* (DCC) indicator, which ensures appropriate coverage of loans to customers through funding from customers.

In regulatory terms, the short-term liquidity risk threshold is the Liquidity Coverage Ratio (LCR), which, as at 31 December 2024 and as the Group LCR, came to 178.63%, once again well above the regulatory requirements. It is pointed out that, since 1 January 2018, the minimum requirement, on an individual basis is 100%.

Medium-/long-term liquidity management entails the identification of alert thresholds and limits by determining the *Position en Ressources Stables* (PRS), and *Concentration des échéances MLT* (a concentration limit to MLT maturities) indicators. They aim at ensuring the Group's balance between stable resources (medium-/long-term market resources, funding from Customers, own funds) and long-term uses (non-current assets, loans to Customers, medium/long-term market uses and liquidity buffers), as well as at limiting concentration of maturities within medium-/long-term funding. Positive levels of the Stable Resources Position (PRS) substantiate the Group's ability to support its assets during a crisis and, by monitoring the medium-/long-term due register, a balance can be kept between the maturities of resources and long-term uses.

In regulatory terms, since June 2021 longer term liquidity risk has been monitored using the *Net Stable Funding Ratio* (NSFR). The ratio, which shall be higher than 100%, has the Available Stable Funding (ASF) figure as the numerator and the Required Stable Funding (RSF) figure as the denominator. As at 31 December 2024 the Group NSFR came to 131%.

The Bank also monitors its intraday liquidity risk through a set of specific indicators that were developed in coordination with its Parent Company and are calculated on a weekly basis. The indicators are calculated both in Business-As-Usual and in Stress conditions.

The limit structure is completed by other management and alert indicators provided for in the Contingency Funding Plan.

Market risk of the Trading Book;

Market risk results from the exposures on the Supervisory Trading Book. The entities of the Crédit Agricole Italia Banking Group do not typically engage in proprietary trading on financial markets and, therefore, the trading book mainly comprises residual positions from placing and trading financial Instruments on behalf of third parties. This is the reason why trading activities are to be deemed instrumental to and aimed at meeting customers' requirements.

The Crédit Agricole Italia Banking Group is subject to specific regulatory requirements that prohibit it from engaging in proprietary speculative trading, specifically the US Volcker Rule (Dodd-Frank Wall Street Reform and Consumer Protection Act AND THE Related updates and the "*Loi de séparation et de régulation des activités bancaires*" (French Act no. 2013-672). To control implementation of the aforementioned legislation, a Local Correspondent (the Local Officer in charge of the Volcker Rule) has been appointed within the Finance Function, who is responsible for ensuring full compliance of the operations of the Crédit Agricole Italia Banking Group with the aforementioned legislation.

Following the Volcker reform in 2020, the Crédit Agricole Italia Banking Group has been classified as an entity Totally Outside the US (TOUS); the entities that have no branches in the USA and do not engaged in direct operations in the US territory are exempted from the obligation to perform the specific controls previously required under the Volcker Rule, thus simplifying the programme for compliance with it.

The sale of derivative products to ordinary Customers by the banking entities of Group outside regulated markets (i.e. the sale of Over-the-Counter or OTC derivatives) is made through a specialist team and for the only purpose of meeting Customers' operational requirements. Intermediated derivatives are hedged with back-to-back mirror transactions, in order to immunize position risk Furthermore, International Swaps and Derivatives Association (ISDA) netting agreements are signed both with counterparties that are material in terms of activity and with the financial counterparties the Group operates with, where the relevant Credit Support Annexes (CSA) are signed for the exchange of collateral, in order to mitigate its exposure to counterparty risk.

Since 2017, the main counterparty of all new transactions has been CACIB, a financial company belonging to the Crédit Agricole Group.

In accordance with the guidelines issued by Crédit Agricole S.A. and with the applicable prudential regulations, the framework system for market risk is applied to the entire consolidation perimeter, is reviewed normally on a yearly basis within the Risk Strategy and is approved by the Board of Directors of the Parent Company.

Within the activities for the monitoring of the market risk of the Trading Book, the Risk Management and Permanent Controls Function is responsible for continuously monitoring the exposure to market risk of the set indicators against the limits validated at the relevant time in the Group's Risk Strategy. In case of any early warnings or breaches of the set risk levels, it triggers the alert procedure, informing all relevant bodies of the event in full detail and of the action plan to bring the risk back to its regular level.

Operational Risks

The definition of operational risk adopted by the Group is the one given in the document "Basel II - International Convergence of Capital Measurement and Capital Standards" prepared by the Basel Committee on Banking Supervision, which reads "Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events". This definition includes legal risk, which covers but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements.

The Risk Management and Permanent Controls Function is the holder of the operational risk management function for the Group as a whole and is responsible for ensuring that the overall management framework is complete and consistent. Through prompt perception of information, collection of operational events and implementation of mitigation actions, it ensures to General Management and to the Boards of Directors that regulatory and organizational control, as required by this type or risk, is in place and effective.

In this regard, the Risk Management and Permanent Controls Function proactively participates in the most important corporate projects, especially those with high organizational impact, in order to provide its contribution, from the earliest phases, for consistent and complete preparation of the mechanisms for the management of the risks that are inherent in each project.

The Risk Management and Permanent Controls Function performs risk management and control activities for all the Companies of the Crédit Agricole Italia Banking Group, including Crédit Agricole Leasing Italia and Crédit Agricole Group Solutions.

The management of operational risks requires sharing and proactivity by all corporate structures; therefore, in order to be at all times fully aware of the risk issues associated with the different corporate processes, specialist control roles operate both within the Risk Management and Permanent Controls Function and within the structures engaged in operational functions and specifically:

- Operational Risk Manager (ORM or with the Italian acronym MRO), who is responsible for reporting on potential risks and actual risk events arising in the various operating corporate structures and for coordinating the implementation of permanent controls.
- MRSI (*Manager des Risques SI*), person in charge, within the Risk Management and Permanent Controls Function, of monitoring and control of ICT risks on the Information System, on Physical security and on the Business Continuity Plan (BCP).
- CISO (Chief Information Security Officer), who is responsible for the security of corporate information;
- Information Security Manager (ISM): who is responsible for the implementation and management of the Information System operational security.
- Business Continuity Manager (BCM), who is responsible for the Group's Business Continuity Plan.
- Persons in charge of Controls, within the Distribution Network structures, with the task of performing 2nd degree 1st level permanent controls.

Risk control is also ensured through arrangements and tools designed for appropriate monitoring and management of mitigation/improvement actions, including:

- The Risk and Internal Control Committee, which is described above.
- The system for reporting internal controls on the Network, in order to report any non-compliance situations.
- Improvement Work Groups, meetings with the Branches that showed problems in the outcomes of permanent controls, of inspections carried out by the Internal Audit Function and in other verifications; during said meetings, together with the coordination structures Branches report to (Regional Departments), the problems detected are analyzed and an action plan for improvement is prepared.

The activities that are outsourced and contracted out to external vendors are always governed by a service agreement that, in addition to regulating the provision of the service, lays down a system of controls on the set qualitative and quantitative levels. In accordance with the various scopes, internal owners are identified within the Bank's structures, who report to the competent Functions of the Parent Company on the general reliability of the contract relationship.

Lastly, special controls are triggered where the outsourced activities can be defined as "critical/important" - Critical or Important Functions (CIF or with the Italian acronym FEI), pursuant to Bank of Italy-CONSOB (Italian Securities and Exchange Commission) joint regulation and to Bank of Italy Circular No. 285/2013; in this regard, the main corporate regulatory reference framework is a specific Regulation that implements the Group policy, transposes the applicable Supervisory provisions and organically defines the system of required controls.

In 2024 the ICT risk management framework (covering both in-house and outsourced ICT activities, processes and services) underwent extensive revision following the project activities associated with full implementation of the DORA Regulation applicable as of January 2025.

To this effect, within the project activities carried out in 2024, some of the DORA specifications have already been implemented, including:

- The definition of critical functions for digital resilience.
- A Digital Operational Resilience Strategy (DORS) Document.

In early 2025, all the new policies have been issued, including the related implementing regulations, which transpose the Digital Operational Resilience Act (DORA) requirements and expectations, and the related new organizational arrangements have been defined.

In 2025 the activities to ensure full alignment to DORA will continue, on the one hand implementing the organizational and control arrangements provided for by the policies, and, on the other hand, progressively aligning the outsourcing agreements to the DORA Regulation.

RISKS AND UNCERTAINTIES

The risk monitoring, management and control policies continue to be key pivots on which, in the present and future scenario, Banks must measure themselves both against each other and against domestic and international markets.

Crédit Agricole Italia's governance bodies continue to give high and constant attention to development and growth, through close monitoring of the risk the Bank is exposed to, considering also the effects of the uncertainty about the macroeconomic evolution and of the complex geopolitical situation, which has become a feature of the present historical period. These issues may indeed generate impacts on the financial, cash flow and profit or loss structure that the Bank is required to manage and keep at acceptable levels, in order to protect savings (and thus its Customers' trust) and lending (healthy drivers of growth).

Crédit Agricole Italia uses risk control methods, measurement standards and tools that are consistent throughout the Crédit Agricole Group and appropriate for both the type and size of the risks taken, also in such a complex economic scenario as the present one.

In the reporting year, the economic activity proved on a growth trend, with international development outperforming the early 2024 expectations. The recovery in households' purchasing power was driven not only by inflation gradually going back to its target level, but also by the increase in nominal wages, which contributed to support consumption and domestic demand in a significant manner. Nevertheless, 2024 was not free from uncertainty elements: besides the war in Ukraine and the Israeli-Palestinian conflict, which were widely factored in by markets, other elements arose, such as political instability in some Countries of the Euro Zone and the worsening of trade tensions between the USA and China, especially in the last part of the year.

In this scenario, the main international Central Banks started to cut their key interest rates at a quite even pace, contributing to stimulating a first recovery in real estate and credit markets, albeit maintaining a *data-dependent* approach and giving no *guidance* about further lowering interest rates, in order to ensure that underlying inflationary pressure remain under control on a sustained basis.

The assessment giving evidence of the Bank's ability to continue as a going concern is based on both its strong capital position, which shows a reassuring and high buffer on top of the requirements set by the ECB, and on its present liquidity above the regulatory threshold, as well as on the healthy and prudent management that has always been a distinctive feature of the Group, while ensuring steady development through sustainable growth strategies and the commitment to providing households and businesses with support.

For reporting on the main risks to which Crédit Agricole Italia is exposed, please see the specific section of the notes to the financial statements.

3. INTERNAL CONTROLS SYSTEM

The Crédit Agricole Italia Banking Group has progressively upgraded its internal control system to the applicable Supervisory provisions (Bank of Italy Circular No. 285/2013) and to the model implemented by the Controlling Company Crédit Agricole S.A.; therefore, it implements a system aimed at:

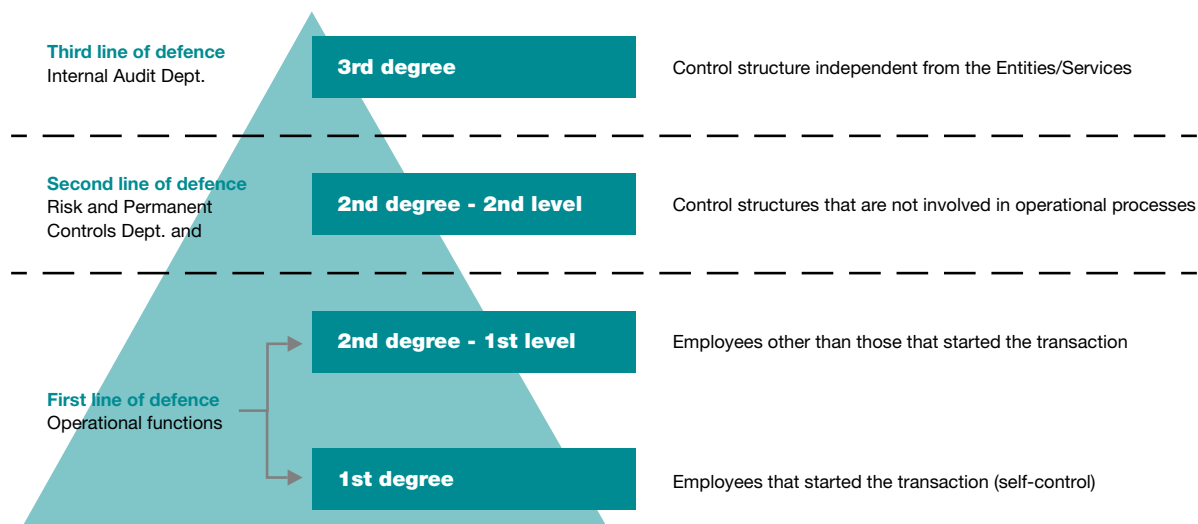
- Constant control of risks.
- Adequacy of the control activities to its organizational structure.
- Ensuring reliability, accuracy and promptness of reporting.

The internal control system provides for the involvement of the Collective Bodies, of the roles and structures engaged in control functions, of the "*Organismo di vigilanza*" (Body in charge of offence prevention -AML, Terrorism Financing, etc. - provided for by the Italian Law), of the Independent Auditors, of the Top Management of the Group' Companies and of all Staff members.

The analysis and monitoring of risks are carried out based on Group references, which provide for verification of abidance by the regulatory terms, of the reliability of process and their exercise, security and compliance.

The controls system provides for the use of an Internal Control Framework that implements the directions given by the Parent Company Crédit Agricole S.A., which require compliance with the expectations of the French Supervisory Authority ACPR set out in the document "*Arrêté du 3 novembre 2014 relatif au contrôle interne des entreprises du secteur de la banque, des services de paiement et des services d'investissement*".

The Internal Control Framework of the Crédit Agricole Italia Banking Group is implemented with the three defence lines set out in the chart below:



- First line of defence:
 - 1st degree controls: performed continuously, at the start of any transaction and throughout the process for its validation, by the employees that carry it out and by the persons they report to on a solid line, or performed by the automated systems for transaction processing;
 - 2nd degree – level 1 controls: performed by employees other than those that started the transaction.
- Second line of defence:
 - 2nd degree – level 2 controls: performed by the specialist structures engaged in last-level permanent controls, independent from structures and roles with business executive functions.
 - 1- and 2.1-degree controls aim at identifying, correcting and preventing any irregularities or anomalies in operations. 2.2-degree controls may be performed also based on the evidence found within lower-degree controls and, therefore, they may express also outcomes of lower degree controls.
- Third line of defence:
 - 3rd degree controls performed by the Internal Audit Function.

The updating of the system of normative instruments is also constantly focused on and, in addition to the upgrading to the regulations already implemented, also entails a coverage extension through specific policies that are in force for the Group as a whole.

The structures and roles engaged in 2nd-degree/2nd-level (2.2) and 3rd-degree controls report to the Boards of Directors of the single Companies on:

- Activities carried out;
- Main risks detected;
- Identification and implementation of the mitigation mechanisms and the effects of their implementation.

INTERNAL AUDIT

The Internal Audit Function of Crédit Agricole Italia is independent from all operational functions of the Bank and of its subsidiaries.

In order to ensure the appropriate independence in exercising the Function, the Internal Audit Function Holder (Chief Audit Executive or CAE) reports on a solid line to the Bank's Board of Directors. The independence of the Internal Audit Function is guaranteed also by the role of the Chief Executive Officer, who ensures management oversight and actual availability of the operational levers and of the appropriate financial and human resources for the Internal Audit Function's effective operation.

The Inspection Générale Groupe (IGL or Inspection Générale), the Internal Audit Function of the Parent Company Crédit Agricole S.A., directs and coordinates the activities of the structure.

The Internal Audit mandate vests the Board of Directors of the Parent Company Crédit Agricole Italia and, as relevant, the Boards of Directors of its Subsidiaries, with the responsibility for approving the annual and forward-looking audit plans, as well as for appointing to office and terminating the appointment of the CAE; the Internal Audit mandate also provides for the CAE to submit the main conclusions reached in the Function's activity, the progress in the internal audit plan and in the implementation of the requested corrective actions to the aforementioned Bodies.

In accordance with the Crédit Agricole Group's methods and approaches, the Internal Audit Function defines a mapping of auditable risks whereby audit priorities and frequencies can be set within a multi-year plan, which is approved by the Board of Directors and, as it relies on a risk-based approach, ensures a forward-looking view. The multi-year plan is revised on an annual basis; the mapping is shared with the Inspection Générale and submitted to the Board of Directors for approval.

The internal audit perimeter covers all organizational structures and processes of the Crédit Agricole Italia Banking Group, specifically including the Permanent Control and Compliance Functions, as well as the performance of outsourced Critical or Important Functions.

Audits not included in the annual audit plan may be carried out, at the decision of Crédit Agricole Italia's CAE based on the assessment of the evolutions in risks, or at the request of the Top Management or Corporate Governance Bodies or Officers.

The Function may investigate also in case of suspected or proved internal or external frauds, in case of reported issues, special tasks concerning matters not falling within the audit plan mapping, or as operational support.

The activities performed by the Internal Audit Function of the Crédit Agricole Italia Banking Group are assurance activities pursuant to the applicable professional standards and pursue the purpose of verifying:

- The adequacy and effectiveness of controls whereby the reliability of accounting, management and operation data of the audited scopes can be assured;
- Risk management and the related exposure level, specifically of credit risk, market risk, liquidity risk, interest rate risk, intermediation risk, settlement risk, anti-money-laundering risk, terrorist financing risk and of the various components of operational risk, including internal or external fraud risks, business continuity risk, legal risk, non-compliance risk and model risk;
- Compliance of operations and abidance by procedures;
- Proper implementation of the set corrective actions;
- The quality and effectiveness of the general functioning of the corporate organization.

In accordance with the Italian regulations, the Internal Audit Function pursues the objective of "detecting any breaches or violations of procedures and of the applicable legislation and regulations, as well as to periodically assess the completeness, adequacy, proper operation (in terms of efficiency and effectiveness) and the reliability of the internal controls system and of the information system (ICT audit), at frequencies set beforehand based on the nature and severity of risks".

The Internal Audit Function has the task of performing follow-ups to verify proper implementation of the recommendations given, as well as of all the recommendations issued by the Parent Company Crédit Agricole S.A. and by the Regulators on the Crédit Agricole Italia Banking Group's perimeters.

In 2024, an audit was carried out on the perimeter of operation of the 1st-degree and 2nd-degree - 1st level controls in the Internal Control System of the Retail Banking Channel.

The final outcome showed the need for a structural revision of the model of controls (both 1st degree and 2.1) leading to commercial time recovery, cost savings and higher effectiveness and efficiency, as well as to an improvement in the governance of the Network risks. The revision started, also with the assistance of external Consultants.

OTHER INFORMATION

DISCLOSURE ON TRANSACTIONS WITH RELATED PARTIES

Detailed information on intra-group transactions and on transactions with related parties, including information on the weight of the transactions or existing positions with said counterparties on equity, the financial situation and profit or loss, along with tables summarizing those effects, is given in Part H of the Note to the financial statements.

RESEARCH AND DEVELOPMENT

For information on research and development activities, please see other parts of this Report, specifically the chapter on the Strategic Plan and Business Development Lines as regards the creation of new products and services for Customers.

TREASURY SHARES

The Parent Company Crédit Agricole Italia holds treasury shares. No company of the Group holds shares in the Parent Company. For more information on equity, please see the Note to the financial statements.

PERFORMANCE OF THE CONSOLIDATED COMPANIES

THE PERFORMANCE OF CRÉDIT AGRICOLE GROUP SOLUTIONS OPERATIONS

Crédit Agricole Group Solutions was incorporated in 2015 with the purpose of improving the Group's operational efficiency and increasing the quality of the services provided in the ITC, operational processes, logical and physical security, and property management scopes.

For this reason, all the Group's structures operating in the aforementioned scopes were centralized in Crédit Agricole Group Solutions, with the objective of identifying new synergies for the Group's entities.

The total amount of income achieved in 2024 hit 377 million Euros and was determined reallocating the expenses incurred by the Consortium for the provision of its services to the Group's entities, based on the application of the adopted cost allocation model.

Operating expenses came to Euro 381 million Euros, increasing by 2 million Euros (+0.5%) vs. the previous FY, an increase that mainly resulted from higher depreciation and amortization expenses and lower administrative expenses.

Personnel costs came to Euro 77 million (accounting for 20% of total expenses) and were essentially stable vs. 2023. The increase resulting from the impact of the updating of the 2023-2026 Italian national collective bargaining agreement was offset by the reduction in personnel costs thanks to higher capitalization of IT resources for the projects under the investment plan (5.1 €/mln as at 31 December 2024 vs. 4.3 €/mln as at 31 December 2023).

Administrative expenses came to 216 million Euros (accounting for 57% of total expenses) decreasing by 2 million Euros vs. the previous year. The decrease resulted both to effective cost management activities carried out in the reporting year and to the release of some provisions set aside in previous years, managed over time with a conservative approach, which offset the increases in ICT and Logical Security expenses.

Depreciation and amortization came to Euro 88 million, increasing by Euro 3.6 million (+4.2%) vs. the previous year; due to the impact of the higher IT investments consistently with the medium-term strategic plan, partly offset by the progressive decrease in depreciation and amortization on previous investments.

Since the Consortium operates on a not-for-profit basis, all expenses borne for service provision were fully reallocated to the Consortium members and, consequently, the Income Statement for 2024 broke even.

THE PERFORMANCE OF CRÉDIT AGRICOLE LEASING ITALIA (CALIT) OPERATIONS

Crédit Agricole Leasing Italia is CA leasing entity in Italy and is part of the Crédit Agricole Italia Group.

In 2024 the Italian finance lease market (excluding long-term automotive leases and operating leases of capital equipment) posted over 228 thousand contracts for a financed amount exceeding 20.7 billion Euros²³.

Versus 2023, the Lease market posted YoY decline both in the number of contracts (-2.7%) and in their value (-1.8%), due to a thoughtful approach to investments.

Having regard to the types of financed assets, a considerable decrease occurred in the renewable energy segment (volumes down by -46.3%) and in the equipment segment (volumes down by -12.9% YoY) while the air rail naval segment grew (up by +19.7%), as did the automotive segment (up by +7.3%) and the real estate one (up by +5.3%).

In such a strongly competitive scenario,, Crédit Agricole Leasing Italia proved able to maximize the opportunities generated by its belonging to the Crédit Agricole Group, proposing the most efficient lease solutions to meet Customers' needs and with increasing attention to sustainability.

In FY 2024 production grew vs. 2023 in terms of intermediation volumes (Euro 1,377 million, +5% YoY) while the number of new contracts signed slightly decreased (7,447, -2% YoY).

The 2024 new production breaks down as follows: approx. 47% in operating equipment leases, 22% in motor leases, 4% in leases associated with renewable energy, 8% in air sea and rail leases and, lastly, 19% in real estate.

Having regard to the distribution channel, the synergy with Crédit Agricole Italia proved once again fruitful, with about 81% of the 2024 production volumes (vs. 78% in 2023) achieved through the Bank's network on common Customers (+9% YoY). The weight of third-party distribution networks accounted for 19% of 2024 production volumes (vs. 22% in 2023), with a performance decreasing YoY (-6% YoY) due to the offering typically focused on the equipment segment, which was strongly penalized by the aforementioned market performance (-12.9% YoY).

Gross loans came to Euro 3,146 million (+2.9% YoY); performing loans increased coming to Euro 3,052 million (up by Euro +111 million, i.e. +3.8% YoY) and non-performing loans decreased, coming to Euro 94 million (down by Euro 22 million, i.e. 18.9% YoY).

The weight of gross non-performing loans came to 3.0%, decreasing vs. 2023 (-0.8%) and constantly below the market figure (5.9% as at 31 December 2024²³). The weight of net non-performing loans also improved, coming to 1.2% vs. 1.6% in 2023 (2.5% as at 31 December 2024²³).

In terms of profit or loss, in FY 2024 the Company reports a net profit of Euro 13.2 million, higher than the 2023 figure (+9%), thanks to the combined positive effect of higher revenues and lower adjustments to loans.

Net operating income came to Euro 46.8 million, increasing by +1.5% YoY, with net interest income of Euro 32.3 million (- 4.0% YoY, as it was negatively impacted by market rates remaining high, which reduce margins, amid harsher and harsher competition on applied rates in the lease market and borrowing cost levels) and the service component of Euro 14.4 million (+16% YoY). This aggregate consists of net fee and commission income for Euro 3.8 million (down by -21% YoY, due to the decline in the the traditional components of lease contract application processing and, in particular, of the management of new contracts in the real estate to be built and renewable energy production plants), of net operating income for Euro 11.9 million (up by +31% YoY) and of expenses not recoverable from Customers amounting to Euro -1.3 million (down by -15% YoY).

Overhead expenses came to Euro 16.6 million, up by +5% YoY, with higher personnel expenses (because of organic growth in the structure, of the renewal of the applicable Italian national collective bargaining agreement and the strengthening of the governance structure), higher depreciation and amortization (consistently with the investment plan supporting the industrialization and digitalization of the operating machine) and lower administrative expenses (thanks to the benefits generated by the aforementioned projects and lower outsourcing costs).

²³ Source: Assilea data processing as at 31 December 2024.

The Cost/Income ratio came to 35.5% (vs. 34.2% in 2023), giving evidence of the structure's operational efficiency.

Operating income came to Euro 30.2 million, essentially stable YoY (-0.4% YoY).

The cost of risk came to Euro 10.7 million, decreasing by -10% YoY, and consisted mainly of the cost of credit, which came to Euro 10.4 million (down by -7% YoY), and to 34 bps vs. 39 bps in 2023. The important results achieved in terms of NPE reduction (management and collection with no need for formal insolvency procedures), down by -50 million Euros, more than offset new non-performing positions (at Euro 28 million), thus leading to further increase in the coverage ratios (NPE coverage ratio at 60.0% in 2024 vs. 58.2% in 2022).

As regards Capital Ratios, the CET 1 Capital ratio came to 6.86% and the Total Capital ratio to 7.34% (well above the minimum regulatory requirements, of 4.5% and 6.0%, respectively).

STATEMENT OF RECONCILIATION OF THE PARENT COMPANY EQUITY AND PROFIT (LOSS) AND CONSOLIDATED EQUITY AND PROFIT (LOSS) FOR THE PERIOD

	31 Dec. 2024	
	Equity	of which: Profit for the period
Parent Company's balances	8,265,745	793,627
Effect of consolidation of subsidiaries	23,263	13,138
Effect of the equity method accounting of significant equity investments	1,902	2,635
Dividends received in the period		-50
Other consolidation adjustments	1,607	-1,066
Consolidated balances	8,292,517	808,284

OUTLOOK

The forecasts regarding the macroeconomic and banking scenario in 2025 are based on the assumption of stability of energy and food commodity prices in the forecast period, which, in case of any sharp increase in prices caused by any worsening of the geopolitical scenario, would generate a negative impact on global inflation and would undermine the expected growth.

MACROECONOMIC AND BANKING OUTLOOK FOR 2025

MACROECONOMIC SCENARIO²⁴

In 2025, the growth in the **Gross World Product** should come to +3.3%, a performance equal to that of the G20 economies and essentially stable vs. +3.2% posted in 2024, with emerging Countries outperforming the global growth. On the other hand, in developed Countries inflation is expected to go back to around the targets of the respective Central Banks, contributing to stimulating the growth in households' real income and to supporting consumption, while in emerging economies inflation is expected to remain above the targets, although declining vs. 2024. The growth estimates are not free from uncertainties resulting from the risk of an *escalation* in the trade tensions between the USA and China, which could negatively affect international trade and slow down growth.

- In the **USA** the GDP is expected to slow down to +2.4% in 2025, vs. +2.8% in 2024. The slowdown will result from domestic demand, with consumption likely to decline due to demand for work cooling down, which may limit households' disposable income and cause them to make further use of the savings set aside during the pandemic. Likewise, gross fixed investments may slow down, as the boost resulting from lower interest rates will be partly offset by the slowdown in household consumption, although business investments are expected to continue to grow at a modest pace, despite higher refinancing rates than during the pandemic. In any case, the general performance will be affected by the domestic and foreign policy choices made by the Trump administration. The expansionary fiscal policy dreaded by the US President may generate repercussions on fight against inflation, with the FED in the position of having to dampen the optimistic forecasts on interest rate cuts in 2025, although the *Federal Funds Rate* should however continued on its decreasing trend. Furthermore, the possibility is emerging of a trade war with China, fuelled by the possible imposition of other tariffs on all the goods from the Asian Country, which may be extended also to other economies (EU, Mexico, Canada), thus contributing to fuel global trade tensions.
- **Emerging Countries** are expected to grow again in 2025, which will cause the gap with developed Countries to further decrease, with the prospect of generating value from the global trade restructuring and from investments. Interest rate cuts by the FED in the United States may boost the financial markets of emerging Countries, with capital inflows from investors seeking high, albeit riskier, yields, driving global trade. In Asia, the recovery in the technology cycle should drive exports from Korea, Taiwan, Vietnam and Malaysia. Monetary policy decisions may go towards easing of interest rates in most developing economies, while remaining vigilant on inflation and foreign exchange, to ensure that price growth goes back to the target in a sustainable and sustained manner, as in the case of Chile, Colombia and Mexico, while in Indonesia and South Africa easing will be modest. In Argentina, the GDP should resume growth after declining in 2024, thanks to the development in domestic demand, driven by both the recovery in private consumption and investments.
- Uncertainty continues to affect the **Chinese** economy: in 2025 the GDP growth is expected to slow down (+4.7%) vs. +5.0% in 2024. The slowdown lies in the considerable general lack of confidence, with private consumption further weakening because of the precautionary increase in propensity to save, given the decline in new jobs and the high uncertainty affecting the Country. Therefore, the driver of growth should lie in investments in infrastructures and in the manufacturing sector, which are expected to develop at a constant pace, with public investments expected to increase thanks to the higher issue of debt instruments by local governments. Inflation is expected around one percentage point, a level that would fend off the threat of deflation, with lower profits for businesses and delays in investments, contributing to pushing consumption down. Exports of goods and services are assumed to continue to grow at a steady pace, albeit slowing down vs. 2024, although they may be affected by global trade restrictions potentially becoming harsher, with negative consequences on the Chinese manufacturing activity. In January 2025, through the China Securities Regulatory Commission (Csrc), the China Government **took action to support the stock exchange, encouraging** State insurance companies to allocate 30% of their new premiums for the year in A-shares, while collective investment schemes will also be invited to invest at least 10% more of their assets in A-shares in the next three years.
- As to the **United Kingdom**, the GDP growth will strengthen up to +1.7% in 2025 according to the latest estimates, vs. +0.9% in 2024, with the main driver of growth being domestic demand, fostered by the large increase in public expenditure under the Autumn Budget. On the other hand, wage pressures on services prices are not expected to stop, along with the fiscal policy, leaving overall inflation slightly above target in 2025. In this scenario, the Bank of England is nonetheless expected to further lower its key interest rates, fostering economic growth.

²⁴ Sources: Prometeia, Forecast Report (December 2024); ECO, World Macro-Economic Scenario 2024-25 (October 2024); OECD Economic Outlook (December 2024).

- In 2025, **India** will continue in its economic growth phase (+6.9%, in line with its 2024 figure of + 6.8%), with investments expected to be the main driver of this performance, with an acceleration in the expenditure for public infrastructures and in credit supporting private investments. The Central Bank, which left rates unchanged in 2024, may opt for some easing in the current year, despite inflation being expected slightly above 4%, in any case decreasing vs. +4.8% in 2024.
- The **Russian** economy is expected to slow down, after growing by +3.5% in 2024. The slowdown will be caused mainly by the imbalances resulting from support to the war economy, with the budget allocated for the war industry that should increase even further. Inflation is expected to continued to increase, despite the high key interest rates, which, in all likelihood, will slow down consumption and private investments.

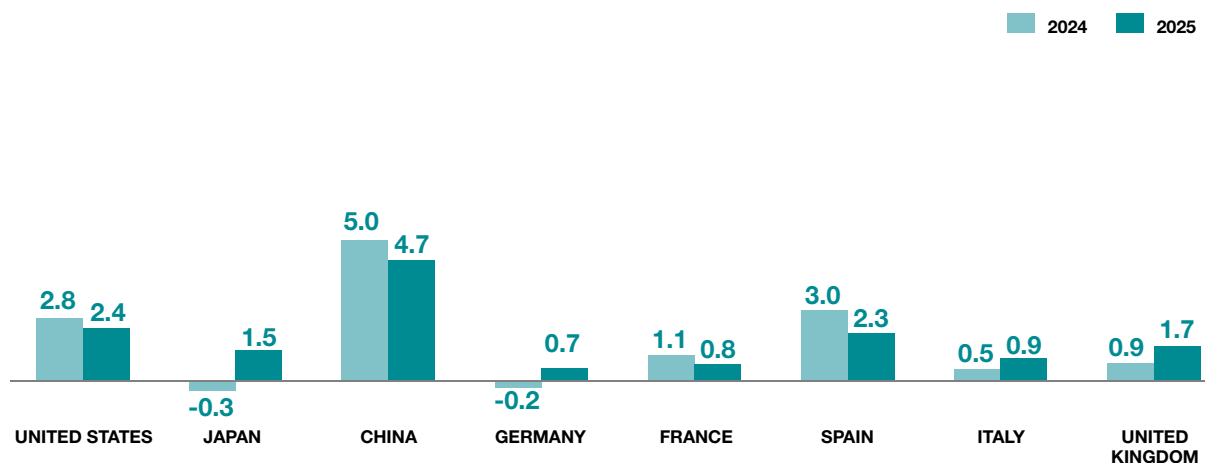
EURO AREA

The **GDP of the Euro Area** is expected to grow at a faster pace of +1.3% in 2025 vs. +0.7% in 2024 and to continue to grow in 2026, thanks to recovery in domestic demand. The main development factors will be private consumption, driven by higher nominal wages in a lively labour market, and the consequent increase in real disposable income, fostered by inflation that should reach the ECB target. Yet another driver of domestic demand will be private investments, which will benefit from more favourable borrowing conditions (interest rates are expected to further decrease in the coming year), while public investments will be driven by the funds under Italy's Recovery and Resilience Plan.

In 2025 the fiscal policy is expected to be tougher, with the discontinuation of the measures in response to energy and inflation shocks, and the adoption by the Euro Area Member States of consolidation measures based on the implementation of the new fiscal rules, aimed at supplementing budget buffers and at supporting the monetary policy easing underway with inflation back to its target.

The forecasts for the main economies in the Euro Area are given below:

- After posting a slight decrease (-0.2%) in 2024, **Germany** is expected to resume growth in the next two years, up by +0.7% in 2025 and +1.2% in 2026, thanks especially to private consumption, which will be driven by higher purchasing power generated by wage increases, and by the decline in inflation, which is expected to be close to the ECB target. Private investments should show signs of recovery, driven by businesses' high savings, and by the expected decrease in interest rates, although political uncertainty will continue to affect investors' confidence. Exports are expected to grow, thanks to stronger demand from the main trade partners.
- In 2025 **France's** GDP is expected to slow down slightly vs. the previous year (+0.9% in 2025 vs. +1.1% in 2024) due to the fiscal consolidation efforts that should negatively affect growth, partially offsetting the positive impact of monetary policy alignment on residential and commercial investments. Nevertheless, domestic demand is expected to be stable in 2025, driven also by private consumption, thanks to inflation going down (it is expected to be below the ECB target) and thus increasing households' purchasing power.
- The growth in **Spain's** GDP is expected to slow down in 2025 and 2026, coming to +2.3% and +2.0% respectively, vs. +3.0% in 2024. Also for Spain, the main driver of the GDP growth will be the development in domestic demand, with private consumption expanding thanks to stability in the labour market, to higher households' savings and to the increase in real income, with inflation going down to around the ECB target. Investments are expected to increase vs. 2024, thanks to lower borrowing costs and to the implementation of Spain's Recovery and Resilience Plan.

GDP: YoY % change

Source: OECD, Economic Outlook (December 2024).

THE ITALIAN ECONOMY²⁵

The **Italian economy** is expected to grow at a modest pace in 2025 (+0.9%), accelerating vs. the previous year (+0.5%), despite the many uncertainty factors associated with the international scenario, such as the risk of further market fragmentation due to the geopolitical tensions and the slowdown in international trade, as regards especially the main European trade partners. Growth, slightly below the EMU average, should be driven by domestic demand, acceleration in consumption and the boost from public investments under Italy's Recovery and Resilience Plan, with zero contribution from net foreign demand and inventories. Sectors such as renewable energy and tourism may give opportunities for growth, but political stability and administrative efficiency will be decisive to attract investments and ensuring sustainable growth.

In the coming year, it has been estimated that **inflation** may gradually go back up to around 2%, in line with the ECB target, granted that the geopolitical tensions generate no other shocks. This development should be driven by both the end of downward pressure exercised by the decrease in energy prices, and by the wage increases in the last two years, which will prevent core inflation to decrease further.

Considering the foregoing forecasts, the **2025 Budget Law** was approved, with the measures in the Euro 30 billion plan focusing mainly on reducing taxpayer burden and on supporting employees' medium-low income, with a weight of about Euro 18 billion. Moreover, resources have been allocated to the renewal of the public administration contracts, to the refinancing of the Italian national healthcare fund and to allowances for large households and incentivizing natality. The budget policy in question provides for resources to progressively increase to Euro 35 billion in 2026 and to over Euro 40 billion in 2027, reflecting an increasing commitment to the set priorities. In this general picture, the 2025 deficit target has been set at 3.3% of the GDP (markedly decreasing vs. the 2024 figure of 7.2%), and is then expected to decrease to below the 3% mark in the following year.

Due also to the expected results of the Budget Law, in 2025 household **consumption** is expected to speed up thanks to the measures reducing the tax wedge for income up to 32,000 Euros, with a decrease for income up to 40,000 Euros, with further growth in employment and real wages. Nevertheless, investments in Government securities are expected to slow down, due to lower yields vs. the previous years, but to keep growing, thus giving a significant contribution to supporting the State financial needs, as substantiated by the big demand for the two BTP Italian government bonds issued in early January 2025, along with the BTP Più issue in February.

Having regard to **gross fixed investments**, after the expected slowdown in 2024, the current year is still expected to be complex, due to the slow start of the incentives under the Transition 5.0 Plan, whose goal is to support the transition of manufacturing processes to a more efficient model in terms of sustainable energy profile based on renewable energy. Specifically, investments in equipment are expected to recover (up by

²⁵ Sources: Prometeia, Forecast Report (December 2024); ISTAT, the Italian economic outlook in 2024-2025 (December 2024); OECD, Economic Outlook (December 2024).

around 2% YoY), albeit to a modest extent due to international trade, which will be offset by the drop in real estate investments (down by -3.0% YoY), being penalized by the residential component.

As regards the **labour market**, the scenario expects it to further improve vs. the already considerable present levels, with the employment rate increasing, albeit at a lower pace than in 2024, along with further reduction in the unemployment rate, which is expected to post a lower average figure than in 2024 (expected at an average figure of 6.0% in 2025 vs. 6.5% in 2024). Lastly, other positive signs should come from the development in per capital remuneration, which would post a new increase, thus driving households' purchasing power.

THE BANKING SCENARIO²⁶

The policies and measures deployed by **Central Banks** will be decisive in guiding the banking industry outlook, also considering the quite complex economic and political scenario. At its December 2024 meeting, the last one in the year, the ECB expressed optimism on inflation, but it specified that *"the job was not yet done"* and that *"risks to economic growth remained tilted to the downside"*; however, President Lagarde reasserted the will to maintain a meeting-by-meeting, *data-dependent* approach to setting rates, as done also by the FED. In any case, the *consensus* expects the two Central Banks to make new cuts in 2025, albeit at different paces and for different amounts: as it has to address a weaker economy and inflation around its target, the ECB may make several rate cuts in the year, taking its *deposit facility rate* to 2% (within its 1.75% - 2.25% *range of neutral rate* estimated by the ECB economists); conversely, benefiting from a stronger economy but closely monitoring President Trump's fiscal policies, the FED may make no more than two cuts with the *neutral rate* calculated by its economists ranging between 2% and 3%.

Having regard to the income statement performance, in 2025 a physiological decrease is expected in **net interest income** due to narrowing of the net interest spread, only partly offset by increasing yields of the security portfolio and by non-commercial components. Likewise, **net fee and commission income** is expected to continue on the growing trend started in 2024 thanks to the expected growth in net funding, especially in the segment of collective investment schemes; nevertheless, the fee and commission income component will hardly be able to fully offset the decrease in net interest income. The foregoing developments, along with the expected slight increase in the cost of risk, will likely lead to the normalization of the growth trajectory of the banking sector profitability not only as regards 2025, but also for the next three years.

Investments in IT and enhancement of human capital have been confirmed in order to support the transition to more digital and sustainable business models, with consequent effects on the aggregate's trajectory. Likewise, in order to offset those investments, several Groups have announced additional plans for the rationalization of staff and aimed at generational turnover, with a consequent decrease in operating costs throughout the next three years, considering also the considerable reduction in expenses for contributions to bank resolution funds.

In 2025, **lending** to households and businesses is expected to recover, albeit growing at a modest pace, thanks to lower interest rates. The most lively component will be that of loans to households, as they will be able to benefit from a recovery in purchasing power, and will be the basis for growth in the coming years. On the other hand, the corporate segment may prove unable to give a material contribution to the recovery, with alternative financing sources and self-financing, which will continue to be a valid alternative to borrowing from banks. Having regard to funding, the direct funding recomposition process should continue, with liquidity being shifted towards fixed-term deposits despite the decline in returns, while indirect funding will slow down, albeit continuing to grow at a steady pace.

Active management of **non-performing loans** along with asset disposals, will limit the growth of NPLs, which, nonetheless, are expected to increase in 2025. Analysts expect risk indicators not to reach the peaks they reached in the past, also in a more stressed macroeconomic scenario, thanks to still high liquidity held by households and businesses, which can be used to address the first difficulties in loan repayment. Therefore, in 2025, the cost of risk will tend to slightly increase, but, in any case, it will be mitigated by the considerable *overlays* on banks' balance sheets.

The Italian Banking Groups' **capital position** is expected to increase throughout the 2025-27 three-year period, with capital levels expected to grow at an average pace of +3.5% a year, ensuring capital ratios well above the minimum requirements set by the Supervisory Authority and fit to address adverse scenarios. The growth in capital and reserves will be driven by self-financing, which, although keeping high distribution

²⁶ Sources: Prometeia, Forecast Report (December 2024); Prometeia, Previsioni Bilanci Bancari (October 2024).

levels, will lead to retain profits amounting to approximately 45 billion Euros in the 2024-26 three-year period. From a regulatory perspective, the legislator continues to set higher capital requirements and, beside the well-known *systemic risk buffer*, in January 2025, the update of the Basel III accord, called Basel IV, will enter into force; the new regulatory *framework* will require an updated approach to calculate risk-weighted assets. Furthermore, although the cyber resilience stress test had favourable results, there are still areas in which Banks will have to invest resources in order to be even readier and faster in addressing this type of risk, which, in the next two years, will be one of the banking supervision priorities.

SIGNIFICANT EVENTS OCCURRED AFTER THE REPORTING DATE

As regards the Crédit Agricole Italia Banking Group, it is reported that, from 31 December 2024 to the date of approval of this Report, no events occurred which could generate significant changes in the structure of the Crédit Agricole Italia Banking Group and in its profit (loss) for 2024.

Amongst the uncertainty factors that may affect the future scenarios in which the Crédit Agricole Italia will operate, to be taken into account are the possible effects on the global and Italian economy generated by the macroeconomic evolution (monetary policy and process to bring inflation back towards its target) and by the complex geopolitical situation. Given the current scenario, the Group is keeping a very prudent approach in its risk policy.

Furthermore, the Group's solvency and liquidity (which are monitored on a daily basis), continue to be very strong.

CONSOLIDATED SUSTAINABILITY STATEMENT

*pursuant to Italian Legislative Decree no. 125 of 6
September 2024, Delegated Regulation (EU) 2023/2772,
Art. 8 of Regulation (EU) 2020/852*



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READING GUIDE AND DEFINITIONS



READING GUIDE

Crédit Agricole Italia SpA (hereinafter referred to also as CAI) is subject to the Corporate Sustainability Reporting Directive (CSRD), i.e. Directive (EU) 2022/2464, which was transposed in Italy with Legislative Decree 125/2024 and which requires the presentation of a Sustainability Statement.

This Consolidated Sustainability Report (hereinafter also “Sustainability Report”) has been prepared in accordance with the CSRD and with Delegated Regulation (EU) 2023/2772, adopting the European Sustainability Reporting Standards (ESRS) and disclosing the information Regulation (EU) 852/2020, known as the EU Taxonomy.

Crédit Agricole Italia S.p.A. is the parent company of the Crédit Agricole Italia Banking Group and of the Crédit Agricole Italia legal Group. In accordance with the rules on the reporting perimeter, this Sustainability Report refers, in its various parts, to the subsidiaries or associates set out in section ESRS2 and, each time, in the individual sections.

Crédit Agricole Italia S.p.A. is controlled by Crédit Agricole S.A., which, in its turn, presents its consolidated Sustainability Report, consolidating the date of its subsidiaries and associates, as exhaustively described therein. Therefore, this Sustainability Report is closely coordinated with the Sustainability Report of the Parent Company Crédit Agricole S.A., to which reference is made (*Rapport de durabilité*, available on Crédit Agricole S.A.’s website).

CAI’s sustainability strategies and policies fall into a general framework coordinated at an international level by Crédit Agricole S.A. This is the reason why, in this Sustainability Report, reference is made to the Medium-Term Plan and to the Transition Plan set by Crédit Agricole S.A., to the implementation of which Crédit Agricole Italia SpA gives its full contribution. For the sake of clarity, the parts referring to the Crédit Agricole S.A. Group are marked with a light green background.

The definitions of the terms and acronyms used in the Sustainability Report to identify the different corporate perimeters are given below.

Crédit Agricole Italia S.p.A. (referred to also as “CAI”): the parent company of the Crédit Agricole Italia Group;

Crédit Agricole Italia Banking Group hereinafter referred to also with its Italian acronym as “GBCAI”: the Banking Group in accordance with its perimeter for prudential consolidation, consisting of Crédit Agricole Italia S.p.A. (CAI), Crédit Agricole Group Solutions S.c.p.a. (CAGS), Crédit Agricole Leasing Italia S.r.l (CALIT), Crédit Agricole Italia OBG S.r.l. and Stellite Real Estate S.p.A.; the GBCAI’s Companies that are lenders are CAI and CALIT;

Crédit Agricole Italia Group hereinafter referred to also as “CAI Group”: the Group consisting, besides the Parent Company Crédit Agricole Italia S.p.A., of the subsidiaries, jointly controlled companies and associates;

Crédit Agricole S.A. hereinafter referred to as “CAsa” or “CA.sa” or “Parent Company” or “Crédit Agricole s.a.”: the French company that controls Crédit Agricole Italia SpA;

Crédit Agricole S.A. Group hereinafter referred to also as the “CAsa Group”: the Group consisting of Crédit Agricole S.A. and the entities it controls, including Crédit Agricole Italia;

Crédit Agricole Group hereinafter referred to also as “CA Group or GCA”: the wider Group consisting of Crédit Agricole S.A., its subsidiaries, the set of Crédit Agricole Regional Banks and Local Banks and the entities they control; the CA Group is generally the disclosure perimeter of CAsa’s Sustainability Reporting.

In this Sustainability Report, the following sections are presented in accordance with the ESRS: ESRS2 General disclosures, ESRS E1 Climate change, with the disclosures required under Article 8 of the Taxonomy Regulation, ESRS S1 Own workforce, ESRS S3 Affected communities, ESRS S4 Consumers and end-users, ESRS G1 Business conduct.

DEFINITIONS

ABI Lab Guidelines: guidelines issued by the Italian Banking Association, which give indications on the methods to implement and apply the environmental topics under the ESRS, ensuring transparency and comparability of the disclosures given in the reporting by financial institutions.

Affected communities: people or group(s) living or working in the same area that has been or may be affected by the reporting undertaking's operations or through its value chain upstream or downstream.

Board induction: specific training sessions for top managers, Directors and members of the Supervisory Bodies.

DMA: Double Materiality Assessment, assessment of impact materiality and financial materiality.

Double materiality or materiality: two dimensions of a sustainability matter, that is to say impact materiality and financial materiality; a sustainability matter meets the double materiality criterion if it is material from an impact perspective (inside out), and from a financial perspective (outside in), or from both perspectives.

EU Taxonomy: the provisions of Regulation (EU) 2020/852 on the establishment in the European Union of a unified classification system for sustainable activities in order to overcome the absence of uniform definitions and thus to ensure that investors are given transparent and comparable information on sustainable investments; an economic activity is classified as environmentally -sustainable if it meets the criteria listed below: (1) it contributes substantially to one or more of the six environmental objectives, (2) it does not significantly harm any of the other environmental objectives (Do Not Significant Harm - DNSH principle), (3) it complies with some minimum social safeguards.

GHG Protocol: international standard to measure, manage and report greenhouse gas emissions.

Own workforce or Own Workers: individuals who, in compliance with the national law or practices, are in an employment relationship with the undertaking ("employees") and non-employees who are individual contractors supplying labour to the undertaking. This Sustainability Report covers employees with both permanent and fixed-term employment contracts.

SASB Standards: standard SASB standards identify the subset of environmental, social, and governance matters that are the most material for sustainability and have a reasonable probability to generate an impact on the operating and financial performances of an undertaking and on its risk profile.

Scope 1 GHG emissions: Direct greenhouse gas emissions that occur from sources that are controlled or owned by the undertaking.

Scope 2 GHG emissions: Indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling, which the undertaking consumes.

Scope 3 GHG emissions: All indirect greenhouse gas emission (other than scope 2 GHG emissions) are those that arise across the reporting undertaking's value chain, both upstream and downstream.

Sustainability Report: or Sustainability Statement prepared and presented in accordance with the CSRD to the benefit of the undertaking's stakeholders.

Transition Plan: Climate transition plan prepared and reported in accordance with ESRS E1.

Value chain: The full range of activities, resources and relationships related to the undertaking's business model and the external environment in which it operates. The value chain encompasses the activities, resources and relationships the undertaking uses and relies on to create its products or services from conception to delivery, consumption and end-of-life.

ACRONYMS

AR: Application Requirements: the give additional information supporting DP reporting.

CSDDD: Corporate Sustainability Due Diligence Directive - Directive (EU) 2024/1760.

CRR: Capital Requirements Regulation - Regulation (EU) 2013/575.

CSRD: Corporate Sustainability Reporting Directive - Directive (EU) 2022/2464 transposed into the Italian Law with Legislative Decree 125/2024.

DMA: Double Materiality Assessment.

DNSH: Do Not Significant Harm - taxonomic screening criterion.

DP: Datapoint: a clearly separable and specific piece of information required by the ESRS Disclosure Requirements (DRs).

DR: Disclosure Requirements laid down by Regulation (EU) 2023/2772.

EFRAG: European Financial Reporting Advisory Group: Private association established in 2001 with the encouragement of the European Commission to serve European public interest in both financial and sustainability reporting.

EPC: Energy Performance Certificate, a document describing the energy features of a property and gives a synthetic score of its energy performances on a scale from A4 to G (a scale of 10 letters).

ESRS: European Sustainability Reporting Standards setting out the methods, and the general and disclosure requirements that undertakings shall comply with in their Sustainability Reporting.

GAR: Green Asset Ratio - the ratio of EU Taxonomy-aligned assets to total covered assets (Reg. (EU) 2020/852 as supplemented by Reg. (EU) 2021/2178) expressed as a percentage.

GHG: Greenhouse Gases.

GRI: Global Reporting Initiative.

ILO: International Labour Organization, a United Nations agency.

IRO: Impacts, Risks and Opportunities regarding environmental, social and governance matters.

ISSB: International Sustainability Standards Board.

KPI: Key Performance Indicators.

MIFID: Markets in Financial Instruments Directive.

NZBA: Net Zero Banking Alliance - the UN-convened and Industry-led initiative aimed at accelerating the international banking sector's climate transition. The member banks committed to aligning their loan and investment portfolios with the Net Zero greenhouse gas emissions target by 2050, consistently with the targets set by the Paris Accord on Climate.

NZEB: Nearly Zero Energy Building.

PAI: Principal Adverse Impacts: significant or potentially significant negative effects on sustainability factors. These effects are caused, worsened or directly associated with investment decisions and advisory services on investments.

PCAF: Partnership for Carbon Accounting Financials, standard protocol to calculate carbon footprints.

SBTi: Science Based Targets initiative.

SFDR: Sustainability-related disclosure in the financial services sector, Regulation (EU) 2019/2088 ("Disclosure Regulation" or "SFDR") on sustainability-related disclosures by financial market participants, steering investments towards financial products that support social and environmental objectives and integrating ESG risk management in their investment decision-making process.

RESPONSIBILITY IN GOVERNANCE

GOVERNANCE, STRATEGY AND DOUBLE MATERIALITY ASSESSMENT

ESRS2. GENERAL DISCLOSURES



REPORTING STANDARDS

General basis for preparation of the sustainability statement

ESRS2
BP-1
DP5

The Crédit Agricole Italia Group is part of the Crédit Agricole Group, which classifies as a “large undertaking” pursuant to Article 3(4) of Directive 2013/34/EU and is required to prepare and present its consolidated Sustainability Report under the CSRD. GBCAI contributes its information and disclosures to the consolidated reporting by the Parent Company.

As an issuer of financial instruments quoted on regulated markets, Crédit Agricole Italia is subject to the specific obligations under the CSRD and prepares and presents its Sustainability Report.

The statement on Taxonomy, pursuant to Article 8 of Regulation (EU) 2020/852, is prepared based on prudential consolidation perimeter, in compliance with Regulation (EU) 2021/2178 and as exhaustively described in Section E1.

The sustainability reporting perimeter is the same one used for financial reporting in the Consolidated Financial Statements. Crédit Agricole Italia’s subsidiaries as at 31 December 2024 that are included in this Sustainability Report and exempt from the obligation to prepare and present a sustainability statement on a separate or consolidated basis are listed below.

Therefore, the CAI Group’s perimeter comprises, besides the Parent Company Crédit Agricole Italia, the subsidiaries listed below, irrespective of the method of consolidation used to prepare the Financial Statements:

- Crédit Agricole Italia S.p.A.
- Crédit Agricole Leasing Italia S.r.l.
- Crédit Agricole Group Solutions S.c.p.A.
- Crédit Agricole Italia OBG S.r.l.
- Stelline Real Estate S.p.A.
- Crédit Agricole Real Estate Italia S.r.l.
- Agricola Le Cicogne S.r.l.
- San Piero Immobiliare S.r.l. in liquidazione
- San Giorgio Immobiliare S.r.l. in liquidation
- Le Village by CA Parma Società benefit S.r.l.
- Le Village by CA Triveneto S.r.l.
- Le Village by CA delle Alpi Società benefit S.r.l.
- Le Village by CA Milano S.r.l.
- Le Village by CA Sicilia S.r.l.

Having regard to associates, their position in the CAI Group’s value chain has been determined with the operational control approach, as defined by IFRS 10.

As at 31 December 2024, the CAI Group held consolidated equity investments in the following associates:

- Fiere di Parma S.p.A.
- Global Broker S.p.A.
- Valtellina Golf Club S.p.A.
- BDX S.p.A.
- Blank S.p.A.

In this report, the perimeter consists of the entities consolidated on a line-item basis. Conversely, the associates are in the value chain upstream and downstream. As regards value chain reporting, for the first reporting year, the CAI Group has opted for phased-in application.

Crédit Agricole Italia's own operations are defined as those of its parent company and its subsidiaries, on which it directly or indirectly exercises exclusive control.

To prepare its Sustainability Report, the CAI Group assessed the material elements in this value chain upstream and downstream in order to identify its material processes and stakeholders, as regards both the supply chain and the business model.

Crédit Agricole Italia has outlined its value chain perimeter of this Sustainability Report considering three macro-areas:

- Its own operations, which represent the CAI Group's direct commitment in addressing sustainability matters, both as a responsible employer, with the adoption of policies fostering wellbeing and diversity, and in managing its environmental impact. This includes resource optimization, the implementation of sustainable practices and the deployment of strategies aimed at reducing the environmental impact of its operating activities;
- Its upstream value chain, which comprises all the Group's operational processes regarding its supply chain;
- Its downstream value chain, which comprises all the Group's processes regarding its commercial activities and the related support processes, including relationships with customers and provision of financial services.

The value chain actors have been identified by CAI's Board of Directors as summarized below.

VALUE CHAIN	ACTORS	DESCRIPTION
Upstream	Suppliers	Main suppliers assessed based on the cost of annual orders and product-type sector
	Shareholders	Shareholders and Foundations
	Partner companies	The main companies of the CA Group in Italy identified based on the business synergies with CAI
Own Operations	CAI Group	Crédit Agricole Italia and its consolidated subsidiaries
	Own Workforce	Employees and non-employee workers of the Crédit Agricole Italia Group
	Owned assets	The CAI Group's owned and operating assets, referred to in Section E1
Downstream	Customers	Individuals and entities having a business relationship with the companies of the CAI Banking Group

The material impacts, risks and opportunities reported in the document regard the value chain as a whole based on the outcomes of the double materiality process. Detailed information on the value chain stages impacted by policies, actions, objectives and metrics is given in the sections on the specific topics.

The undertaking has exercised the option to omit specific information considered sensitive but not concerning intellectual property, know-how or innovation results.

The undertaking has not exercised the option not to disclose information concerning any information concerning imminent developments or matters under negotiations under Article 19-bis, paragraph 3, and Article 29-bis, paragraph 3, of Directive 2013/34/EU as amended by the CSRD.

Disclosure in relation to specific circumstances

Time horizons

As regards short-, medium- and long-term time horizons, the CAI Group has made no exception to the ESRS issued by the EFRAG using the following time horizons:

- Short-term time horizon: one year, the same as the its annual financial reporting period;
- Medium-term time horizon: up to five years from the end of the short-term time horizon;
- Long-term time horizon: beyond five years.

Please, see ESRS2 SBM-3 DP48 for more exhaustive information.

Estimation of information on the value chain

ESRS2
BP-2
DP10

The reporting standards require that value chain quantitative data be included for some metrics. In this Sustainability Report, the Crédit Agricole Italia Group has used estimates and assumptions for the metrics including exposure to climate-related and environmental risks, Scope 3 GHG emissions and its own workforce.

Estimates regarding environmental aspects:

- **Exposure to climate-related and environmental risks:** the CAI Group has measured its exposure to climate-related and environmental risks (C&E risks) with an approach linked to its customers and based on the assessment of physical risk and transition risk. This process uses methods that are fed with data coming from infoproviders and sector averages, to ensure an accurate measurement that meets the regulatory expectations. Acquiring and managing the necessary information on the value chain may prove complex for the undertaking and may vary based on different elements, such as its contractual arrangements, the availability of complete and reliable information, and its accuracy and integrity. This is the reason why the Group is making all the reasonable efforts and uses reasonable and supportable estimates where necessary. At present, the assessment focuses on internally available information about policies and actions, pursuing the goal of progressively extending the reporting perimeter, while also improving the quality and transparency of the collected information.
 - **Physical risk:** geolocation tools are used which enable to map the customers' activities and assets based on the geographical areas that are the most vulnerable to climate events, estimating the related impacts on the loan portfolio.
 - **Transition risk:** the sector averages used are based on internationally acknowledged matrices (e.g. Sustainability Accounting Standards Board - SASB). This approach is used to assess the customers' exposure to the risks associated with the transition to a low-carbon economy (LCE). Using sector averages the potential impact can be estimated on different economic sectors represented in the customer portfolio, giving a diversified and specific view by sector.
- **Emissions:** given the complexity of the calculation along the entire value chain and in order to ensure compliance with acknowledged standards, the CAI Group uses the following frameworks and guidelines:
 - ABI Lab guidelines;
 - GHG Protocol to calculate Scope 1, 2 and 3 emissions;
 - Partnership for Carbon Accounting Financials (PCAF) as defined in E1-6.
- **Scope 3 category 15 emissions** regarding high-emitting economic sectors:
 - Scope 1, 2 and 3 point-in-time data of the financed companies is used when available or accurately collected through questionnaires, and acknowledged conversion factors are applied;
 - If there is no point-in-time data, a sector proxy calculation is applied based on ISTAT publicly available data as at 2022.

It is worth noting that, typically for banks, the main component of GHG emissions regards Scope 3 downstream, i.e. loan and financial asset portfolios. To date, EFRAG has not issued specific reporting standards for the financial sector, nor guidelines to manage this specificity of Scope 3 Cat. 15 emissions. Therefore, as no instructions are given by *Sector-agnostic Standards*, environmental data have been estimated in accordance with the good practices that are being established in the banking system. These estimates are affected significant uncertainties, mainly because of the use of statistical averages, combined data from several sources and modelling.

Estimation regarding social aspects: it specifically concerns the S1 scope "Own workforce" and the number of employees:

- The disclosures concern GBCAI's employees, who account for 99.95% of the CAI Group's employees;
- The aforementioned number of employees is expressed as per the ledger of employees in the workforce as at 31 December 2024 and does not include two employees seconded abroad.

Causes of uncertainty in the estimates and results

Besides the uncertainties already analyzed in the Annual Report and Consolidated Financial Statements, in paragraph “Risks and uncertainties” and the management of the value chain quantitative metrics, in the light of the constantly evolving scenario featuring environmental, social and regulatory challenges that the CAI Group must address, additional risks and uncertainties have been taken into account, as reported below:

- **Climate and environmental scenarios** the analysis of scenarios associated with climate-related and environmental risks, albeit based on up-to-date and acknowledged modelling, features uncertainty margins due to the complexity and variability of long-term projections.
- **Estimation of the effects resulting from ESG factors:** the quantification of these effects, which are also linked to operational and reputational risks, is affected by the difficulty in obtaining complete and reliable data, as no one of the undertakings has time series data. The evolution in the applicable legislation and regulations and in technology adds yet another complexity layer, as it requires continuous updating of the assessment methods and decision-making processes.
- **Dependence on external data sources:** the data from external partners may be less fully reliable or less than completely available, generating uncertainties on the quality of the information collected along the value chain.

The quantitative metrics that are most affected by uncertainty are the metrics that cannot be calculated directly, but are the result of estimation or proxies. This mainly regards the metrics regarding energy consumption and emissions, which, by their very nature, are based on analyses and processing, and which are a fundamental part of Sustainability Reporting. For exhaustive information on the assumptions and proxies used, please see sections E1-5 and E1-6.

ESRS2
BP-2
DP11

Changes in the preparation and presentation of sustainability information

As the reporting year is the first one the Consolidated Sustainability Report has been prepared, there are no changes in the preparation and presentation of sustainability information.

In accordance with the applicable legislation and regulations, having regard to the information requiring comparison between the current year (N) and the previous year (N-1), this consolidated Sustainability Report does not include any information about 2023, as it is based on a different perimeter and different methods. The reason why this choice was made lies in the substantial differences between the reporting perimeters and the methods used in the previous Non-Financial Statement (NFS), which was prepared and presented on a voluntary basis in accordance with the GRI Standards – Universal Standards (2021). This approach aims at ensuring transparency, in compliance with the applicable legislation and regulations. The sustainability information about 2023 and the years before that can be consulted in the statements published on the CAI Group’s website.

ESRS2
BP-2
DP13

Disclosures required by other applicable legislation and regulations

In its Sustainability Report, the CAI Group includes disclosures required by the following:

- Article 8 of Regulation (EU) 2020/852 – EU Taxonomy
- Regulation (EU) 2024/3172 - Pillar III
- Directive 2013/36/EU (CRD IV).

ESRS2
BP-2
DP15

Inclusion by reference

Inclusion by reference has not been used. If, in the individual sections, making reference to external documents is necessary, they are briefly summarized and information is given on where they can be found.

ESRS2
BP-2
DP16

GOVERNANCE

Crédit Agricole Italia has adopted the two-tier governance model in accordance with the Italian Civil Code. In that model, in accordance with the Supervisory Provisions issued by the Bank of Italy, the Board of Directors is the body vested with the strategic oversight function.

Having regard to sustainability, the ESG governance model adopted by CAI’s Board of Directors provides for responsibilities and functions assigned on several levels:

- Board of Directors;
- Sustainable Development Board Committee;
- Board of Auditors;
- ESG and Sustainability Managerial Committee;
- ESG and Sustainability Function;
- ESG Owners.

The main responsibilities in the ESG scope assigned to the Group's Governance Bodies and functions have been set in accordance with its Articles of Association, the Regulations of the Governance Bodies and with the internal Policies and Regulations, ensuring a consistent and integrated approach to sustainability governance.

Role of the administrative, supervisory and management bodies

Composition and diversity

ESRS2
GOV-1
DP21

Crédit Agricole Italia's Board of Directors, which was appointed by the General Meeting of Shareholders on 27 April 2022 for the 2022-2024 three-year period, consists of 15 directors, of whom 5 executive ones, 4 independent ones (accounting for 27% of the Board) and 6 non-executive directors. CAI's Articles of Association does not provide for any representation of employees and other workers.

The Board of Directors shall be appointed by the General Meeting of Shareholders.

The Board of Directors adopt the appropriate measures to ensure that all the Directors and the Board as a whole constantly meet the set requirements and standards, also in terms of experience, age, gender and international standing, besides the set and proper requirements, reputation, independence of mind and time commitment. To this end, in the *"Document on the optimal qualitative and quantitative composition of the Board of Directors"*, which is published in order to ensure the best possible identification of the candidates to be proposed to the General Meeting of Shareholders for the renewal of the Management Body and/or the replacement of any of its members, the theoretical profiles of candidates are prepared. The criteria governing the composition of the Management Body are centred on diversity, high skills and expertise, individual and collective suitability and the culture of debate. These criteria take into account the policies adopted by the CAI Group, which promote gender equality and inclusion, to obtain balanced representation on the Board, fostering social equity, overcoming discriminations and improving decision-making mechanisms in order to foster more and more open and diverse dialectics.

As at 31 December 2024, the composition of CAI's Board of Directors was the following:

- 10 male directors, accounting for 67%;
- 5 female directors, accounting for 33%;

The gender equality index, the ratio of women directors to men directors, was 50%.

As to geographical provenance:

- 8 Italian directors, accounting for 53%;
- 7 French directors, accounting for 47%;

As to cultural and professional background:

- 7 directors with experience as managers in the banking industry;
- 1 director with experience as a manager in the tertiary sector;
- 4 directors who are entrepreneurs in the agri-food sector;
- 1 director who is an entrepreneur in the manufacturing sector;
- 2 directors who are university professors.

Having regard to age brackets:

- 1 director between 40 and 50 years old;
- 5 directors between 50 and 60 years old;
- 8 directors between 60 and 70 years old;
- 1 director between 70 and 80 years old.

As at the 31 December 2024, the composition of CAI's Board of Auditors was as follows:

- 5 standing auditors, of whom 3 male auditors, accounting for 60% and 2 female auditors, accounting for 40%;
- 2 alternate auditors, of whom 1 male auditor and 1 female auditor.

In performing its functions, the Board of Directors is assisted by five Board Committees. The Board Committees:

- Consist of non-executive directors and, for the majority, independent directors;
- Have a Chairman who coordinates their work;
- At least one member shall belong to the less represented gender.

The Board Committees are:

- **Audit Committee for Internal Control** It is responsible for giving advice and making proposals to the Board of Directors about risk management, the accounting information system and the internal controls system, in order to ensure that the control framework is efficient and effective;

- **Related Party Committee:** It is responsible for verifying the transparency and substantial procedural fairness of the transactions carried out with Associated Persons, as well as for giving its prior and non-binding opinion on said transactions;
- **Appointments Committee:** it has the function of providing support in the processes for the appointment and co-option of Directors, the self-assessment of the Corporate Governance Bodies and the assessment of whether the fit, proper and independence requirements are met by the corporate officers and other identified top managers;
- **Remuneration Committee:** It has the function of providing support as regards the remuneration policies and the definition of pay applied within the Group;
- **Sustainable Development Committee:** it has specialist skills and expertise on sustainable development matters and performs assessments and analyses and has the function of supporting the BoD, as explained in more detailed hereinafter.

Skills and responsibilities for sustainability matters

In compliance with the Supervisory Provisions, in decision-making processes to set strategies, the BoD takes into account sustainable finance matters and, specifically, the inclusion of environmental, social and governance factors in CAI's corporate and business processes. Consequently, the right composition and proper operation of the Board are fundamental requirements in order to achieve the set ESG goals.

For these reasons, the *"Document on the qualitative and quantitative composition of the Board"* requires that the theoretical profile of the candidate directors be identified giving importance to specific skills and expertise on the topics and matters listed below: ESG, climate change and decarbonization, European taxonomy, climate-related and environmental risks, inclusion of environmental, social and governance (ESG) factors in the CAI Group's business strategy, in its business objectives and in its risk management system, renewable energy, energy efficiency enhancement and environmental impact measurement, environmental certifications and applicable legislation, regulations and standards, ESG disclosure and reporting and applicable legislation, regulations and standards.

The Board of Directors verifies the consistency between the qualitative and quantitative composition that is deemed optimal and the actual one resulting from the appointment process. On a yearly basis, the Board makes its self-assessment of its suitable composition and proper and effective operation, collecting useful information for its operation and for the development of the skills of the individual directors. In 2024, for the third year in its term of office, the BoD carried out the board review process with the support of an independent expert, in view of the Board renewal. The review showed the suitability of the composition and operation of the BoD, also considering sustainability matters and the ESG pillars.

ESRS2
GOV-1
DP23

Induction programmes

The directors' knowledge and skills are constantly updated and strengthened, thanks to a well-structured three-year induction training plan defined by the BoD. The Plan aims at ensuring constant focus on topics concerning the applicable legislation and regulations, the structure of the Bank and of the Group, the business model, risk profile and management approaches. The 2022-2024 "Board Induction" 2022-2024 included specific training sessions and programmes in the three-year period on ESG matters, focusing on climate scenario analysis, trend analysis, regulatory aspects, the climate-related and environmental risk management framework, inclusion of sustainability factors in the lending process and in the provision of investment services, climate change forward-looking evolution, sustainability disclosures and reporting.

Sustainability governance

Sustainability is a core component of the Crédit Agricole Italia Group's strategy, set out in its Medium-Term Plan and in its *Projet Sociétal*, as described in ESRS2 SBM-1. This strategy provides for cross-cutting and wide-ranging actions aimed at including ESG factors in banking processes to assist customers and the Communities in their environmental and social transition, ensure control on climate-related risks, meet the Regulator's expectations and drive the evolution of the Bank's business model.

To achieve actual inclusion and integration of ESG factors in the CAI Group's business and corporate processes and evolve its business model towards sustainability, the Board of Directors has set up a strong ESG governance system ensuring the implementation of the transformation actions and assistance to customers. Considering that ESG factors cover all the dimensions of the banking business and that the financial system operates in a more and more complex regulatory scenario, the CAI Group has adopted a Governance structure specifically designed for sustainability and for the management of climate-related and environmental risks, which provides for:

- Inclusion and integration of sustainability in the CAI Group's purpose and strategies;
- Strong commitment of the corporate governance bodies to ESG matters;
- The top management to oversee the inclusion and integration of ESG factors in the Bank's core processes;

ESRS2
GOV-1
DP22
DP26

- Cross-cutting involvement of all corporate functions;
- Dissemination of a sustainability culture at all levels;
- Close interrelation between sustainability and business objectives.

Sustainability-related responsibilities of the Board of Directors

The Board of Directors is the body vested, on an exclusive basis, with the nondelegable function of strategic oversight of ESG matter. The Board sets GBCAI's sustainability strategy, fine-tuning and implementing all the lines of the Medium-Term Plan set by CAI in Italy, pursuing the creation of value to the benefit of customers and regions, in order to further strengthen its role as a customer-focused bank.

The Board ensures that all material risks, impacts and opportunities are appropriately taken into account in setting the ESG strategy and monitors its implementation. To that end, it approves the Sustainability Plan and the main ESG KPIs, corporate Policies, the ESG Key Risk Indicators implemented into the RAF, as well as the organizational system's evolution directions.

As regards Sustainability Reporting, the BoD oversees and sets the directions for the processes to report the topics that are material for the Group, the position policies and the strategies for the adoption of the appropriate measures. It also issues guidelines on interaction with stakeholders.

The Board of Directors has adopted the *"ESG Governance Policy"* which sets the governance framework and the organizational model implemented by the CAI Group to manage sustainability matters.

The Policy lays down:

- The ESG governance logics at the CAI Group's Board level;
- The ESG organizational model for the Group's executive structures;
- The organization of and the responsibilities vested in the ESG and Sustainability Function;
- The dotted-line reporting relationships with the Parent Company Crédit Agricole S.A.;
- The protocols for the relationships between the ESG and Sustainability Function and the other corporate functions.

The Sustainability Plan

As the implementation of the CAI Group's sustainability strategy includes crosswise and wide-ranging actions, the Board of Directors sets an annual schedule of ESG actions adopting a *Sustainability Plan*. The Plan comprises different kinds of projects, which act on the Bank's organizational structure, on its business model and commercial development. So, the Sustainability Plan covers a wide range of activities having diverse content and scopes, with different implementation time frames, as the inclusion and integration of ESG factors in the business and corporate strategies requires action on all the Bank's core processes, ensuring that risks are monitored and controlled, opportunities are seized and impacts are managed.

The actions under the Sustainability Plan combine regulatory and business requirements, technical and commercial matters, governance and management priorities. This is why the BoD has set a governance system that ensures cross-cutting involvement of decision-making centres, fast implementation of projects with coordination ensured by the ESG and Sustainability Function in order to have a holistic view and organic approach consistently with CAI's strategies.

Sustainable Development Committee

The Sustainable Development Board Committee supports the Board of Directors in assessing and in analyzing in depth sustainability topics associated with the Bank's operations, as well as in approving the strategic lines and policies concerning ESG and Sustainability matters, contributing to ensuring the best possible management and control of risks and taking into account the objective of sound and sustainable value creation for all stakeholders.

Specifically, the Committee:

- Makes assessments and provides the Board with support for the adoption of the Sustainability Plan, in overseeing ESG projects and policies and in Sustainability Reporting;
- examines, at least on a yearly basis, the actions deployed by the Group in the year and the planning on corporate social and environmental responsibility;
- Examines the initiatives promoted by the Managerial Committee to implement the Group's sustainability policies;
- May request that projects be assessed for their potential social and environmental impacts;
- Works with the Audit Committee for Internal Control to support the Board of Directors in overseeing exposures to climate-related and environmental risks and in assessing the appropriateness of mitigation actions;
- Has the right to obtain help from the other Board Committees and Interfunctional Committees of the Group and from the relevant organizational Structures to assess social and/or environmental risks, and, where the case, also from external experts.

The members of the Committee are chosen from amongst the directors who have strong skills and expertise and considerable experience in ESG matters, in compliance with the guidelines issued by the Supervisory Authority, which recommend that the Board has members with specific skills and expertise on environmental matters.

ESG and Sustainability Managerial Committee

The ESG and Sustainability Managerial Committee steers and promotes ESG activities. Specifically, the Committee is the meeting point of business requirements and specific ESG requirements; it validates the proposals for setting ESG objectives and KPIs to be submitted to the Board of Directors, after their validation by the Sustainable Development Board Committee.

Furthermore, the Committee assesses the proposals for sustainability and evolution policies aimed at including ESG factors in the Bank's operational and business processes. In the scope of the sustainability policies approved by the Board of Directors, it promotes and steers plans and initiatives aimed at improving the Group's social, environmental and governance impact, and contributes to their implementation.

ESG and Sustainability Function

The ESG and Sustainability Function reports to the Corporate Affairs and Sustainability Function and has coordination duties on ESG matters, and it is responsible for liaising between the corporate structures and the Governance levels of the CAI Group (BoD, Sustainable Development Committee, ESG Managerial Committee). The fact that the ESG function is part of the corporate governance function gives evidence of the strategic importance attached to sustainability and its proximity to the top management, to ensure smooth decision-making processes and the utmost commitment.

Crédit Agricole S.A. has set up a Sustainability *Ligne Métier* (Business Line) called *DES – Direction Engagement Sociétal*. The Head of the Sustainability and Corporate Affairs Function has the role of *Directeur de l'engagement sociétal* of the CAI Group and reports on a dotted line to the *Directeur de l'engagement sociétal* of Crédit Agricole S.A. The Head of the Sustainability and Corporate Affairs Function coordinates with the DES and sits on the *CDES – Comité des Directions de l'Engagements Sociétal* which steers the *Ligne Métier*. Amongst its main activities, the ESG and Sustainability Function:

- Prepares proposals for the Sustainability Plan implementation, for ESG projects, policies and action plans;
- Coordinates with Crédit Agricole S.A. to evolve ESG strategies and to implement the Parent Company's guidelines;
- Promotes sustainability values within the Group;
- Sees to the implementation of the environmental strategy and to the contribution to the CA Group's Transition Plan, with special regard to the commitments to mitigating and adapting to climate change;
- Sees to the ESG intelligence activities and, in cooperation with the Planning Function, sets financial trajectories and KPIs regarding the inclusion of sustainability into the business;
- Cooperates with the Risk Management Function to develop and strengthen the climate-related physical risk governance system;
- Coordinates the various corporate functions to implement the Sustainability Plan and the projects designed through the ESG Owners' activity;
- Manages the talks and interaction with the Rating/Scoring Agencies that assess the ESG position of the CAI Group;
- Sees to the activities and compliance with the requirements concerning CSRD reporting, in cooperation with the CFO structure;
- Sees to the ESG Pillar 3 and Taxonomy disclosures;
- Sees, with the support of the relevant functions, to the reporting on ESG trajectories and objectives to the Board, the Committees and to the Parent Company;
- Sees to social impact activities, with special regard to the creation of social usefulness for the Communities and the regions;
- Supports the ESG and Sustainability Managerial Committee and the Sustainable Development Board Committee in defining the activities in their scope, periodically reporting on the sustainability projects underway and progress therein;
- Coordinates and promotes the activities and events aimed at raising awareness of ESG matters to the benefit of the CAI Group's people, in close cooperation with the HR Function and with the heads of the individual corporate functions;
- Coordinates and promotes the activities and events aimed at raising awareness of ESG matters to the benefit of the CAI Group's customers, in cooperation with the business channels, commercial functions and internal and external communication functions;
- Represents the CAI Group in banking system work groups, including the Italian Banking Association (ABI),

in relations and interactions with professional networks and associations operating in the field of sustainability.

The annual scheduling of the ESG activities, set out in the Sustainability Plan, comprises different kinds of projects, which act on the Bank's organizational structure, on its business model and commercial development. So, the Sustainability Plan covers a wide range of activities having diverse content and scopes, with different implementation time frames, as the inclusion and integration of ESG factors in the business and corporate strategies requires action on all the Bank's core processes, ensuring that risks are monitored and controlled, and opportunities are seized. This is why the ESG and Sustainability Function has coordination tasks, liaising between the corporate functions and the governance levels, in order to ensure a holistic view for the implementation of strategies and effective deployment of actions.

ESG Owners

To achieve full and actual integration of ESG factors in the CAI Group's processes and to evolve its business model towards sustainability, the BoD has set an organizational system that ensures the involvement of and responsibility taking by the various Corporate Functions for actual implementation of the transformation actions to provide assistance to our customers. Considering that ESG factors cover all the dimensions of the banking business and that the financial system operates in a more and more complex regulatory scenario, it is essential that specialist and business and Corporate Functions be involved in ESG projects and initiatives. This is the reason why CAI's Board of Directors decided to enhance its ESG Owners, who play a strategic role in the organizational model as they combine knowledge of the business and of industry-specific work processes with ESG matters. The ESG Owners report on a solid line to the Corporate Function they respectively belong to and report on a dotted line to the Corporate Affairs and Sustainability Function as regards the ESG-related activities assigned to them.

Roles and responsibilities in sustainability disclosure

Board of Directors

ESRS2
GOV-1
DP22
DP26

The Board of Directors is the body responsible for addressing material impacts, risks and opportunities. In the Sustainability Reporting practice, with support from the Committees, the Board of Directors:

- Approves the methods, process and results of the Double Materiality Assessment (DMA), which is described hereinafter;
- Issues guidelines on material methodological choices concerning the DMA and approved the rating system with the related materiality threshold, in accordance with CAsa's instructions;
- Oversees and directs the processes to report material topics for the CAI Group and the strategies for the adoption of the necessary measures, including controls and procedures regarding the CAI Group's impacts, risks and opportunities (IRO);
- Approves the Sustainability Report ensuring transparency and accountability for the results achieved and future objectives, as well as the other sustainability disclosures.

The responsibilities of the corporate bodies for impacts, risks and opportunities are clearly set out in the *"Double Materiality Policy"* and in an internal regulation governing the various stages in the preparation process, in accordance with Directive (EU) 2022/2464 and with Italian Legislative Decree 125/2024 transposing the Directive.

Furthermore, the Board of Directors:

- Ensures that, at least on a yearly basis, all material risks, impacts and opportunities are appropriately taken into account in setting the ESG strategy and monitors its implementation.
- To this end approves and oversees:
 - The Sustainability Plan and the main ESG KPIs;
 - The corporate policies and the organization system's evolution lines;
 - The methods, process and results of the Double Materiality Assessment;

Certification system

Having regard to the Sustainability Reporting, it is pointed out that, in accordance with Article 10 of Italian Legislative Decree 125/24, the directors are responsible for ensuring that the necessary information be disclosed in the sustainability report in compliance with the Decree. Therefore, the CAI Group uses an internal certification system structured as follows:

- With a specific statement, the Manager in charge certifies that the Sustainability Report included in the Management Report has been prepared in compliance with the reporting standards applied under CSRD (see Article 154-bis paragraph 5-ter of Italian Legislative Decree 58/98 as amended by Italian Legislative Decree 125/24);

- The Head of the Corporate Affairs and Sustainability Function, who coordinates the activities for the preparation of the Sustainability Report, working with the structure of the Manager in charge, is responsible for sub-certifying that the sustainability report has been prepared in compliance with the adopted standards.

Board of Auditors

Having regard to the Sustainability Report, the Board of Auditors performs its functions under Italian Legislative Decree 125/24 and, where applicable, under the Italian Consolidated Law on Finance and includes them in its annual Report to the General Meeting of Shareholders.

Sustainable Development Committee

In the CSRD reporting practice, the Sustainable Development Board Committee gives opinions and supports the Board of Directors in adopting strategic decisions and in setting the directions concerning the DMA process and Sustainability Reporting.

ESG and Sustainability Managerial Committee

The Managerial Committee supports the Board of Directors and the Sustainable Development Board Committee, overseeing the macro-phases of the Sustainability Reporting practice:

- Analyzing the updates given by the Sustainability and ESG Function;
- Validating the *DMA Policy* and the proposal for evolving the processes regarding Sustainability Reporting;
- Discussing the DMA outcomes, which it validates for the proposal to the Board of Directors.

ESG and Sustainability Function

In the sustainability reporting practice, the ESG and Sustainability Function:

- Is responsible for preparing the proposal to the BoD for the adoption and/or updating of the *DMA Policy* and, specifically, of the scoring scales, as well as the other aspects of the DMA process implementing the guidelines issued by Crédit Agricole S.A.;
- Carries out initiatives aimed at full understanding of the scoring methods by the functions involved;
- Coordinates the DMA exercise and governs the stakeholder engagement activities for the DMA process;
- Guides and coordinates the process for the collection, aggregation and contribution of data and information as necessary to prepare the Sustainability Report in accordance with the CSRD, interacting with the managers at the head of the functions involved in the process.

The role of the administrative, supervisory and management bodies in business conduct

With the help of the Board Committees, the Board of Directors sets and oversees the implementation and monitoring of the compliance policies on the promotion of a culture of ethics, of prevention of conflicts of interest, of fight against bribery and corruption, of protection of whistle-blowers, of fight against financial crime and of prevention of market abuse.

The corporate bodies are regularly informed of the effectiveness of these policies, of any significant incidents or signs of anomaly detected or trouble and of the developments therein. It is ensured that the members of the Board of Directors be always fully aware of the matters regarding compliance with the regulatory obligations and of the business conduct, through specifically designed initiatives.

The matters concerning business conduct are overseen by the Board of Directors and by the Board of Auditors.

In its capacity as the representative of the CAI Group's ethical conduct, the Board of Directors receives appropriate training on the information about business conduct. The Board of Auditors supervises compliance with the applicable legislation and regulations and with the Articles of Association, abidance by proper management principles, the adequacy of the organizational structure, of the internal control system and of the administration and accounting system, as well as its reliability in giving a true representation of operations. It monitors the Sustainability Reporting practice for the CAI Group. For more exhaustive information, please see section G1.

Information provided to the bodies on sustainability matters

ESRS2
GOV-2
DP26

Over the year, the administrative, supervisory and management bodies are constantly and progressively informed on the process for the identification and assessment of material impacts, risks and opportunities associated with sustainability matters, as described above. They receive information, within the framework of civil law and Supervisory Provisions, to make their decisions concerning the strategy, policies and actions on sustainability, as described above, each one of them as to its own scopes and remit level, also through the Committees.

Integration of sustainability-related performance in incentive schemes

ESRS2
GOV-3
DP29
E1
DP13

The *Remuneration Policies* of the Crédit Agricole Italia Banking Group are set every year, consistently with the instructions given by the Parent Company Crédit Agricole S.A., in line with the strategies and in compliance with the applicable legislation and regulations. They are at the basis of GBCAI's remuneration policy, as they define the corporate and organizational governance aspects, the remuneration structure, the logics to determine the single components and the methods to pay out the variable component, with special regard to "Material Risk Takers".

The Remuneration Policies integrate sustainability factors both as core principles in structuring compensation schemes, and as objectives expressed by KPIs that are specific for each cluster of jobs.

As regards sustainability principles, GBCAI's Remuneration Policies are informed by fairness, transparency, respect for customers' interests, competitiveness, equity, merit, attention to risk and to compliance with the applicable legislation and regulations, gender neutrality and consistency with GBCAI's approach to climate-related and environmental risks and commitments to sustainability, pursuing the primary objective of creating actual and stable added value for all its stakeholders, internal and external, from a long-time perspective, aiming to implement a remuneration scheme that is prudent, far-sighted, flexible, affordable, effective and transparent.

The Remuneration Policies are set consistently with GBCAI's ESG strategic objectives, contributing, by deferring payment of the remuneration variable part and defining specific performance criteria, to promoting a long-term approach for the management of climate-related and environmental risks, in line with the CA Group's commitments to climate, risk appetite and strategy. In managing climate-related and environmental risks and in mitigating their effects, in order to encourage behaviours that are consistent with the Parent Company's guidelines on energy transition, ESG indicators are implemented in the incentive systems applying to employees, the achievement of which contributes to the determination of variable remuneration. Specifically, the Crédit Agricole Italia Banking Group's ESG goals aim at: taking into account the Group's long-term interests, stimulating behaviours that are consistent with its approach to environmental, social and governance risks (which have also been integrated in the internal governance arrangements), preventing any conflicts of interest in business decision making, supporting the achievement of an appropriate risk culture. Furthermore, the Remuneration Policies provide for the correlation between remuneration, performances and risks, which is ensured for all own workforce:

- **Use of a balanced pay mix** so that the materiality of the fixed component weight on the total pay package is such as to ensure a flexible approach to variable remuneration and prevents imbalanced behaviours leaning towards risk taking, fostering orientation towards initiatives not exclusively focused on the achievement of short-term results;
- **Definition of an annual performance-linked bonus pool** which is quantified and allocated in accordance with a self-financing and affordability principle, and is linked to profitability ratios, appropriately risk-adjusted, besides capital and liquidity gates;
- **Definition of a retention-linked annual bonus pool** which is determined in order to reduce the risk of churn of professional, relational and customer portfolio assets, and is linked to capital and liquidity gates;
- **Gate triggering the annual incentive schemes** for own workers both in senior management and in other positions, set in terms of Group/company performance and measured with profitability ratios appropriately risk-adjusted;
- **Performance measurement on several dimensions, both quantitative** (such as, by way of example, profitability, risk, sustainability) **and qualitative** (such as, by way of example, human resources, customers, ESG/D&I, completion and/or contribution to the completion of strategic projects) with specific methods by workforce segment;
- **Company bonus settlement** the payment and amount of which are related with the performances of the individual entities and of the GBCAI.

Furthermore, the variable remuneration component is subject to ex-post correction mechanisms (*malus* and claw-back) which ensure consistency with the performance levels net of the risks actually taken or achieved, and asset levels, and which take into account individual behaviours. These mechanisms may lead to a reduction (all the way to zero) of the variable remuneration component, besides any penalty, disciplinary and damages.

GBCAI's remuneration policy is different based on the target workforce in terms of adopted systems and tools. The members of the bodies vested with strategic oversight, management and control functions (Chairman of the Board, Directors, except for the Chief Executive Officer of Crédit Agricole Italia SpA) do not receive any variable remuneration – i.e. linked to business performances – in order to ensure full independence in fulfilling their duties

The remuneration of the Top Management and of the other senior manages of the GBCAI consists of a fixed component and of a variable component that are defined in the Remuneration Policies. The individual variable remuneration component results from the management by annual objectives scheme (Performance Management Scheme – MbO). Furthermore, in agreement with CA.sa, for some top managers there is an additional incentive scheme (called LTI) subject to specific performance conditions, which provides for objectives defined fully on the CA.sa Group perimeter and regarding the three scopes listed below:

- Profit of the Crédit Agricole Group;
- Performance of Crédit Agricole S.A. shares;
- The C.A.sa Group's performance in terms of social and environmental responsibility.

Having regard to own workers not in senior management positions, the remuneration policy sets out the main specificities of the incentive schemes for the commercial network own workforce, to whom the network incentive scheme applies, which uses merit-based criteria considering both the performances achieved and the methods whereby they were achieved, adopting performance measurement and assessment criteria, which are specific by category of recipients, taking sustainability matters into account.

The Group has confirmed the use of ESG-linked KPIs for all its management, starting from the top officers, with the related objectives are set in agreement with Crédit Agricole S.A.; furthermore, ESG-specific KPIs are extended to the incentive scheme for own workers on staff at the commercial network.

In the Performance Management scheme, amongst ESG KPI, relevant objectives are, by way of example and without limitation, linked to:

- Corporate Social Responsibility (CSR) matters;
- Measures to assist customers in the Retail individuals segment for sustainable buildings and energy efficiency enhancement;
- Measures to assist corporate customers in their environmental and social transition, with special regard to renewable energy development;
- Loans aimed at reducing emissions from residential and commercial real estate;
- The integration of ESG factors in lending policies;
- The evolution of an IT architecture enabling the Bank to collect, manage and monitor ESG data in an integrated manner.

The variable remuneration component percentage that depends on sustainability-related objectives and/or impacts is set based on the aforementioned objectives. Other initiatives implemented by the Group concern the reduction in direct CO₂ emissions through a series of actions, such as energy consumption control and purchase of energy from renewable sources, the corporate fleet improvement with electric or hybrid vehicles, actions to enhance the energy efficiency of owned real estate, certified ESG training, selection of suppliers based on ESG criteria, use of green debt and capital management instruments.

Having specific regard to ESG products and to the use of green debt and capital management instruments, it is to be specified that the placement of those products is managed in such a way as not to be an inducement to offer a specific product or a specific category or combination of products, when this may prove prejudicial to the customer, also in terms of offering a product that is suitable to the customer's financial needs and requirements or that entails higher cost than another product that is also consistent with, suitable and useful to the customer's interests, objectives and characteristics.

Crédit Agricole Italia S.p.A. prepares the document on the remuneration and incentive policies of the entire Group, ensures its overall consistency, gives the necessary instructions for its implementation and verifies its proper application. In its capacity as the Parent Company of the Crédit Agricole Italia Banking Group, Crédit Agricole Italia SpA structures the remuneration policies in its scope of responsibility and prepares remuneration policies applicable to all the entities of the Group.

Every year, the Board of Directors of each entity of the GBCAI approves:

- The remuneration policies, ensuring that they are consistent with the Bank's overall choices in terms risk taking, strategies, long-term objectives, corporate governance and internal control structure;
- The outcomes of the proceeding to identify "Material Risk Takers" and any proceeding to exclude "Material Risk Takers", periodically reviewing the related criteria;
- The guidelines for Own Workers' incentive schemes, defined in the remuneration policies referred to in the previous point;
- Remuneration and incentive schemes for "Top Officers".

The Remuneration Policies, which are submitted also to the Remuneration Committee and set by the Boards of Directors of the single entities, are submitted to the General Meeting of Crédit Agricole Italia's Sharehold-

ers for their final approval, pursuant to the applicable supervisory provisions and are then published on the Bank's website, in order for them to be easily accessible by all stakeholders and by their recipients.

Statement on due diligence

ESRS2
GOV-4
DP32

Crédit Agricole Italia has integrated due diligence in its governance, in its business model, decision-making processes on strategies and on the double materiality assessment. Crédit Agricole Italia is not subject to the CSDDD but, nonetheless, it implements processes that are informed by sustainability due diligence within the ESG governance framework described above, as that process is an essential tool to identify, prevent and mitigate actual or potential adverse impacts on ESG matters, as well as to ensure transparent reporting to all stakeholders.

The table below maps the Sustainability Report paragraph giving the main information on the due diligence process.

CORE ELEMENTS OF DUE DILIGENCE	BUSINESS PRACTICES	PARAGRAPHS IN THE SUSTAINABILITY REPORT
a) Embedding due diligence in governance, strategy and business model	- Sustainability and ESG risk governance - Organizational structure and processes oriented to sustainability commitments - Sustainability strategy, MTP	- ESRS2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies - ESRS2 GOV-3: Integration of sustainability-related performance in incentive schemes - E1 DP13 - ESRS2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	- Impact materiality assessed taking into account the impacts on all stakeholders - Stakeholders engaged also through specifically designed initiatives - Organizational and communication structures - Specific policies	- ESRS2 GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies - ESRS2 SBM-2: Interests and views of stakeholders - S1 DP12 - S3 DP7 - S4 DP8 - ESRS2 IRO-1: Description of the process to identify and assess material impacts, risks and opportunities - E1-1 DP20 DP21 - G1 DP6 - ESRS2 MDR-P: in topical sections - E1-2 MDR-P DP25 - S1-1 MDR-P DP19 DP24 S1-1 DP28 - S3-1 MDR-P DP14 - S4-1 MDR-P DP15 - G1-1 MDR-P DP7 DP9 G1-2 MDR-P DP15 G1-3 MDR-P DP18 DP19 - Topical ESRS: reflecting the different stages and purposes of stakeholder engagement

CORE ELEMENTS OF DUE DILIGENCE	BUSINESS PRACTICES	PARAGRAPHS IN THE SUSTAINABILITY REPORT
c) Identifying and assessing adverse impacts	- Impact materiality assessment covering all adverse impacts, both actual and potential - IROs interaction with business and strategy - Reporting the assessments to the Governance and Management Bodies	- ESRS2 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities - E1-1 DP20 DP21 - G1 DP6 - ESRS2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business mode - E1-1 DP18 DP19 - S1 DP13 DP14 DP15 DP16 - S3 DP8 DP9 - S4 DP9 DP10 DP11 DP12 DP13
d) Taking actions to address those adverse impacts	- Specific policies - Tracking actions and activities	- ESRS2 MDR-A: in topical sections - E1-3 MDR-A DP28 DP29 - S1-4 MDR-A DP35 DP37 DP38 DP40 - S3-4 MDR-A DP31 - S4-4 MDR-A DP30 DP31 DP32 DP33 DP34
e) Tracking the effectiveness of these efforts and communicating	- Regular updates to the Governance and Management bodies - Communication of Sustainability Reporting evidence to the stakeholders - Feedback and dialogue with the stakeholders - Information/communication initiatives to specific stakeholders	- ESRS2 MDR-M: in topical sections - E1-4 E1-5 E1-6 - S1-6 S1-8 S1-9 S1-10 S1-12 S1-13 S1-14 S1-16 S1-17 - G1-6 - ESRS2 MDR-T: in topical sections - E1-4 MDR-T DP81 - S1-5 MDR-T DP81 - S3-5 MDR-T DP81 - S4-5 MDR-T DP81

Risk management and internal controls over sustainability reporting

Crédit Agricole Italia S.p.A. is subject to the rules and expectations issued by the competent Supervisory Authorities (including the ECB, the Bank of Italy, CONSOB and IVASS) which lay down specific risk governance obligations and a strictly regulated control framework.

In this setting, the Crédit Agricole Italia has adopted an Internal Control System, which is a core component for prudent and sustainable management of the business and for the protection of all stakeholders. The System has been designed to identify, measure, monitor and mitigate the risks the undertaking is exposed to, including those associated with sustainability and ESG reporting, in compliance with the applicable legislation and regulations and with the relevant international guidelines.

The internal control system is structured on three lines of defence:

- First line of defence – it consists of operational and commercial structures, responsible for identifying and managing risks in day-to-day operations.
- Second line of defence – it consists of the specialist permanent control functions (Risk Management and Permanent Controls function and Compliance function), which ensure the adequacy and effectiveness of the procedures to manage risks and compliance with the applicable legislation and regulations.
- Third line of defence – it consists of the Internal Audit function, which is independent of all other structures and periodically assesses the robustness and effectiveness of the Internal Control System.

Furthermore, pursuant to Article 154-bis of the Italian Consolidated Law on Finance, Crédit Agricole Italia has designated a Manager in charge of the preparation of corporate accounting documents. The Manager in charge is responsible for ensuring the appropriateness and actual application of the administrative and accounting procedures and the financial reporting suitability to provide a true and correct representation of the financial situation, profit or loss and cash flows of the Bank and of the Group. The Manager in charge

ESRS2
GOV-5
DP36

certifies that the Sustainability Report has been prepared in compliance with the ESRS. Reporting flows with the information on the activities carried out are sent to the Audit Committee for Internal Control as reports prepared by the Manager in charge giving supporting grounds for the statements/claims made.

Moreover, the Group has adopted an ESG risk management framework, which is consistent with the integration of environmental, social and governance factors in decision-making processes, in lending policies and reporting procedures. In line with the regulatory expectations, Crédit Agricole Italia implements ESG data monitoring and validation systems, with special focus on the transparency of information and on the quality of the reporting practice.

In line with the arrangement implemented by Crédit Agricole S.A., thanks to its independence, the Risk Management and Permanent Controls function ensures that an internal controls system is in place. The function has indeed implemented a permanent control framework on the Sustainability Reporting practice following the guidelines and operating instructions given by the Parent Company. Specifically, having regard to the Double Materiality Assessment process, it has structured and developed a control system through inter-function cooperation.

The CSRD and its transposition into the Italian law have materially innovated many aspects of the legislation and regulations on non-financial reporting previously in force, extending contents, strengthening the assurance level and increasing the harmonization of the rules: The Internal Control System on sustainability reporting and disclosures is based, with the appropriate adjustments, on the general principles adopted for financial reporting and aims at ensuring the quality of the presented information, involving, to that effect, several corporate bodies and functions:

- The Board of Directors, which oversees the processes for the reporting of the material topics for the Group's companies and approved the Sustainability Report;
- The Board of Auditors, which monitors the Sustainability Reporting practice;
- The Audit Committee for Internal Control, which examines the outcome of the controls and analyses carried out for effective oversight of the quality of the information and data contained in the Sustainability Report;
- The Sustainable Development Board Committee, which gives opinions and supports the Board of Directors in making strategic decisions concerning the preparation of the Sustainability Report;
- The ESG and Sustainability Managerial Committee, which provides the Board of Directors with support validating the process phases;
- The Manager in charge, who is tasked with certifying compliance of the Sustainability Report with the European Sustainability Reporting Standards (ESRS);
- The Corporate Affairs and Sustainability Function, which, through its ESG and Sustainability structure, performs a series of coordination activities on ESG matters, including those regarding ESG disclosure and the preparation of the Sustainability Report to be included in the Management Report, consistently with the guidelines issued by CA Sa.

STRATEGY

Business model and strategy

Projet du Groupe

ESRS2
SBM-1
DP40
DP42

The Crédit Agricole Group has adopted its *Projet du Groupe* Medium-Term Plan to fulfil its *Raison d'être* "Working every day in the interest of our customers and society" in each and every market where it operates worldwide.

The *Projet du Groupe* expresses the ambitions of the CA Group, of which CAI is a member and which operates based on a *Customer-focused universal banking model*, to create social usefulness, assist the Communities in large transformations and to further strengthen its role as a reliable partner of choice for its customers in sustainable and inclusive development. Crédit Agricole S.A. has a cooperative and mutualistic identity, whose core values are precisely *social usefulness*, i.e. working in the interest of the Communities to make progress accessible for all, and *universality*, i.e. working to be benefit of all customers, large and small, responding to the needs of each one of them.

The Crédit Agricole S.A Group comprises the various business lines or *métiers*, including commercial banking, corporate and investment banking, asset management and insurance services. This approach creates synergies between the different business segments, ensuring stability and ability to generate value for its stakeholders, also in very complex market scenarios.

The Medium-Term Plan rests on three pillars: the Customer Project or *Projet Client* to serve customers aiming at relational excellence, the Social Project or *Projet Sociétal* to work in the interest of the collectivity being committed to sustainability, and the People Project or *Projet Humain* to act with individual responsibility being close to customers in a relationship of trust.

Projet Client

The *Projet Client* sets the priorities of the CA Group, of which the GBCAI is a member, to take care of the interest of all customers, individuals and corporations, as a reliable partner assisting them in every project and every phase in their life. The CA Group's strength, its diverse expertise and wide-ranging *métiers* and long experience are the basis on which customers can be provided with all solutions to their daily needs, so that they can achieve their long-term plans and guard off uncertainties. The CA Group is committed to seeking out and protecting its customers' interests in all it does. It advises them with transparency and loyalty, expresses human responsibility at the core of its model, is committed to making the best technological solutions available to its customers, while ensuring that they have constant access to teams always ready to assist them.

Projet Humain

In the *Projet Humain*, Crédit Agricole S.A. has expressed its promise to be at all times a responsible employer for its own workers worldwide, supporting people's development and managerial and cultural transformation. The *Projet Humain* enhances the identify, commitment and performances of its people, both individual and collective, fostering the development of skills and growth of people, giving them career and international mobility opportunities.

Projet Sociétal

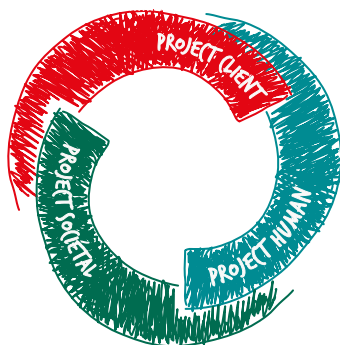
The *Projet Sociétal* pursues the goal of generating positive impacts thanks to the collective commitment of the companies and of the people of the Ca Group, of which CAI is a member, assisting households and businesses in environmental and social transformations, promoting the sustainable development of local economies.

Within its *Projet Sociétal* the CA Group has set its Climate Change Policy, expressing its commitments in its "*Destination 2050*" *Transition Plan*, being progressively embedded in the general strategy and in the business model. With the *Transition Plan*, the CA Group, of which CAI is a member, has committed to contributing to the achievement of carbon neutrality by 2050 and to supporting its customers in their environmental transition. These policies and directions apply to the operational footprint of the CA Group, as well as to the footprint of the main operations carried out by Crédit Agricole companies worldwide, i.e. banking and lending, investments, asset management and insurance services.

The commitment to climate made by Casa in its *Transition Plan* rests on the main axes listed below:

- Achievement of Net Zero targets in line with *science-based* carbon footprint reduction trajectories in 10 priority sectors, which have been selected based on their climate impact;
- Setting Net Zero and intermediate targets to reduce the carbon footprint associated with its operating activities and its assets;
- Sector policies to guide the investing, asset management and lending activities carried out by the various companies of the Group;
- Commercial policies to assist its customers in their ecological and energy transition;
- System to manage climate-related and environmental risks, which integrates decarbonization targets;
- Designing the actions to support individuals and businesses in adapting to climate change.

Implementation in the Italian market of the Projet Sociétal



To implement the *Projet Sociétal* on a yearly basis, CAI's Board of Directors adopts the *Sustainability Plan*, which comprises projects and actions aimed at achieving the set environmental and social objectives. The *Sustainability Plan* provides for cross-cutting and extensive actions, in order to integrate ESG factors in its work processes, to ensure that climate-related risks are managed, to properly comply with the Regulator's requests and, at the same time, to guide the evolution of the CAI Group's business model in order to boost sustainability-related business and assist its customers in the transition.

In 2024, a *Sustainability Plan* was designed and rolled out, which is structured on four scopes of work covering all the ESG scopes; having regard to the environmental scope, a significant part focuses on climate change and adaptation thereto, and specifically:

- **Policy Plan** i.e. the adoption of corporate policies on sustainability matters to express the CAI Group's strategic positioning, including lending policies and those on or relating to decarbonization matters.
- **Transformation project streams**, i.e. the projects aimed at integrating ESG factors in the work processes and IT systems, especially as regards the ambitions to reduce the carbon footprint from its operating activities and business-in-force portfolios.
- **ESG Business development**, i.e. project streams engaged in constructing an ESG commercial offering, especially transition lending, with evolution in the lending process.
- **Ongoing ESG initiatives**, the scope comprising the day-by-day activities carried out by the various corporate functions to achieve ESG objectives directly assigned to them.

The directions along which the strategy is developed and the Sustainability Plan is steered are four and express the ambitions of the CAI Group:

- Promoting a holistic approach to the Environment, Social and Governance (ESG) pillar;
- Being a reference partner for Customers in their transition journey;
- Implementing the applicable legislation and regulations turning risks into business opportunities;
- Continuing to invest in the social field, with special focus on the regions and Communities.

Climate change is a material topic for the Crédit Agricole Italia Group for the cases listed below, to which impacts, risks or opportunities are linked:

- Management of GHG emissions associated with operations and owned assets, i.e. the carbon footprint from Scope 1, 2 and 3 own emissions upstream in the value chain;
- Financing of GHG emissions associated with lending to customers, i.e. Scope 3 indirect carbon footprint downstream in the value chain (loan portfolio);
- Own investments in financial assets to which GHG emission can be attributed, i.e. Scope 3 indirect carbon footprint downstream in the value chain (security portfolio);
- Customers' investments in assets to which GHG emission can be attributed, i.e. Scope 3 indirect carbon footprint downstream in the value chain (wealth management portfolio);

Considering that the CAI Group is part of the Crédit Agricole Group and that it operates within the *Medium-Term Plan* and the *Projet Sociétal*, the actions set by the CAI Group in its Sustainability Plan are consistent with and contribute to the implementation of the "*Destination 2050*" *Transition Plan* designed and rolled out by the Parent Company Crédit Agricole S.A. Indeed, scope of application of Crédit Agricole S.A.'S *Transition Plan* is the Crédit Agricole Group, which includes also GBCAI, with the related figures and information being consolidated and stated in the Sustainability Report or *Rapport de durabilité* of Crédit Agricole s.a..

For more exhaustive information, please see section E1.

The Crédit Agricole Italia Group has set strategies to generate positive impacts on the Communities and regions, in order to assist its customer as a reliable partner in the ecological and social transition. The CAI Group's ESG positioning provides for the start of actions to support transition in the various ESG scopes, with special regard to the energy transition, as well as to supporting the regions in order to strengthen social inclusion and cohesion.

Therefore, the Crédit Agricole Italia Group incorporated the *Projet Sociétal* in its strategy, designing proximity policies that take into account the specific features of the Italian regions and of the Italian legislation and economic system.

The commitment to the Communities and regions materializes in the development, inclusion and cohesion projects and actions deployed through: the *shareholder Foundations*, the *Regional Committees*, the network of *Le Village by CA*, the *CrowdForLife* crowdfunding platform, donations managed by the *Charity Committee*, the *Municipality of Parma* for the *Parma Climate Neutral 2030* Project. For more exhaustive information, please see section S3.

To that end, in 2024 the Crédit Agricole Italia Group deployed tangible actions to strengthen its ESG position proving to be an enabler and financial partner able to provide effective solutions to support transition. ESG factors have been integrated "natively" in the commercial offering, with products and services designed for the ecological and social transition, with an accessibility and just transition approach and progressive extension of the commitments to the environment. For more exhaustive information on products and initiatives, please see sections E1, S3, S4.

The CAI Group operates in a large part of Italy, as shown by the geographical location of its own workforce:

Geographical area	Number of employees on the employee ledger
Total	12,419
ITALY	12,417
NORTHERN ITALY	9,434
CENTRAL ITALY	1,826
SOUTH AND INSULAR ITALY	1,157
ABROAD	2

There is no distinction in the geographical location of GBCAI's customers, as they are from all the Communities and regions it serves, in the spirit of full accessibility of the products, inclusion and just transition. In general, the range of products and services is made for individuals, households, self-employed professionals, businesses, corporations and institutional customers through the various "specialist commercial channels. The commercial channels and/or customer cluster benefiting from GBCAI bespoke services are: retail banking, financial advisors, corporate banking, private banking, small business and agri-food.

The spirit of GBCAI's ESG strategy comprises specific action plans aimed at:

- Implementing the customer-at-the-centre principle, with tangible assistance to individuals and businesses in the climate transition;
- Evolving the business models on the various customer segments thanks to high quality skills and expertise in ESG matters;
- Contributing to the building of a decarbonized, achieving the Net Zero trajectories of reduction in the emissions of financed customers;
- Containing the climate-related and environmental risks the CAI Group is exposed to, especially physical risks on the real estate assets securing loans and transition risks on financed corporations;
- Increasing the volumes of green assets, where possible, developing transition finance and progressively sustainable finance;
- Fostering the synergistic development of solutions that support both energy and digital transition, aligning the initiatives to the Twin Transition ambitions;
- Adopting a support model that is more chain-oriented and enables to provide the right instruments to all the actors in the value chain.

The Medium-Term Plan sets out the ESG development lines pursuing the creation of shared value, with tailor-made actions and drivers for each line of business. The Crédit Agricole Italia Group does not operate in sectors such as fossil fuels, manufacturing of chemicals, controversial weapons, tobacco farming and production.

Value chain

In line with the applicable legislation and regulations, the CAI Group has identified its value chain considering both the existing business relationships, upstream and downstream, and the aspects linked to its operational processes. Specifically, having regard to the Group's business model, the following activities were considered:

- Management of financial resources: it includes funding through deposits, financial markets and capital management, in order to ensure good liquidity levels and capital strength;
- Provision of banking and financial services: it includes banking operations such as the management of current accounts, the origination of loans and mortgage loans, private banking and financial advisory services provided to both individuals and corporations;
- Insurance and financial advisory services: provision of investment and financial advisory services and insurance services in the various lines;
- Support activities that ensure the efficiency and quality of the main activities:
 - Management of human resources: it includes recruitment, training and development of own workers, with special regard to digital skills and the wellbeing of employees through corporate welfare schemes and continuous training;
 - Technological development: it includes innovation and the implementation of new technologies, with investments in digital platforms, artificial intelligence and advanced data analysis tools, in order to improve operational efficiency and the customer experience;
- Purchasing: it is the procurement of essential goods and services, such as technologies, software, consulting services and facility management, ensuring the Bank's operational effectiveness.

ESRS2
SBM-1
DP40
DP42

The customer-focused universal banking model of the CAI Group is based on the Customer Project, which can ensure relationships that are global and sustainable over time. Thanks to the synergy among all the lines of business, customers can be assisted with a wide range of skills and expertise aiming at excellent relationships, through:

- Retail banking - Loans and savings - Insurance
- Asset management - Wealth management services for HNW individuals - Leasing
- Factoring - Corporate and Investment banking
- Financial and institutional services
- Payment services - Real Estate

In the above-described business model, the Crédit Agricole Italia Group stands out for the management and integration of its value chain, an essential factor to ensure the effectiveness and sustainability of its operations. The CAI Group's value chain comprises three main components: the upstream value chain, own operations and the downstream value chain. Thanks to this approach, it can be assessed how the value chain is affected by or affects the GBCAI, considering both the risks and the opportunities linked to sustainability matters. Specifically:

- As to the upstream value chain, the actors considered are the shareholders, suppliers and providers of the CAI Group and its partner Companies;
- As to Own Operation, the actors considered are the CAI Group's employees/contract workers and owned assets, in accordance with the consolidated perimeter consistent with the consolidation perimeter used in the Financial Statements;
- As to the downstream value chain, the actors considered are its customers.

The upstream value chain hinges on the strong relationships with some of the main stakeholders and, specifically, its shareholder Foundations, partner Companies, suppliers of goods and providers of services.

- Foundations: they participate in the social and economic life of regions both as institutional investors and as philanthropies and, most importantly, because they independently carry out additional projects with social and economic development purposes.
- Partner companies: companies with which Crédit Agricole operates in Italy through a large and integrated offering, to the benefit of all economic players and fully exploiting synergies.
- Suppliers and providers: with their products and services, the Supplier/Provider Companies interact in a capillary manner both in day-to-day operations and in the composition, development and delivery of its business offering.

Own operations concern the employees and owned assets and include the management of all processes and activities whereby the CAI Group can supply its products and provide its services.

- Employees: the CAI Group's people whom the good operation of all the activities to serve customers depends on, besides being a core intangible asset.
- Owned assets: the physical and technological resources that are fundamental for effective supply of products and provision of services. Owned assets mainly consist of physical infrastructures, such as buildings, branches, office space, plants, IT systems and equipment, such as software, hardware and technological platforms.

Having regard to its downstream value chain, the Crédit Agricole Italia Group serves a wide and diverse range of customers, including individuals, households, small and medium enterprises, large corporations and institutions.

- Customers: for individuals and households, the CAI Group offers a wide range of products and solutions, from payment services to personal loans, from home loans to savings and investment solutions, all the way up to insurance. The entrepreneurial fabric consisting of SMEs is provided tangible support with specialist financial services, such as bespoke loans, strategic advisory services and innovative payment instruments. On the other hand, large corporations and institutions benefit from a complete range of services, including specialist loans, treasury management and international trade solutions, thanks to which the Group ranks a key partner for *economic development in several sectors*.

The affected Communities are in the downstream portion of the value chain from the customers' perspective; however, they may act also in the upstream portion as stakeholders affecting the GBCAI's actions and business model.

Data Governance and CSRD data collection system

In order to pursue an effective strategy for full use and enhancement of its information assets, the Crédit Agricole Italia Group has developed a data governance and management model that is appropriate and fit to meet its corporate and business needs and is constantly evolving, with a specific internal policy regulating it, namely the *Data Governance Policy*.

The model has been designed in accordance with the “Principles for effective risk data aggregation and risk reporting”, issued by the Basel Committee on Banking Supervision, and with Bank of Italy Circular 285 of 17 December 2013 (as updated) “Supervisory Provisions for Banks”.

As done in accordance with the aforementioned principles and provisions, the Sustainability Reporting data were also collected using a Corporate Data Glossary, giving evidence, for each datapoint, of:

- Content description;
- Ownership assigned to the various internal functions;
- Internal tools from which the base datasets feeding the aggregations defined in the Datapoints are extracted;
- Internal network archives created by each function, for permanent archiving of feed data and of the outcomes of the aggregations of making up the datapoints;
- Outcome of the Data Quality controls conducted by the data owners.

For value chain reporting, the CAI Group applies the aforementioned data governance model and, for its first reporting year, has opted for phased-in application, except for the data on Scope 3 emissions, about which please see the relevant section in E1.

Interests and views of stakeholders

The stakeholder engagement process

The CAI Group regularly involves its stakeholders in identifying and setting the priorities as regards sustainability matters. Specifically, through an engagement process, the CAI Group aims at achieving several objectives, including:

- Strengthening its sustainability strategy with ESG-driven evolution in its business model;
- Accomplishing its mission as a customer-focused bank, assisting its stakeholders in the ecological and social transition, creating sustainable value in the medium-long term;
- Being a sound and long-standing partner, through deep relationships with its stakeholders and its ability and willingness to listen to them and to understand their needs and expectations;
- Strengthening its stakeholders' trust in its business management and in the positive impact on the outside, with effects on the Group's reputation and image;
- Sharing sustainability-related challenges and commitments with its stakeholders, creating a good practice system and a dissemination network to the benefit of the Communities and regions;
- Enhancing the people who work for the Group based on their uniqueness, in order to enable every one of them to express their potential in the best possible manner with a diversity and inclusion approach.

Considering also the due diligence duty, GBCAI analyzes the outcomes of the stakeholder engagement activities and, where necessary, designs an action plan in order to ensure that its business model, strategies and decisions take its stakeholders' key expectations and interests into account.

GBCAI has adopted a specific policy setting out its stakeholder engagement process. That process comprises the circular steps listed below:

- Stakeholder mapping, whereby the CAI Group identifies the persons and entities that may affect or be affected by the Group as its stakeholders;
- Engagement strategy and approach, to design and implement stakeholder engagement processes, which may provide for the participation level, the identification of material sustainability matters, engagement methods, channels and time frame;
- Analysis of the process outcomes and action plan, in order to obtain useful indications from the stakeholders' feedback and expectations;
- Assessment and reporting, to examine the overall quality of the engagement process and progress therein on a regular basis.

The CAI Group implements a structured and continuous path to engage its stakeholders. The engagement of every stakeholder is different based on the type and interests, as are the aforementioned approaches whereby the CAI Group relates and interacts with each one of them.

The takeaways from the dialogue with the stakeholders, which gave evidence generally confirming the sustainability strategies, were recorded in the “*Stakeholder Engagement Report*”, which was submitted to the

ESRS2
SBM-2
DP45

BoD. The categories of stakeholders that GBCAI engaged in 2024 are given below, along with the relation approaches and the main takeaways and considerations.

Main stakeholders and engagement approaches

The main stakeholders and their engagement approaches are outlined below:

- S4**
DP8
ESRS2
SBM-2

 • **Customers:** Customer Recommendation Index surveys, feedback collected through their interactions with CAI commercial structures, complaint or grievance process, feedback given on social media, ESG questionnaires. For more exhaustive information, please see S4.
- S1**
DP12
ESRS2
SBM-2

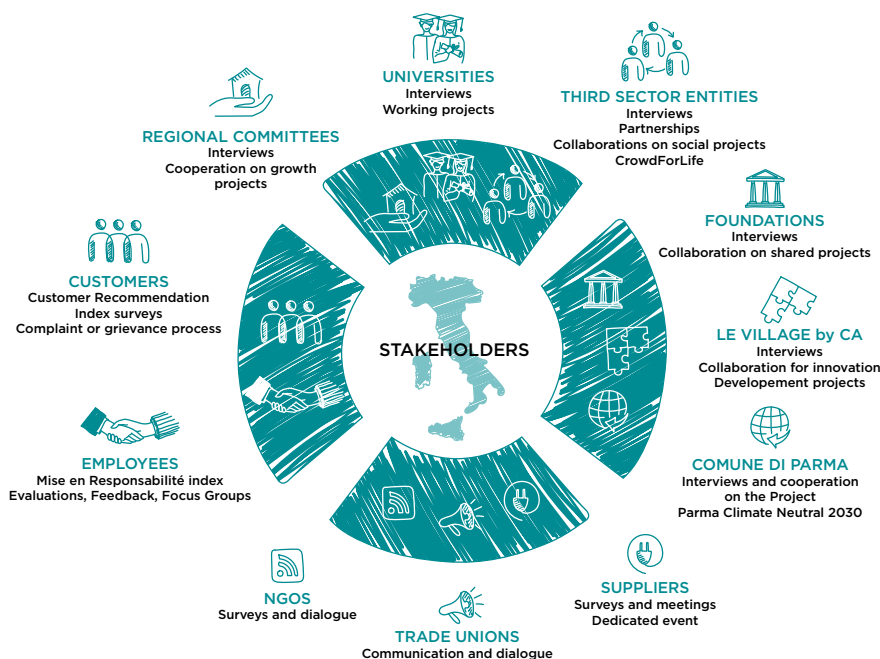
 • **Employees:** annual employee climate survey (Mise en Responsabilité or responsibility-taking index), annual performance assessment system (which includes self-assessment, bottom-up assessment and peer assessment), the company recreational club (CRAL), social dialogue with the **Trade Unions**, focus groups. For more exhaustive information, please see S1.
- S3**
DP7
ESRS2
SBM-2

 • **Foundations:** interviews, exchange of views within the systematic and continuous cooperation for social projects. For more exhaustive information, please see S3.
- S3**
DP7
ESRS2
SBM-2

 • **Suppliers and Providers:** interviews, all-hands meetings, annual surveys. For more exhaustive information, please see G1.
- S3**
DP7
ESRS2
SBM-2

 • **Le Village by CA** interviews, meetings with the Mayors, exchange of views within the systematic and continuous cooperation for innovation and development projects. For more exhaustive information, please see S3.
- S3**
DP7
ESRS2
SBM-2

 • **Regional Committees:** targeted interviews with stakeholders, meetings scheduled throughout the year, exchange of views within continuous cooperation in the regions to develop and assist growth projects. For more exhaustive information, please see S3.
- **Third Sector Entities:** targeted interviews, specific listening channels (such as the CrowdForLife crowd-funding portal, whereby, through fundraising campaigns, projects, also social ones, can be supported to the benefit of the Communities);
- **Non-governmental organizations:** exchange of views on specific matters, within an open and constructive dialogue with NGOs.



Summary of the outcomes

As clarified by EFRAG in IG1, stakeholder engagement is crucial for the DMA, as it implies the search for input and feedback to understand concerns and acquire any evidence of the undertaking's impacts on people and the environment; at the same time, it helps to validate the importance of sustainability matters. This is the reason why, after carrying out stakeholder engagement activities in 2024 implementing the *Stakeholder Engagement Policy* adopted by the BoD on 19 March 2024, in the last months of the year the stakeholders were contacted again while the DMA was being finalized. Thanks to this initiative, the DMA process outcomes could be validated, using the collected information to feed the IRO scoring with final verification of the ma-

terial expectations expressed by the stakeholders on ESRS topics.

The stakeholder engagement process covered all the regions where the Banks operates throughout Italy, and had the following outcomes: full and across-the-board confirmation of the importance of topic E1, across-the-board confirmation of the importance of topic S1 and, in several cases, of topic S4, strong prominence of social topics and the Bank's positive impact on the regions and the Communities, with value attached to topic S3, some mentions of the importance of G1 topics, only in two cases other environmental topics were mentioned as material.

The results of the stakeholder engagement process were taken into account for the double materiality assessment and were reported to the ESG and Sustainability Managerial Committee, to the Sustainable Development Board Committee, to the Board of Auditors and to the Board of Directors for approval.

Material impacts, risks and opportunities and their interaction with strategy and business model

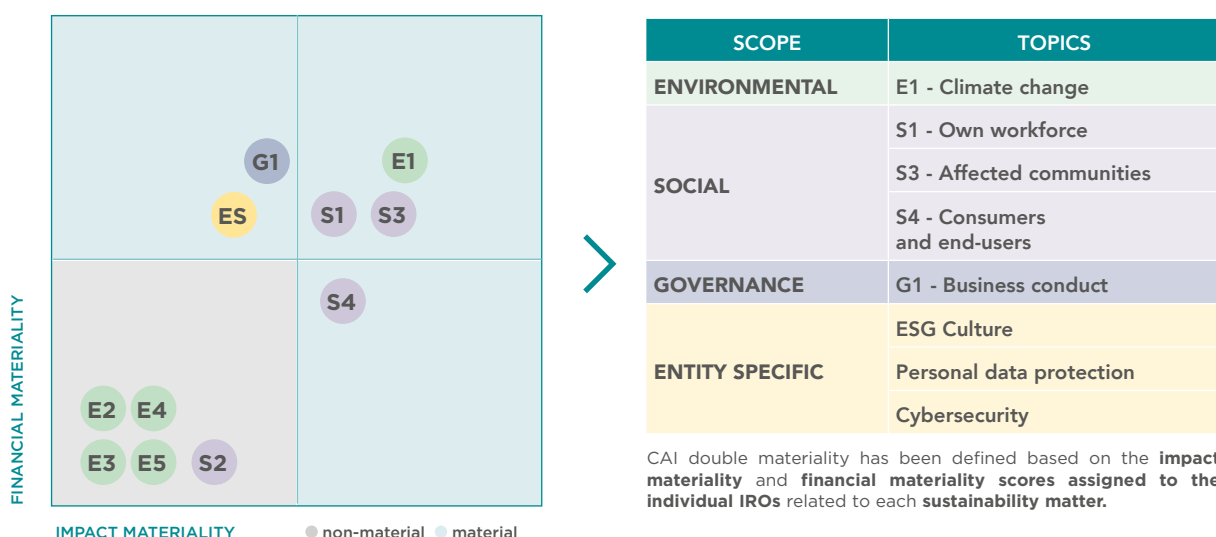
As the basis for its Sustainability Report, the CAI Group performed a Double Materiality Assessment (DMA) in compliance with the CSRD and with the ESRS (ESRS1 and 2) and in accordance with the guidelines issued by the European Financial Reporting Advisory Group (EFRAG).

The double materiality principle, as better set out in section "IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities", requires that the CAI Group report on matters that are material from at least one of the following points of view: i) impact materiality and/or ii) financial materiality. The assessment took into consideration the aspects of the CAI Group's business and activities, including own operations and the upstream and downstream value chain, taking into account the strategic priorities, and assessing the sustainability matters specified in ESRS1 RA16.

As regards impact materiality, the CAI Group took into consideration both positive and adverse impacts, as well as potential and actual impacts. As regards financial materiality, the CAI Group took into consideration the risks and opportunities concerning the sustainability matters that may have a financial effect, either positive or adverse.

Through the DMA, the CAI Group identified material impacts, risks and opportunities in five topical areas (ESRS E1, S1, S3, S4 and G1) and three entity-specific areas:

ESRS2
SBM-3
DP48



In accordance with the approach to assess impact materiality and financial materiality, the material topics were ranked in the double materiality matrix in accordance with their respective scores.

From the DMA, the CAI Group identified 45 impacts, risks and opportunities associated with material sustainability matters.

The sustainability matters that were found material concern climate change (E1), own workforce (S1), affected communities (S3), consumers and end-users (S4), business conduct (G1) and three entity-specific matters (ESG Culture, Personal data protection, Cybersecurity) not already on the list of matters under ESRS1 AR16 which, in this document, because of their description and transposition for the CAI Group, are reported in section "Social information" for relevance with the topics addressed.

The list of material impacts, risks and opportunities (IRO) is given in each topical section. So, please see the IRO tables in E1, S1, S3, S4, G1.

Thanks to the double materiality assessment it performed, the CAI Group could determine how the effects linked to sustainability matters, whether actual or potential, positive or adverse, link to the strategy and to the business, along the value chain, at own operations level, and downstream at the level of lending activities.

SCOPE	TOPICS	IMPACT MATERIALITY	FINANCIAL MATERIALITY		DMA	VALUE CHAIN
		IMPACTS	RISKS	OPPORTUNITIES	MATERIALITY	
ENVIRONMENTAL	E1 - Climate change					
	E2 - Pollution					
	E3 - Water and marine resources					
	E4 - Biodiversity and ecosystems					
	E5 - Resource use and circular economy					
SOCIAL	S1 - Own workforce					
	S2 - Workers in the Value Chain					
	S3 - Affected communities					
	S4 - Consumers and end-users					
GOVERNANCE	G1 - Business conduct					

MATERIAL TOPICS	IMPACT MATERIALITY		FINANCIAL MATERIALITY		FINAL RESULT
	POSITIVE IMPACTS	ADVERSE IMPACTS	RISKS	OPPORTUNITIES	TOTAL
E1 - Climate change	3	3	4	2	12
S1 - Own workforce	4		5	2	11
S3 - Affected communities	3				3
S4 - Consumers and end-users	2	2	5	2	11
G1 - Business conduct	2	2	4		8
TOTAL	14	7	18	6	45

The identified material IROs are related to the business model and to the main decision-making processes of the CAI Group and are connected to and steered by the set policies. The sustainability topics that were found material reflect the CAI Group's commitment to integrating ESG factors into its corporate and business model and the environmental and social commitments, which were implemented with the policies and actions reported in the topical sections hereinafter. Thanks to their integration market trends can be identified and stakeholders' expectations can be met, while strengthening the CAI Group's resilience and fostering evolution in strategies.

The impacts, positive or adverse, generated by the CAI Group affect and may affect society and the environment directly or indirectly. At the same time, the CAI Group is exposed to the risks and opportunities coming from society and the environment.

The IRO assessment took into account also the business model and strategy, leading to the identification of material impacts, risks and opportunities associated with the CAI Group's progressive positioning in the ever-changing social, economic and environmental scenario, in a circular process for IRO assessment and

verification of the appropriate orientation of the adopted policies, in order to evolve where necessary. Because of the very nature of the CAI Group's business and model, as already described above (ESRS2 SMB-3 DP48), the impact that it can generate are strictly related also to its commercial activities and relationships, both on the environment through the effects on climate change resulting from the choices it makes as regards lending and design or placement of products and services, and on people and society, in terms of its operations in the regions and in the Communities, of the management of its relationships with its suppliers and providers and, again, in terms of the choices it makes about lending and design or placement of products and services.

For more exhaustive information, please see the topical sections.

Based on the DMA, the potential financial effects as currently identified of material risks and opportunities on the CAI Group's equity and financial position, as well as on its profit or loss and cash flows were qualitatively assessed. Specifically, having regard to the effects on profit or loss, the CAI Group assessed potential effects on its net banking income and the related components - net fee and commission income, net interest income and net income from services - as well as on the costs reported under administrative expenses, including labour cost and restoration costs, plus other components of other operating expenses and income. In terms of financial position, the potential effects concern balance sheet assets, with special regard to the IFRS9 portfolio, and liabilities, including investments.

During the DMA and impact materiality assessment, the time horizon was also identified, starting from the reporting year, over which the effects of the impacts can reasonably be expected. Based on the approach shared with the Parent Company, the time horizon comprises three possible main spans, in accordance with ESRS1: the short term, which is the reporting period; the medium term, which is up to five years as of the end of the short term; and the long term, which is a time horizon of more than five years. Furthermore, the option was added to consider an "unchanged" time horizon, for any effects that are expected to be the same in the short, medium or long term.

Climate risk assessment

The risks associated with climate change that affect the major risks the Group is exposed to (credit risk, financial risks, operational risk) because of its exposure to physical and transition risks, were assessed based on their potential financial effects on the Group's profit or loss, in terms of impact on credit and operational risks.

The Risk Management and Permanent Controls Function operates with full autonomy and independence to perform its control mission. It has been working on the progressive integration of climate-related and environmental risks into the CAI Group's controls system in accordance with the guidelines issued by the Parent Company Crédit Agricole S.A. in order to ensure that the CAI Group's Governance can make informed decisions and can take these risks into account in making its strategic decisions. Specifically, the Risk Management and Permanent Controls Function guarantees proactive and all-encompassing management of risks, ensuring:

- Cross-cutting view: periodic crosswise monitoring has been implemented, reporting the progress in the projects to integrate ESG factors into the Bank's work processes and information systems to the Management Bodies and to the relevant Committees;
- A specific sector analysis, namely a Business Environmental Scan or "BES": the CAI Group analyzed the impacts of climate-related and environmental risk factors on its commercial and lending activities. The analysis was performed on the "Residential Real Estate", "Agriculture" and "Consumer Goods and Retail" sectors, in accordance with the segmentation by sector on the individual entities set by the Parent Company; the analysis was performed with proactive contributions from the relevant Business functions;
- The updating of the financial materiality assessment in order to understand the impact of climate-related and environmental risks on the traditional risk categories (credit risk, operational risk, market risk, liquidity risk, reputational risk): the assessment is performed on a yearly basis and takes into consideration how the climate-related and environmental risk drivers (both physical and transition risks) can emerge in the traditional risk categories through the various transmission channels. The adopted approach is based on the assessment of three components: exposure, hazardousness and vulnerability;
- Climate Risk Stress Testing exercises in line with the Parent Company Crédit Agricole S.A., based on the analysis of the impacts of different scenarios and on different time horizons;
- A business continuity plan, in order to mitigate the potential adverse impacts of climate and environmental events on operational risk.

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES

Description of the processes to identify and assess material impacts, risks and opportunities

Double Materiality Assessment

ESRS2
IRO-1
DP53

The impacts, risks and opportunities that are material for the Crédit Agricole Italia Group have been identified through the Double Materiality Assessment, consistently with the strategic and operational guidelines given by the Parent Company Crédit Agricole S.A. e in accordance with Regulation (EU) 2023/2772 and the “Implementation Guidance IGI Materiality Assessment” issued by EFRAG.

The Double Materiality Assessment (DMA) was performed for the 2024 reporting period, in accordance with the ESRS on two dimensions:

- **Impact materiality (inside out)**, which considers the actual or potential, positive or adverse impacts that the Crédit Agricole Italia Group generates or may generate, directly or indirectly, on sustainability matters and, therefore, on its internal and external stakeholders and on the environment in the short, medium and long term.
- **Financial materiality (outside in)**, which considers the financial effects that sustainability matters may generate on the Crédit Agricole Italia Group, in terms of risks that may affect its business development, its equity and financial situation, its profit or loss, its cash flows, access to financing and cost of capital, in the short, medium and long term; the financial effects of opportunities that may, at present or in the future, generate significant financial impacts, improving competitiveness, optimizing costs and facilitating access to new markets and investments.

The steps in the Double Materiality Assessment (DMA) process, in accordance with the approach developed by Crédit Agricole S.A., are the following:

1. Analysis and understanding of the context
2. Identification of the impacts, risks and opportunities (“IRO”)
3. IRO scoring
4. DMA reporting: identification of the material IROs to be included in the Sustainability Report



1. Analysis and understanding of the context

The first step in the DMA consists of the following phases:

- **Analysis of the CAI Group's internal and external context**, in order to identify any material topics and the impacts, risks and opportunities associated therewith and to collect and take into account all the elements that are and characterize the CAI Group, its market positioning and regarding the environmental, social and economic system.
- **Perimeter analysis**, to ensure that the Consolidated Sustainability Reporting perimeter is consistent with the Financial Reporting one in the IRO analysis.
- **Value chain mapping and analysis**, to identify information on material impacts, risks and opportunities associated with the undertaking through direct and indirect business relationships in the upstream and downstream value chain.
- **Stakeholder mapping and stakeholder engagement**, to collect information from the stakeholders to identify and assess IROs.

2. Identification of the impacts, risks and opportunities (“IRO”)

The IRO identification is performed at the CA Group level, in accordance with the guidelines issued by Crédit Agricole S.A. to ensure consistency in the Sustainability Reports presented by the various companies of the CA Group. Based on the IRO list set at the CAsa Group level and taking into account the specificities of Italy and of the Italian market, the applicable domestic legislation and regulations and the activities performed, the CAI Group calibrated the IROs to the local context, assessing the relationships and specificities of its value chain, its stakeholders' expectations and its distinctive policies.

For each IRO, the following elements have been mapped:

- The associated sustainability/ESRS matter and the related topical standard;
- The type (positive/adverse, actual/potential impact, risk or opportunity);
- The time horizon;
- The connection with the value chain.

3. IRO scoring

Each IRO is assessed with a both qualitative and quantitative approach, where applicable. The qualitative approach is used to assess the Group's internal initiatives, policies and strategies, while the quantitative approach is used to supplement the assessments with profit or loss, financial or equity figures, where they can be estimated. The IRO assessment is performed involving the various corporate functions in order to ensure a full and multidisciplinary view. At the end of the assessment of risks and opportunities, the impacts generated by the organization and its dependence, where any, on elements such as ecosystemic services, human and intellectual capital, the soundness of its relationships with the Communities and the regions are also taken into account. In order to supplement, evolve or confirm the assessments, the stakeholder engagement process is implemented and its outcomes are used to orient the scoring.

The IROs are scored in accordance with scales set by the Parent Company Crédit Agricole S.A. and adopted by the Crédit Agricole Italia Group. Implementing the guidelines issued by the Parent Company and in accordance with the EFRAG guidance, the DMA approach is defined as follows.

As regards positive or adverse impacts, the following profiles are assessed: Impact Likelihood and Severity, with Severity based on: Scale, Scope, Irremediable character (for adverse impacts only).

As regards risks and opportunities, the following profiles are assessed: Likelihood and Magnitude.

Implementing the Parent Company's guidelines, the IRO scoring approach provides for a numeric score on a scale to be assigned. Scores are assigned to the individual elements and a final score is thus obtained and compared against a materiality threshold.

The threshold is set by CA.s.a and adopted by CAI's Board of Directors, complying with the principle of ensuring that consistent DMA approaches be used by all the entities of the CA Group presenting their Sustainability Report and, at the same time, contributing to CAsa consolidated Sustainability Report. The threshold is set in compliance with ERS1 and Materiality assessment implementation guidance (MAIG) 1.

To appropriately document the DMA and to apply harmonized scoring criteria, in order to ensure the process robustness, the CAI Group has implemented a tool guiding the IRO assessment, the “Fiche IRO” (Fiche). For each IRO, the Fiche enables to understand the assessment scope and supports the scoring guiding the logical and decision-making process, ensuring that all significant elements underlying the assessment are taken into consideration.

ESRS2
IRO-2
DP59

4. DMA reporting: identification of the material IROs to be included in the Sustainability Report

At the end of the DMA process, the CAI Group determines the list of the material IROs associated with the sustainability topics. The contribution of the qualitative-quantitative information is used in reporting, both in the Sustainability Report of the Crédit Agricole Italia Group, and in the Consolidated Sustainability Report of Crédit Agricole S.A.

Having specific regard to risks, the Risk Management and Permanent Controls Function ensured that they be directly brought back to the banking industry traditional risks, such as credit risk, market risk, liquidity risk, operational risk and reputational risk. This approach ensured consistency with the risk management framework that the Group has in force, while also ensuring its alignment with the specificities of ESG matters. Specifically, the major financial risks for the Group resulting from the exposure to climate-related physical and transition risks have been assessed in accordance with their different occurrence:

- Credit risk: the potential impact on the cost of credit generated by the downgrading of the credit rating of the portfolio that is the most exposed to physical and transition risks was calculated;
- Operational risk: the operational losses resulting from this type of risk events recorded in the specific collection tool were considered;

- Liquidity risk: the events that in the past generated impacts on liquidity buffers were considered;
- Market risk: the composition of the Group's Banking Book was considered.

The above described process is governed by the *DMA Policy* and its proper execution is governed by an operational Regulation, which assigns tasks and responsibilities to the various corporate functions, ensures the traceability of information and data, specifies the obligations lying with each one of the functions involved to keep the evidence, elements and documents on record as appropriate to reconstruct, at any time, the data and information stated in the Sustainability Report, governs the verification steps via check to ensure the data audit trail and the minimum governance standards. Then, consistency checks and second-level controls are performed.

Non-materiality of topics E2, E3, E4, E5

ESRS2
IRO-2
DP58

The Double Materiality Assessment gave evidence of the non-materiality of topics: E2 Pollution, E3 Water and marine resources, E4 Biodiversity and ecosystems, E5 Resource use and circular economy. Those scopes are hereinafter referred to for short as "nature-related matters".

Having regard to nature-related matters, the Parent Company CAI assessed that there is no universally acknowledged approach to measure the related impacts. The lack of international standardization of indicators and approaches hinders assessment comparability and the adoption by the financial sector of a harmonized and shared assessment approach.

Moreover, the applicable legislation and regulations do not provide any tools to determine how the impacts generated by the Bank on Scope 3 emissions downstream the value chain should be taken into account in lending. This is made worse by failure by the EFRAG to issue banking-sector-specific ESRS as the banking sector is typically affected by nature-related topics downstream the value chain.

On top of these context limits, there is the lack of granular data or time series, which affects the financial system as a whole, as the underlyings are often closely related to a complex network of interdependent relationships between several economic players, which makes the impact assignment and measurement very complex.

Although the standards for the assessment of nature-related topics are not yet fully mature, Crédit Agricole Italia completed its DMA on the related IROs, adopting methods and approaches that, to date, are consistent with sustainability good practices.

The assessments were made mapping the loan portfolio sectors using an approach based on the Impact Protocol of the United Nations Environment Programme Finance Initiative (UNEP FI), and investigating impacts/risks with the Sector Mapping Impact Radar system, whereby the adverse impacts generated by the Group's operations can be accurately and consistently assessed.

The portfolio assessment consisted of the steps given below:

- Identification of the portfolio perimeter;
- Sector mapping in accordance with the UNEP FI model;
- Determining impact materiality based on the scale of the exposures;
- Aligning the results to the ESRS and materiality assessment.

CAI's overall portfolio gives evidence of a strategy for essentially balanced allocation of lending in terms of exposures to Businesses and Individuals and there are no significant concentrations of exposures to sectors with potential impacts on nature-related topics. This being the situation, considering its modest exposure to sectors with potential impacts on nature-related topics, CAI determined the non-materiality of those topics.

Description of the process to identify and assess the climate-related IROs

Climate-related IROs

Within the Green Deal, the CA Group has undertaken commitments in terms of responsible protection of the environment and climate change mitigation, as exhaustively described in section E1. The CAI Group contributes to the implementation of the Transition Plan adopted by CAI also to deploy the actions associated with its membership in the NZBA – Net Zero Banking Alliance.

Greenhouse gas emissions, largest contributor to global warming, pose one of the biggest challenges in the fight against climate change, as they imply the transformation of economic, financial, production and consumption systems, through the commitment of individuals, businesses and governments.

Climate change topics feature high complexity and require large investments, and this is why they are one of the most material topics for the banking system and the CAI Group. In this regard, CAI's ESG position provides for actions to support businesses in their energy transition and to assist individuals along a progressive and gradual path that takes into account of the decarbonization needs and of economic and social stability needs.

In the Double Materiality Assessment (DMA), 12 climate-related material IROs were identified. Specifically, those IROs refer to energy transition and emission reduction topics.

Having specific regard to risks, it was found that climate change may generate structural changes affecting economic activities and, consequently, the financial system. Risks associated with climate change can be broken down as follows:

- **Physical risks**, indicating the adverse financial impact generated by climate change, in terms both of more and more frequent extreme weather events and of gradual shifts in climate patterns. Physical risks are defined “acute” if they are associated with extreme weather events – such as floods, storms, heatwaves – and are defined as “chronic” if they are associated with progressive shifts in climate patterns – such as sustained higher temperatures, sea level rise;
- **Transition risks**, indicating the adverse financial impact that the Group may incur because of its exposure to counterparties undergoing adjustment processes towards a low-carbon economy, which may affect their balance sheet and solvency (developments in the applicable legislation and regulations, in the market and in technologies).

These risks may materialize in the traditional risk categories, such as credit risk, operational risk, reputational risk, liquidity risk and market risk.

CAI assesses the hazardousness of physical risks based on the geographical distribution of its customers (location of residence, operational headquarters and registered offices) and on the location of the properties pledged as collateral. The hazardousness of the physical risks to which the Group's customers are exposed is assessed through the mapping of the Italian territory hazardousness made available by ISPRA (the Italian Institute for Environmental Protection and Research). Geolocation and physical risk assignment services are performed on a continuous basis by an external provider. The factors underlying this type of risk depend on the natural conformation of the Italian territory and their impacts may be made worse by climate change. More specifically:

- In case of loans secured by property, the physical risks associated with the location of the properties pledged as collateral are mapped;
- In case of unsecured loans, the physical risks associated with the location of the customers' residence, registered offices/operational headquarters.

The Group assesses its exposure to transition risk both through the assessment of the distribution by sector of its customers and through the use of scores obtained from external providers. Furthermore, it uses an internal score based on the SASB (Sustainability Accounting Standards Board) approach, which assessed 26 environmental, social and governance issues based on the economic sector the customer belongs to.

ESRS2
IRO-1
E1
DP20

System to assess and manage the climate-related risks

Being fully aware of the potential impacts of climate-related and environmental risks on its activities, the Crédit Agricole Italia Group, as its Parent Company is doing, is progressively integrating these risks into its risk management system, with a continuous improvement approach, in order to ensure that the impacts associated therewith are assessed, monitored and prevented.

The Crédit Agricole S.A. Group is carrying out its multi-year action plan aimed at implementing the framework for the management of climate-related and environmental risks, complying with the Supervisory Expectations set out in the ECB “Guide on climate-related and environmental risks”. The Crédit Agricole Italia Banking Group is implementing a consistent action plan, which is regularly monitored by the Risk Management and Permanent Controls Function.

Furthermore, meeting the Supervisory Expectations set out in the ECB “Guide on climate-related and environmental risks”, the climate-related and environmental risk factors have been embedded in the Group’s Risk Appetite Framework through specific indicators - while also planning to strengthen their inclusion over time - in order to ensure appropriate and prudent management of those risks, in accordance with the applicable legislation and regulations and with the instructions given by the Parent Company CAsa. As already done in the past years, environmental risk is included in the CAI Group’s risk mapping classified as a material risk and, as such, it is included in qualitative reporting also for ICAAP purposes.

On a yearly basis, the Risk Management and Permanent Controls Function updates the materiality assessment of climate-related and environmental risks (the “Heatmap”), which is intended to understand the materiality of climate-related and environmental risks on the traditional risk categories: credit risk, operational risk, market risk, liquidity risk and reputational risk. The activity is required by the Regulator in the ECB «Guide on climate-related and environmental risks» and in the Bank of Italy «Supervisory expectations on climate-related and environmental risks». Screening undergoes a continuous improvement process through an action plan designed to enhance the assessment methods and approaches, in accordance with the applicable legislation and regulations and with the instructions given by the Parent Company CAsa.

The Risk Management and Permanent Controls Function sees to the reporting on ESG matters, including:

- Monitoring of exposures to physical risk based on the classification of climate-related and environmental risks;
- Monitoring of exposures to transition risk based on the sector classification in accordance with the differentiation logics implemented by the Short-Term Exercise on the exposures to sectors that are significant contributors to climate change and with the scores obtained from external providers
- Assessment of transition risk as regards the properties pledged as collateral analyzing their energy efficiency classes.

Internal reporting, on regular basis, to the ESG Committee, to the Sustainable Development Board Committee and to the Board of Directors on the exposures to physical and transition risks and on the outcomes of the monitoring of transformation activities.

The Risk Management and Permanent Controls Function identified objective criteria to select priority action perimeters, as regards both physical and transition risks, in order to start the first actions to mitigate those risks on a selected number of high risk customers and portfolios (high risk measured by the LGD average threshold, i.e. in terms of losses in case the customer defaults) and to ensure that the actions are sustainable in terms of effort required of the various corporate functions concerned.

Furthermore, having regard to physical risks, in 2024 assessments were made to detect and measure not only any increase in credit risk assessed, but also any impairment of the value of properties in the areas hit by floods, which in 2023 occurred in Emilia-Romagna, Marche (May 2023) and Tuscany (November 2023). In general, the assessment of the value of the properties in the areas hit by the floods did not show any significant impairment, but rather a price performance quite in line with the general trend in the Italian market. On the other hand, the evolution in credit risk was assessed comparing the evolution in different Key Risk Indicators before and after the disaster events, as regards customers residing or operating in the areas hit by the floods with the average evolution in the Region. Also in this case, no substantial differences in trend were found between the two samples assessed.

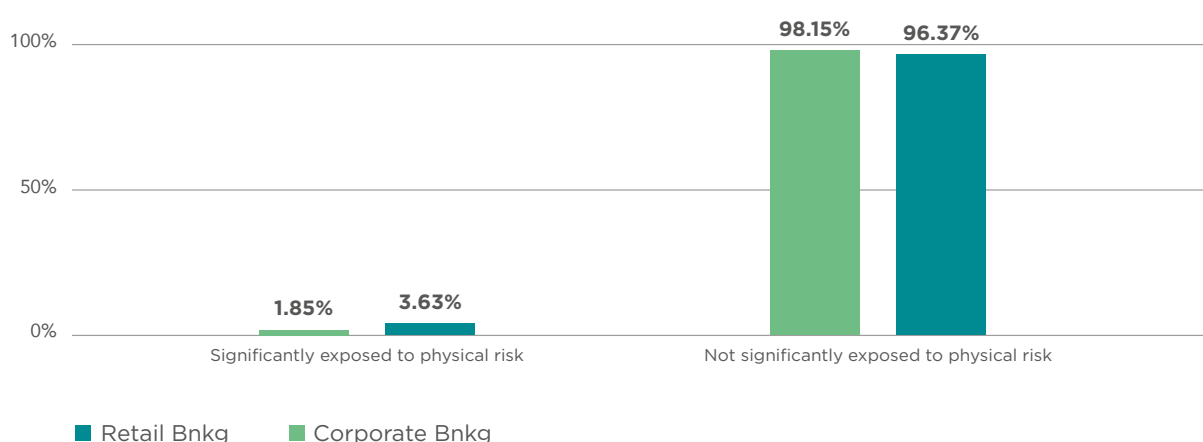
Indeed, the climate-related and environmental risks described above may be financial risk factors and, typically, credit risk, operational risk, liquidity risk and market risk, because of the Group’s exposure to physical risk and transition risk. The key evidence is reported below.

Physical risks

Given the potential adverse impacts on counterparties and/or on properties pledged as collateral resulting from physical risks, the CAI Group' exposure to **credit risk** may increase. The impacts on the Group's portfolio were assessed measuring the effect on the credit rating of the portfolio that is the most exposed to the acute physical risks of flood and landslide. The assessment perimeter consisted of the IFRS9 Portfolio (loans, signature loans, margins) for the worst-hit management sub-segments of the Corporate and Retail banking segments. Quantification was calculated applying a mechanism to downgrade the risk profile of customers within credit impairment measurement, and identifying credit risk materiality.

The assessment will be progressively evolved and fine-tuned. The percentage weight of the exposure of the assessed perimeter that was the most exposed to flood and landslide acute physical risks as at 30 June 2024. The chart below shows a percentage exposure subject to these physical risks of 3.63% for the Retail banking segment ("Households") and of 1.85% for the Corporate banking segment (Non-Financial Corporations).

Acute physical risks - portfolio distribution



Operational risk may result from the CAI Group's exposure, and especially from the exposure of owned assets to potential severe weather events (damage to properties, impact on business continuity, damages to customers or their assets, alterations in services to customers and impacts on revenues) and is mostly linked to the geographical distribution both of owned sites housing the Central Functions and branches, and of the data processing centers. Specifically, since December 2022, all the Operational Risk Managers (ORM) of the Group have identified environment-related operational losses in a collection application designed for that purpose, with specific classification, ensuring higher traceability of operating costs caused by climate-related and environmental risk events. Therefore, to assess the financial effects of climate-related physical risks on operational risk, the historical operational losses were assessed: more precisely, as at 30 June 2024, the operational risk **loss data collection** record contained four climate-related/environmental events, of which one associated with climate-related physical risks, namely the floods in Romagna and in Marche.

The climate-related and environmental events with impacts on customers based in locations with high physical risk may generate repercussions on the CAI Group's **liquidity** because of a decline in loans and direct and indirect funding. Following the floods in Emilia-Romagna occurred in the 2023-2024 two-year period, there were no impacts on the liquidity buffers generated by climate-related and environmental risks.

Transition risks

Financial risks for the Group resulting from the exposure of assets to climate-related transition risks associated with climate change may cause repercussions, especially on the Group's loan portfolio, generating effects on credit risk.

That risk may result from the Group's exposure to sectors affected by transition constraints that may alter the financial balance and solvency of counterparties or of customers (developments in the applicable legislation and regulations, in the market and technologies to a low-carbon economy). The financial impacts on the CAI Group were assessed measuring the effect on credit rating of the portfolio portion consisting of the counterparties that are the most exposed to transition risks, which was identified with sector-specific logics and with appropriate approaches. The CAI Group used two climate-related issues from the SASB approach as discriminant variables, namely "GHG Emissions" and "Energy Management":

- The "GHG Emissions" variable regards the direct emissions (Scope 1) of greenhouse gases (GHG) that an undertaking generates through its activities. This category includes emissions from fixed sources (e.g. factories) and mobile ones (e.g. motor vehicles). This issue also considers the management of regulatory and reputational risks and environmental compliance of the counterparties and of the reputational risks and opportunities, as referring to direct GHG emissions.
- The "Energy Management" issue regards the environmental impacts associated with the management by the undertaking of energy consumption. Specifically, the methods to manage energy efficiency and intensity, the energy mix and dependence on the network are taken into account. Conversely, the variable does not include energy use upstream (for example consumed by suppliers) and downstream (for example using the product). The assessment perimeter consisted of the IFRS9 Portfolio (loans, signature loans, margins) for the worst-hit management sub-segments of the Corporate and Retail banking segments. Quantification was calculated applying a mechanism to downgrade the risk profile of customers within credit impairment measurement, and leading to the assessment of credit risk materiality.

The assessment will be progressively evolved and fine-tuned. The percentage weight of the exposure of the assessed perimeter that was the most exposed to transition risk as at 30 June 2024. The chart below shows a percentage exposure subject to this risk of 4.12% for the Corporate banking segment ("Non-Financial Corporations").

Transition risks - Distribution of the Non-Financial Corporations portfolio



As regards the assessment approach used for **market risk**, the composition of the CAI Group's Banking Book was taken into account. Climate-related physical and transition risk factors may generate a bigger impact on Corporate Securities, as they are similar to direct loans. The Group's Banking Book mainly consists of Government Securities, which are not impacted by climate-related and environmental risks.

ESRS2
IRO-1
E1
DP21

Considering the latest scientific evidence and the main risk factors identified, the CAI Group believes that the financial effects of climate-related risks are material in an invariable time horizon, i.e. they are similar in the medium, short and long term for physical risks, while they are substantial in the medium and long term for transition risks.

Description of the process to identify and assess the business conduct-related IROs

Having regard to business conduct, scores were calculated through the Double Materiality Assessment described in IRO-1. Having regard to business conduct and culture, the results of the annual mapping of the processes at risk of corruption and the penalty regime provided for the applicable legislation and regulations were considered. Having regard to the topics concerning suppliers and providers, the perimeter of supply and provision contracts was assessed, considering the cost of annual ordered goods and services, allocating all suppliers and providers to an assessment cluster (by ATECO sector) and identifying the most material segments and actors.

Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The table gives an overview of the disclosure requirements and the references to the pages of this Report:

Section	Topic	Disclosure requirement		Pages
General disclosures	ESRS2 – General disclosures	ESRS2 BP-1	General basis for preparation of sustainability statements	106
		ESRS2 BP-2	Disclosures in relation to specific circumstances	107, 108, 109
		ESRS2 GOV-1	Role of the administrative, supervisory and management bodies	110, 111, 114, 115
		ESRS2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	116
		ESRS2 GOV-3	Integration of sustainability-related performance in incentive schemes	116
		ESRS2 GOV-4	Statement on due diligence	118
		ESRS2 GOV-5	Risk management and internal controls over Sustainability Reporting	119
		ESRS2 SBM-1	Market position, business model(s) and value chain	120, 123
		ESRS2 SBM-2	Interests and views of stakeholders	125, 126
		ESRS2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	127
		ESRS2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	130, 133, 136
		ESRS2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	131, 132, 140

Section	Topic	Disclosure requirement		Pages
Environmental information	ESRS E1 - Climate change	E1 ESRS2 SBM-1	Strategy	148, 149 169
		E1 ESRS2 GOV-3	Integration of sustainability-related performance in incentive schemes	116, 150
		E1-1	Transition plan for climate change mitigation	150
		E1 ESRS2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	151, 154, 155
		E1 ESRS2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	133
		E1-2	Policies related to climate change mitigation and adaptation	157, 159, 160, 161, 162, 163, 164, 170, 171
		E1-3	Actions and resources in relation to climate change policies	159, 161, 163, 164, 165, 172, 173
		E1-4	Targets related to climate change mitigation and adaptation	174
		E1-5	Energy consumption and mix	174, 175
		E1-6	Gross Scopes 1, 2, 3 emissions and Total GHG emissions	175, 178
Social information	ESRS S1 - Own workforce	S1 ESRS2 SBM-1	Strategy	226
		S1 ESRS2 SBM-2	Interests and views of stakeholders	134, 228
		S1 ESRS2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	229, 230
		S1-1	Policies related to own workforce	226, 231, 233, 234, 237, 238
		S1-2	Processes for engaging with own workers and workers' representatives about impacts	234, 236, 239
		S1-3	Channels for own workers and workers' representatives to raise concerns	240
		S1-4	Processes to remediate negative impacts and channels for own workers to raise concerns	231, 232, 233, 235, 237, 239
		S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	240
		S1-6	Characteristics of the undertaking's employees	240
		S1-8	Collective bargaining coverage and social dialogue	242
		S1-9	Diversity metrics	243
		S1-10	Adequate wages	244
		S1-12	Persons with disabilities	244
		S1-13	Training and Skills Development metrics	245
		S1-14	Health and safety metrics	246
		S1-16	Remuneration metrics (pay gap and total remuneration)	246
		S1-17	Incidents, complaints and severe human rights impacts	246

Section	Topic	Disclosure requirement		Pages
Social information	ESRS S3– Affected communities	S3 ESRS2 SBM-1	Strategy	248
		S3 ESRS2 SBM-2	Interests and views of stakeholders	126, 249
		S3 ESRS2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	249, 250
		S3-1	Policies related to affected communities	252, 253, 254, 255, 256
		S3-2	Processes for engaging with affected communities about impacts	260
		S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	261
		S3-4	Taking action on material impacts on affected communities and approaches to mitigating material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	252, 253, 255, 256, 257, 259
		S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	261
	ESRS S4– Consumers and end-users (including specific matters)	S4 ESRS2 SBM-1	Strategy	262
		S4 ESRS2 SBM-2	Interests and views of stakeholders	126, 263
		S4 ESRS2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	262, 263, 264, 265
		S4-1	Policies related to consumers and end-users	266, 267, 268, 269, 270, 271, 272
		S4-2	Processes for engaging with consumers and end-users about impacts	265
		S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	275
		S4-4	Taking action on material impacts on consumers and end-users and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions	266, 267, 269, 270, 271, 272, 273, 274
		S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	275

Section	Topic	Disclosure requirement		Pages
Information on governance	ESRS G1– Business conduct	G1 ESRS2 SBM-1	Strategy	276
		G1 ESRS2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	277
		G1 ESRS2 GOV-1	Role of the administrative, supervisory and management bodies	115, 276
		G1 ESRS2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	277
		G1-1	Corporate culture and business conduct policies	278, 279, 281
		G1-2	Management of relationships with suppliers	282, 283
		G1-3	Prevention and detection of corruption or bribery	279, 280
		G1-4	Confirmed incidents of corruption or bribery	279, 280
		G1-6	Payment practices	284

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

ESRS2
IRO-2
DP56

The table below illustrates the datapoints in ESRS 2 and topical ESRS that derive from other EU legislation.

Disclosure Requirement and related datapoint	Applicable legislation and regulations	Materiality (after the Double Materiality Assessment)	Pages
ESRS2 GOV-1 Board's gender diversity paragraph 21 (d)	• SFDR¹ reference: Indicator number 13 of Table #1 of Annex 1 • Benchmark Regulation² reference: Commission Delegated Regulation (EU) 2020/1816³, Annex II		110
ESRS2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	• Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II		110
ESRS2 GOV-4 Statement on due diligence paragraph 30	• SFDR reference: Indicator number 10 of Table #3 of Annex 1		118

1 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).

2 Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

3 Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).

Disclosure Requirement and related datapoint	Applicable legislation and regulations	Materiality (after the Double Materiality Assessment)	Pages
ESRS2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	• SFDR reference: Indicator number 4 of Table #1 of Annex 1 • Pillar 3⁴ reference: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453⁵, Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk • Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II		120
ESRS2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	• SFDR reference: Indicator number 9 of Table #2 of Annex 1 • Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II		120
ESRS2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	• SFDR reference: Indicator number 14 of Table #1 of Annex 1 • Benchmark Regulation reference: Delegated Regulation (EU) 2020/1818⁶, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		120
ESRS2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	• Benchmark Regulation reference: Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		150
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	• EU Climate Law reference⁷: Regulation (EU) 2021/1119, Article 2(1)		150
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	• Pillar 3 reference: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity • Benchmark Regulation reference: Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		150
ESRS E1-4 GHG emission reduction targets paragraph 34	• SFDR reference: Indicator number 4 of Table #2 of Annex 1 • Pillar 3 reference: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics • Benchmark Regulation reference: Delegated Regulation (EU) 2020/1818, Article 6		174

4 Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

5 Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p.1).

6 (29) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

7 (26) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

Disclosure Requirement and related datapoint	Applicable legislation and regulations	Materiality (after the Double Materiality Assessment)	Pages
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	• SFDR reference: Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1		174, 175
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	• SFDR reference: Indicators number 1 and 2 Table #1 of Annex 1 • Pillar 3 reference: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity • Benchmark Regulation reference: Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		175
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	• SFDR reference: Indicator number 3 of Table #1 of Annex 1 • Pillar 3 reference: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book - Climate change transition risk: alignment metrics • Benchmark Regulation reference: Delegated Regulation (EU) 2020/1818, Article 8(1)		178
ESRS E1-7 GHG removals and carbon credits paragraph 56	• EU Climate Law reference: Regulation (EU) 2021/1119, Article 2(1)	Non-material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	• Benchmark Regulation reference: Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	Phased-in application	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)	• Pillar 3 reference: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.	Phased-in application	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	• Pillar 3 reference: Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral	Phased-in application	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69	• Benchmark Regulation reference: Delegated Regulation (EU) 2020/1818, Annex II	Phased-in application	

Disclosure Requirement and related datapoint	Applicable legislation and regulations	Materiality (after the Double Materiality Assessment)	Pages
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	• SFDR reference: Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1	Non-material	
ESRS E3-1 Water and marine resources paragraph 9	• SFDR reference: Indicator number 7 of Table #2 of Annex 1	Non-material	
ESRS E3-1 Dedicated policy paragraph 13	• SFDR reference: Indicator number 8 of Table #2 of Annex 1	Non-material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	• SFDR reference: Indicator number 12 of Table #2 of Annex 1	Non-material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	• SFDR reference: Indicator number 6.2 of Table #2 of Annex 1	Non-material	
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	• SFDR reference: Indicator number 6.1 of Table #2 of Annex 1	Non-material	
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	• SFDR reference: Indicator number 7 of Table #1 of Annex 1	Non-material	
ESRS 2- IRO 1 - E4 paragraph 16 (b)	• SFDR reference: Indicator number 10 Table #2 of Annex 1	Non-material	
ESRS 2- IRO 1 - E4 paragraph 16 (c)	• SFDR reference: Indicator number 14 of Table #2 of Annex 1	Non-material	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	• SFDR reference: Indicator number 11 of Table #2 of Annex 1	Non-material	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	• SFDR reference: Indicator number 12 of Table #2 of Annex 1	Non-material	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	• SFDR reference: Indicator number 15 of Table #2 of Annex 1	Non-material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	• SFDR reference: Indicator number 13 of Table #2 of Annex 1	Non-material	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	• SFDR reference: Indicator number 9 Table #1 of Annex 1	Non-material	

Disclosure Requirement and related datapoint	Applicable legislation and regulations	Materiality (after the Double Materiality Assessment)	Pages
ESRS2 – SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	• SFDR reference: Indicator number 13 of Table #3 of Annex 1		229
ESRS2 – SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	• SFDR reference: Indicator number 12 of Table #3 of Annex 1	Not applicable	
ESRS S1-1 Human rights policy commitments paragraph 20	• SFDR reference: Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	Not applicable	
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	• Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II		226
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	• SFDR reference: Indicator number 11 of Table #3 of Annex 1	Not applicable	
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	• SFDR reference: Indicator number 1 of Table #3 of Annex 1		237, 238
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	• SFDR reference: Indicator number 5 of Table #3 of Annex 1		240
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	• SFDR reference: Indicator number 2 Table #3 of Annex 1 • Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II		246
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	• SFDR reference: Indicator number 3 of Table #3 of Annex 1		246
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	• SFDR reference: Indicator number 12 of Table #1 of Annex 1 • Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II		246
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	• SFDR reference: Indicator number 8 of Table #3 of Annex 1		246
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	• SFDR reference: Indicator number 7 of Table #3 of Annex 1		246

Disclosure Requirement and related datapoint	Applicable legislation and regulations	Materiality (after the Double Materiality Assessment)	Pages
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	• SFDR reference: Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I • Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		246
ESRS2 SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	• SFDR reference: Indicators number 12 and n. 13 Table #3 of Annex I	Non-material	
ESRS S2-1 Human rights policy commitments paragraph 17	• SFDR reference: Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	Non-material	
ESRS S2-1 Policies related to value chain workers paragraph 18	• SFDR reference: Indicators number 11 and n. 4 Table #3 of Annex I	Non-material	
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	• SFDR reference: Indicator number 10 of Table #1 of Annex I • Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	Non-material	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	• Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II	Non-material	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	• SFDR reference: Indicator number 14 of Table #3 of Annex I	Non-material	
ESRS S3-1 Human rights policy commitments paragraph 16	• SFDR reference: Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	Not applicable	
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	• SFDR reference: Indicator number 10 of Table #1 of Annex I • Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		252
ESRS S3-4 Human rights issues and incidents paragraph 36	• SFDR reference: Indicator number 14 of Table #3 of Annex I		252
ESRS S4-1 Policies related to consumers and end-users paragraph 16	• SFDR reference: Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I		266
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	• SFDR reference: Indicator number 10 of Table #1 of Annex I • Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		266

Disclosure Requirement and related datapoint	Applicable legislation and regulations	Materiality (after the Double Materiality Assessment)	Pages
ESRS S4-4 Human rights issues and incidents paragraph 35	• SFDR reference: Indicator number 14 of Table #3 of Annex 1		266
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	• SFDR reference: Indicator number 15 of Table #3 of Annex 1		279
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	• SFDR reference: Indicator number 6 of Table #3 of Annex 1		279
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	• SFDR reference: Indicator number 17 of Table #3 of Annex 1 • Benchmark Regulation reference: Delegated Regulation (EU) 2020/1816, Annex II		279, 280
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	• SFDR reference: Indicator number 16 of Table #3 of Annex 1		279, 280

ENVIRONMENTAL RESPONSIBILITY

COMMITMENT TO CLIMATE TRANSITION

ESRS E1. CLIMATE CHANGE



STRATEGY

The Crédit Agricole Group's climate policy and transition plan

E1
ESRS2
SBM-1

The Crédit Agricole Group has adopted its *Projet du Groupe* Medium-Term Plan to fulfil its *Raison d'être* "Working every day in the interest of our customers and society" in each and every market where it operates worldwide, including Italy. The *Projet du Groupe* expresses the ambitions of the CA Group, which operates based on a Customer-focused universal banking model, to create social usefulness, assist the Communities in large transformations and to further strengthen its role as a reliable partner of choice for its customers in sustainable and inclusive development.

The *Projet du Groupe* rests on three pillars: the *Projet Client* to serve its customers aiming at excellence in relationships, the *Projet Humain* to act with individual responsibility being close to its customers in a relationship of trust, the *Projet Sociétal* to act in the interest of all being committed to sustainability.

The entire system, globally, is called upon to address the *global warming* challenge, to adapt and contain the effects of climate change and its ecological, social, economic and geopolitical consequences. The production and consumption models are being strongly questioned, because a new system of growth that is sustainable and with net zero GHG emission growth must be built. The "Net Zero 2050" target is a milestone in the trajectory that must be followed globally, so that by the year 2100, the world's average surface temperature will have risen to no more than 1.5°C warmer than pre-industrial levels. In this context, financial institutions are called upon to give their contribution in supporting the big transformations that are required in order to combat climate change and, partly, to adapt to it.

Fight against climate change is part of the *Projet Sociétal* and expresses the environmental responsibility of the CA Group, which has been a pioneer in climate action initiatives and has joined them since the very beginning: in 2003 the *Equator Principles* and the *Global Compact of the United Nations*, in 2008 the *Climate Principles*, in 2016 the *Science-Based Targets initiative*, in 2019 the *Principles for Responsible Banking*, in 2011 the *Principles for Responsible Investment*, in 2021 the *Principles for Sustainable Insurance*. It was a co-founder of the *Green Bonds Principles* and now is a world leader in green bonds. In 2021 and 2022 it joined the *Net Zero Banking Alliance*, *Net Zero Asset Managers Initiative*, *Net Zero Asset Owner Alliance* and the *Glasgow Financial Alliance for Net Zero* (GFANZ).

Within its *Projet Sociétal* the CA Group has set its *Climate Change Policy*, steadily implementing it with its "*Destination 2050*" *Transition Plan*, being progressively embedded in the general strategy and business model. With the *Transition Plan*, the CA Group has committed to contributing to the achievement of carbon neutrality by 2050 and to supporting its customers in their environmental transition. The policies and directions apply to the operational footprint of the CA Group, as well as to the footprint of the main operations carried out by Crédit Agricole companies worldwide, i.e. banking and lending, investments, asset management and insurance services.

The commitment to climate made by the CA Group in its *Transition Plan* rests on the main axes listed below:

- Achievement of Net Zero targets in line with *science-based* carbon footprint reduction trajectories in 10 priority sectors, which have been selected based on their climate impact, which account for about 60% of the CA Group's consolidated loans and over 75% of global GHG emissions;

- Setting Net Zero and intermediate targets to reduce the carbon footprint associated with its operating activities and its assets;
 - Sector policies to guide the investing, asset management and lending activities carried out by the various companies of the Group;
 - Commercial policies to assist its customers in their ecological and energy transition;
 - System to manage climate-related and environmental risks, which integrates decarbonization targets;
 - Designing the actions to support individuals and businesses in adapting to climate change.
- The CA Group is evolving its business model in order to pursue its climate strategy through projects having significant industrial scope, including:
- The incorporation of Crédit Agricole Transitions & Énergies, a company providing advisory and financing services for renewable energy projects and for energy production and marketing;
 - The go-live of the CARBIOZ platform to market “Low-carbon Label” certificates.

The Crédit Agricole Italia Group's commitment to the climate

The Projet Sociétal

Sustainability is a core component of the Crédit Agricole Italia Group's strategy, which hinges on the universal bank model to serve its customers and to support the economies in the regions where it operates to assist the Communities in the big environmental and social transformation underway or about to start.

The *Projet Sociétal* is a pillar of the Medium-Term Plan of the CAI Group, which, consistently with the setting adopted by the Crédit Agricole Group, provides for three lines of action:

- Actions for the transition to a low-carbon economy;
- Actions generating positive impacts on the regions in order to strengthen social inclusion and cohesion;
- Support to the transition of the production systems in the agri-food chain.

The energy transition and decarbonization specific scopes are held as priorities and the policies and actions deployed by the CAI Group in 2024 are reported below. For reporting on the social inclusion and cohesion scope, which is just as material, please see section S3.

E1
ESRS2
SBM-1

The Sustainability Plan

The CAI Group implements the climate strategy set by the Parent Company CAsa in the Italian context, considering Italy's social and economic characteristics and the physiological needs to recalibrate the objectives in accordance with the specificities of its climate, regions and domestic legislation and regulations.

The CAI Group's ESG positioning provides for the start of actions to support transition in the various ESG scopes, with special regard to the energy transition, as well as to supporting the regions in order to strengthen social inclusion and cohesion.

To implement the *Projet Sociétal* on a yearly basis, the *Sustainability Plan* is adopted, which comprises projects and actions aimed at achieving the set environmental and social objectives. The *Sustainability Plan* provides for cross-cutting and extensive actions, in order to integrate ESG factors in its work processes, to ensure that climate-related risk are managed, to properly comply with the Regulator's requests and, at the same time, to guide the evolution of the CAI Group's business model in order to boost sustainability-related business.

E1
ESRS2
SBM-1

In 2024, a *Sustainability Plan* was designed and rolled out, which is structured on four work directions covering all the ESG scopes; having regard to the environmental scope, a significant part focuses on climate change and adaptation thereto, and specifically:

- **Policy Plan** i.e. the adoption of corporate policies on sustainability matters to express the CAI Group's strategic positioning, including the policies on or relating to decarbonization matters.
- **Transformation project streams**, i.e. the projects aimed at integrating ESG factors in the work processes and IT systems, especially as regards the ambitions to reduce the carbon footprint from its operating activities and business-in-force portfolios.
- **ESG Business development**, i.e. project streams engaged in constructing an ESG commercial offering, especially transition lending, with evolution in the lending process to reduce financed emissions.
- **Ongoing ESG initiatives**, the scope comprising the day-by-day activities carried out by the various corporate functions to achieve ESG objectives directly assigned to them.

The governance system

To implement the *Projet Sociétal* and the *Sustainability Plan*, CAI's Board of Directors set up a strong ESG governance system. As ESG factors are relevant to all the dimensions of the banking business, the CAI Group has adopted an ESG Governance structure that implies awareness and oversight by all levels in the organization and cross-cutting involvement of all corporate functions, with throughout dissemination of the sustainability culture all the way to operational levels. For a description of the governance system, please see ERS2 GOV-1 DP22.

Having specific regard to the policies and actions to mitigate climate change and adapt to it, the governance system is based on:

- Crédit Agricole Italia's active participation in the strategic committees of Crédit Agricole S.A., and namely:
 - *Comité des Directions de l'Engagement Sociétal* which prepares proposals on decarbonization policies for the CA Group, and promotes, monitors and coordinates the implementation of the strategies set at an international level;
 - *Comité Sponsor Net Zéro et CSRD* which discusses on and sets the strategic plans for decarbonization, validates the Net Zero policies to be submitted to Crédit Agricole S.A.'s bodies and to be then disseminated throughout the CA Group, and validates the Net Zero trajectories and actions at a sector-specific level.
- Development of decision-making processes at the highest level of CAI's governance bodies and management, and namely:
 - The Board of Directors approves the policies on climate matters and the *Sustainability Plan* and oversees, on a yearly basis, the progress in the actions aimed at contributing to the reduction in the environmental impacts generated by the Bank and by the customers it finances, thus also contributing to the CA Group's *Transition Plan*;
 - The Sustainable Development Board Committee validates the policies to be submitted to the Board of Directors on ESG matters, including climate change and decarbonization actions;
 - The ESG and Sustainability Managerial Committee prepares proposals for the adoption of policies and regulations, including on decarbonization, oversees, at a management level, the implementation of the climate-related policies, validates the qualitative and/or quantitative objectives and the actions to reduce GHG emissions;
 - The ESG and Sustainability Function coordinates the implementation of the projects and actions under the CAI Group's *Sustainability Plan*, including those aimed at decarbonization and at contributing to the CA Group's *Transition Plan* from a Net Zero perspective.

E1
DP13
ERS2
GOV-3

The fight against climate change is core in the CAI Group's strategy and, therefore, its remuneration policies establish that, in the *MbO* schemes for the top management, performances be measured with criteria that take into account the contribution to the actions to reduce the direct or indirect carbon footprint throughout the value chain. For information in this regard, please see ERS2 GOV-3 DP29 and S1-1 MDR-P DP19.

The contribution to the Crédit Agricole Group's Transition Plan

E1-1
DP17

Climate change is a material topic for the Crédit Agricole Italia Group for the cases listed below, to which impacts, risks or opportunities are linked:

- Management of GHG emissions associated with operations and owned assets, i.e. the carbon footprint from Scope 1, 2 and 3 own emissions upstream in the value chain;
- Financing of GHG emissions associated with lending to customers, i.e. Scope 3 indirect carbon footprint downstream in the value chain (loan portfolio);
- Own investments in financial assets to which GHG emission can be attributed, i.e. Scope 3 indirect carbon footprint downstream in the value chain (security portfolio);
- Customers' investments in assets to which GHG emission can be attributed, i.e. Scope 3 indirect carbon footprint downstream in the value chain (wealth management portfolio);

As the CAI Group is part of the Crédit Agricole Group and operates under the *Medium-Term Plan* and the *Projet Sociétal*, its actions, which are set out in the *Sustainability Plan*, are consistent with and contribute to the achievement of the "*Destination 2050*" *Transition Plan* set by the Parent Company.

Indeed, the perimeter of application of the *Transition Plan* set by Crédit Agricole S.A. is the Crédit Agricole Group, which includes the CAI Group, whose sustainability figures and information are consolidated and reported also in the *Rapport de durabilité* presented by Crédit Agricole S.A. For the time being, there are no transition plans of the entities at a "local" level, but rather all the entities contribute to the *Transition Plan* of the CAI Group at a "global" level. Consequently, the CAI Group does not expect to adopt its own *Transition Plan* at a "local" level.

It is also worth noting that, as typically occurs for banks, the main component of GHG emissions regards

Scope 3 downstream, i.e. loan and financial asset portfolios. To date, EFRAG has not issued any sector-specific reporting standards, nor methodological guidance to manage that specificity of Scope 3 and, therefore, as no indication is given by the *Sector-Agnostic Standards* on how to set the *transition plan* of a credit institution, it is believed that the logical choice is to made reference to the *Transition Plan* of Crédit Agricole S.A., which embeds all the elements and requirements under the ESRS and under the *Implementation Guidance on Transition Plan for Climate Change Mitigation*.

The main scopes of GBCAI contribution to the implementation of the *Transition Plan* of the Crédit Agricole Group are stated by making specific reference to CAI in the *Rapport de durabilité* of Crédit Agricole S.A., which consolidates all the entities in the perimeter, which operate worldwide.

Specifically, the scopes of GBCAI contribution to the implementation of the *Transition Plan* of the CA Group, through reporting to CAsa and data exchange systems for consolidation purposes, are the following:

- **Operating footprint** (CA Group policies and data exchange through the *Greenway* platform);
- **Investments and allocation of proprietary finance** (CA Group's policies and monitoring of the portfolio risk profiles);
- **Loans to customers:**
 - GBCAI's commitment to reducing its footprint in the Commercial Real Estate segment setting a specific Net Zero trajectory;
 - Effect of reducing its carbon footprint in the medium term for the loan portfolio clusters belonging to sensitive sectors covered by *Politiques Sectorielles* (sector policies) of the CA Group being progressively implemented in Italy by GBCAI;
 - Effect of reducing the carbon footprint in the medium term of the loan portfolio, regarding the exposures to customers assisted with loans for transition;
 - Distribution of products or services for adaptation to climate change and/or financing of actions for adaptation to climate change.

The CAI Group implements the climate strategy set by the Parent Company in the Italian context in accordance with the specific features of the Italian economic system and the physiological needs to recalibrate the directions based on Italy's energy mix. Indeed, in Italy electrical energy production depends - to a significant extent - on natural gas (by more than 30%, with seasonal peaks close to 50%), albeit with a growing production capacity from renewable sources (ranging between 35% and 40% on a seasonal basis), besides the energy component imported from other Countries (survey by Gestore dei servizi energetici - GSE S.p.A. on 2023). This energy mix affects Italy's infrastructures (showing shortcomings in the distribution grid of electrical energy from renewable sources, storage and recharge systems) slowing down the energy transition. Moreover, it is to be borne in mind that decarbonization cannot do without governmental policies, which should deploy incentives and tools to the benefit of households and businesses in order to drive the transition.

Material impacts, risks and opportunities and their interaction with strategy and business model(s)

Identification of material risks

In the last few years, the European Central Bank (ECB) has increasingly focused on climate-related and environmental risks, pointing out their potential impacts on the EU's financial stability and economy. This is why it has set measures regarding both the management of risks to financial stability and the transition to a sustainable economic system.

In 2020 the ECB announced that climate-related and environmental risks would be embedded in the financial stability assessment and prudential supervision. Later on, for significant institutions, it published its *Guide on climate-related and environmental risks* (aka *13 Expectations*) with the core objective of ensuring that the European financial system is resilient to climate-related risks, such as the intensification of extreme weather events, energy inefficiency and transition risks associated with the adoption of more stringent climate policies.

To meet the ECB expectations, banks have been called upon to prepare an "action plan" covering a multi-year time horizon, in order to progressively embed climate-related risks in their governance policies and risk management. To that effect, amongst the various activities carried out to embed climate-related and environmental risks into its Risk Management framework, the CAI Group has updated its risk mapping classifying climate-related and environmental risks as material.

E1-1
DP18
ESRS2
SBM-3

OTHER RISKS	ENVIRONMENTAL RISKS They are risk factors that affect the main risks (credit risk, market risk, etc.), i.e. resulting from the CAI Group's exposures to counterparties or activities the assessment of which may be affected by:	Physical risk: financial effects of climate change (especially an increase in extreme weather events and progressive change in climate) and environmental degradation (such as air, water and soil pollution, water stress, loss of biodiversity and deforestation).
		Transition risk: financial losses that an institution may incur, directly or indirectly, because of the process to adapt to a low-carbon and more environmentally sustainable economy.

Through the Double Materiality Assessment, the CAI Group has identified material risks associated with climate change and affecting traditional banking risks. Those risks are represented in the table below:

Type of risk associated with Climate Change				
Credit risk for the CAI Group associated with the exposure to: - Counterparties affected by climate-related physical risks (properties pledged as collateral, residence, registered offices or operational headquarters); - Sectors affected by transition constraints that may alter the financial balance and solvency of counterparties or of customers (developments in the applicable legislation and regulations, in the market and technologies to a low-carbon economy)	Credit	Downstream	Both and risk	physical transition
Risk of decrease in the CAI Group's profitability resulting from the necessary investments to decarbonize its activities and to improve its direct carbon footprint	Financial	Downstream	Both and risk	physical transition
Risk of operational losses incurred by the CAI Group associated with exposure to climate-related physical risks, especially on owned assets that may be affected by weather events (damage to real estate properties, impacts on business continuity, damages to customers or to their assets, alterations in the service to customers and impacts on revenues)	Operational	Own Operations	Physical risk	
Risk of possible impact on liquidity buffers, subsequent to outflows from current accounts, credit lines and/or deposits of customers because of climate-related physical events	Liquidity	Downstream	Physical risk	
Risk of changes in market expectations, price volatility and impairment of assets subsequent to climate-related events	Market	Downstream	Both and risk	physical transition
Reputational risks for the CAI Group associated with financial support provided to customers that have not started their environmental transition	Legal/Reputational	Downstream	Both and risk	physical transition

To examine the physical risks that may affect the business performance, the CAI Group is going to embed the climate-related and environmental risk assessment model and has implemented the model given below for acute and chronic risks (the 28 physical risks provided for by Delegated Regulation (EU) 2021/2139, Appendix A):

#	Risk type	Risk description	Baseline/ Scenario
1	Chronic Physical Risks	Change in temperature (air, freshwater, seawater)	Scenario
2	Chronic Physical Risks	Permafrost thawing	Baseline
3	Chronic Physical Risks	Heat stress	Baseline
4	Chronic Physical Risks	Change in wind patterns	Scenario
5	Chronic Physical Risks	Change in the patterns and types of precipitations (rain, hail, snow/ice)	Scenario
6	Chronic Physical Risks	Sea level rise	Scenario
7	Chronic Physical Risks	Water stress	Baseline
8	Chronic Physical Risks	Soil erosion	Baseline
9	Chronic Physical Risks	Coastal erosion	Baseline
10	Chronic Physical Risks	Soil degradation	Baseline
11	Chronic Physical Risks	Temperature variability	Scenario
12	Chronic Physical Risks	Hydrological or precipitation variability	Scenario
13	Chronic Physical Risks	Ocean acidification	Baseline
14	Chronic Physical Risks	Saltwater intrusion	Baseline
15	Chronic Physical Risks	Subsidence	Baseline
16	Chronic Physical Risks	Solifluction	Baseline
17	Acute Physical Risks	Heatwave	Baseline
18	Acute Physical Risks	Cold wave/frost	Baseline
19	Acute Physical Risks	Wildfire	Baseline
20	Acute Physical Risks	Tornado	Baseline
21	Acute Physical Risks	Cyclone, hurricane, typhoon	Baseline
22	Acute Physical Risks	Storm (including snow, dust or sand storms)	Baseline
23	Acute Physical Risks	Drought	Baseline
24	Acute Physical Risks	Strong precipitations (rain, hail, snow/ice)	Baseline
25	Acute Physical Risks	Flooding (coastal, fluvial, pluvial, groundwater)	Baseline
26	Acute Physical Risks	Landslide	Baseline
27	Acute Physical Risks	glacial lake outburst	Baseline
28	Acute Physical Risks	Avalanche	Baseline

Transition risk was assessed with the SASB (*Sustainability Accounting Standards Board*) framework; SASB is a non-profit organization, whose mission is to develop specific standards and indicators to guide the disclosure of sustainability information that is financially material. The SASB standards identify a subset of 26 environmental, social and governance *issues* that are the most material in terms of impact on financial performances in each one of the 11 sectors identified, in their turn subdivided into 77 specific *subsectors*. Based on the presence of individual *issues* on several *subsectors*, the *issues* published by SASB were weighted, assigning weights from 1 to 5 in accordance with the disclosure topic content, and contextualized on the affected *subsectors*.

Business Environment Scan

In 2024, the CAI Group adopted and implemented an action plan designed by the Parent Company Crédit Agricole S.A. to ensure that the ECB 13 Expectations be progressively and fully met. A significant part of the action plan falls into the scope of Expectation no. 2 concerning the integration of climate-related and environmental risks in the determination and implementation of their business strategy. Having regard to the latter aspect, an analysis of the impact of climate-related and environmental risks on commercial and lending activities has been prepared (“*Business Environment Scan*” or “*BES*”).

The analysis was performed on the “*Residential Real Estate*”, “*Agriculture*” and “*Consumer Goods and Retail*” sectors, in accordance with the segmentation by sector on the individual entities set by the Parent Company; the analysis was performed with contributions from the relevant business functions. Thanks to the *Business Environment Scan*, climate-related and environmental risks could be identified for the three sectors and it could be understood how they affect the business strategy. Specifically, the main macro-topics developed regard:

- i. The identification of the impacts of climate-related and environmental risks on business activities: physical and transition risks may threaten the integrity and value of the assets, with consequent increase in insurance and repair costs, and threaten also customers’ activities, undergoing considerable adaptation measures;
- ii. The detection of possible business threats and opportunities and any implications on loans and revenues: physical and transition risks may cause difficulties to customers in loan repayment or late payments, affect the value of assets pledged as collateral and, at the same time, may boost demand for financial products able to support sustainable practices.

The impacts of climate-related and environmental risks on business activities have been identified considering the short-term (2025), medium-term (2030), long-term (2040) and very long term (2050) time horizons. The analysis was completed confirming the initiatives already in place and the identification of proposals for action plans: the products offered by the CAI Group to customers to support the transition and the planned initiatives to fine-tune new services to be offered were assessed, as well as the development of internal tools to assess and measure physical and transition risks.

Climate stress test

In 2024, the Crédit Agricole Group conducted an internal climate stress test exercise in Q4 2024, which was based on data as at 31 December 2022 collected within the “*Fit-for-55*” programme, which involved also GBCAI. This exercise is the first step on a longer and wider path to define a climate stress test framework in 2025, in order to fine-tune the adopted approaches.

The exercise assessed the impacts of transition risk over a time horizon of 8 years, up to 2030. The adopted approach is based on macroeconomic scenarios subdivided by economic sector, which are the transmission channels of the impacts expected to be generated by transition risk. The analyses were carried out based on two scenarios: one featuring insufficient global efforts to prevent global temperatures to increase (*Hot-House-World* scenario) and one featuring more effective actions to reduce GHG emissions (*Net-Zero* scenario).

The resilience analyses focused on businesses (Corporate and Retail banking), clustered by sector of economic activity (NACE), and on the exposures regarding residential mortgage loans to Individuals. The stress testing approach is similar to the one of the EBA regulatory stress testing exercises, based on the assumption of no cure for default (both the opening set of defaults and new defaults generated in the exercise time horizon) and the balance sheet assumed constant.

Based on these assumptions and on the macroeconomic scenarios provided by CAsa’s Economic Studies function, applying macroeconomic models to forecast risk parameter, the evolution in the loan portfolio was modelled, including the measurement of new defaults and the evolution in the main risk ratios and KPIs, for example coverage ratios, NPE Ratio, the evolution in risk-weighted assets (RWA), impacts on capital ratios. The analysis gave a picture of potential vulnerabilities of the loan portfolio and of the CAI Group’s resilience to adverse economic scenarios. The results of the climate stress test gave evidence of plausible resilience, because in the *Net-Zero* scenario the cost of credit was found on average higher by about 13% than in the *Hot-House-World* scenario. The analysis gave useful inputs for the progressive evolution of the business model and of the risk governance strategies.

Business continuity

Within its business continuity framework, on a yearly basis the CAI Group updates the related document set and assessments, including, where necessary, also the scenarios related to impacts of climate-related physical risks or transition risks. That document set consists of the *Business Continuity Policy*, which lays down the approaches to ensure business continuity of critical processes, and of the *Business Continuity Plan*, which establishes the objectives, describes the procedures and identifies the resources to manage business continuity of the critical and systemically important business processes.

In case of occurrence of such extreme weather events as to prejudice CAI's ability to provide services to its customers, the Business Continuity Plan lays down solutions that are different for the Commercial Network (scenario featuring geographical unavailability of clusters of branches) and for the central facilities.

On the branches, the analysis is on exogenous risks due to natural phenomena, such as seismic risk and hydrogeological risk. No single Business Continuity strategy can be devised that can address all the possible situations and cases, but rather different solutions must be prepared that can apply to the different types and extent of the events.

three solutions have been identified based on the time horizon to solution of the problem, which, in its turn, is based on the event type and extent:

- Support to be provided by central offices to manage accounting (for emergencies closed by the end of the day);
- Stepping in by twin branches (medium-term time horizon);
- Containers to be used as branches (long time horizon).

The business continuity solutions for the scenarios featuring unavailability of the premises and of own workers on staff at central offices can be grouped into two macro-categories, namely transferring the operations to other resources of the operational unit, or transferring the operations to other premises (including working from home or transfer to *outsourcers*).

These business continuity solutions are tested on a yearly basis within the Business Continuity testing plan.

Moreover, GBCAI has adopted a framework of organizational and technological safeguards to comply with the Digital Operational Resilience Act (DORA), manage ICT risks and ensure digital resilience and security.

E1-1
DP18
ESRS2
SBM-3

FRAMEWORK OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The assessment of material climate-related impacts, risks and opportunities

The double materiality assessment was carried out on the possible climate-related impacts, risks and opportunities. Based on the DMA, the impacts, risks and opportunities that were found material were those that:

- Are strictly connected with the business strategy in the logic described in the *Projet Sociétal*;
- Steer the business strategy and model in the logic described in the Sustainability Plan, which, in 2024, was implemented through targeted policies and actions.

E1
ESRS2
SBM-3
DP48

IRO	Type	Value Chain	Policy
Positive impact on the climate generated by the CAI Group in terms of reduction of its customers' carbon footprint.	Positive impact	Downstream: Customers	• ESG Governance Policy • Sustainability Plan • Net zero policies • Lending policies
Financial risks for GBCAI associated with the exposure to climate-related physical risks.	Risk	Downstream: Customers	• ESG Governance Policy • Business Continuity policy • Sustainability Plan
Financial risks for the CAI Group associated with the exposure to transition risk.	Risk	Downstream: Customers	• ESG Governance Policy • Sustainability Plan • Lending policies

IRO	Type	Value Chain	Policy
Negative impact on the climate generated by the CAI Group in terms of carbon footprint of financed customers.	Negative impact	Downstream: Customers	• ESG Governance Policy • Lending policies • Net zero policies • Policy on the environmental and social risk assessment committee • ESG Finance Policy
Reputational risks for the CAI Group associated with financial support provided to customers that have not started their environmental transition	Risk	Downstream: Customers	• Lending policies • Policy on the environmental and social risk assessment committee • Net zero policies • ESG Finance Policy
Financial opportunity for the CAI Group resulting from the development of products and/or services to support the environmental transition of customers and prospects.	Opportunities	Downstream: Customers	• ESG Governance Policy • Policy to integrate sustainability factors in the investment advisory service
Positive impact generated by the reduction in GHG emissions and by the adaptation to climate change achieved by assisting customers in the Individuals segment.	Positive impact	Downstream: Customers	• Lending policies • ESG Governance Policy • Policy to integrate sustainability factors in the investment advisory service
Negative impact due to failure to reduce GHG emissions and to insufficient support provided to businesses in their environmental transition.	Negative impact	Downstream: Customers	• Lending policies • ESG Governance Policy • Net zero policies • ESG Finance Policy • Policy on the environmental and social risk assessment committee
Adverse impact on the climate associated with the footprint generated by the CAI Group's operating activities.	Negative impact	Upstream: Suppliers Own: Owned assets	• Climate Change Policy • Procurement Policy • Energy policy
Risk of decrease in the CAI Group's profitability resulting from the necessary investments to decarbonize its activities and to improve the carbon footprint from its operating activities	Risk	Upstream: Suppliers Own: Owned assets	• Climate Change Policy • Procurement Policy • Energy policy
Financial opportunity to reduce energy expenses by monitoring the energy markets, operational control of technological plants and the identification of energy efficiency enhancement actions, with progressive decrease in energy from fossil sources.	Opportunities	Upstream: Suppliers Own: Owned assets	• Climate Change Policy • Procurement Policy • Energy policy
Positive impact on the environment through the development of action plans regarding the CAI Group's direct operations.	Positive impact	Upstream: Suppliers Own: Owned assets	• Climate Change Policy • Procurement Policy • Energy policy

INDIRECT CARBON FOOTPRINT POLICIES AND ACTIONS

The policies adopted and the actions deployed by the GBCAI for the mitigation of and adaptation to climate change having regard to its indirect carbon footprint, i.e. GHG emissions downstream the value chain and generated by customers or counterparties, or associated with the loan or investment portfolios.

Net zero policies and commitments of the Crédit Agricole Group

In the scope of the “*Destination 2050 – Notre plan de transition climat*” Transition Plan published on 1 August 2024, Crédit Agricole S.A. has set the targets of reduction of its indirect carbon footprint, with the objective of progressively reallocating the CA Group's loan and investment portfolios, consistently with the Paris Accord goals and with the reference scenarios, including that of the International Energy Agency (IEA), to contribute to the achievement of carbon neutrality by 2050.

In order to reach the set carbon footprint reduction targets downstream the value chain, the CA Group has designed decarbonization paths and plans, which are described in the *Rapport de durabilité* of Crédit Agricole S.A.. Specifically, as a member of the Net Zero Banking Alliance, the CA Group has identified 10 priority sectors to take action on and has set:

- Sector-specific action plans and related decarbonization levers;
- Targets in terms of GHG emission reduction by 2030 with the related decarbonization trajectories.

Crédit Agricole S.A. has set the targets for emission reduction with a science-based approach and using international calculation standards. The construction of the Net Zero trajectories and the underlying approaches are shared with the various entities of the CA Group, including the CAI Group, as they all contribute to the achievement of the targets on individual sectors in accordance with their business. The contributions given by all the entities are aggregated by Casa taking into account the national and regional specificities, the specificity of the each entity's business and leveraging on their specialist skills. Once having finalized the trajectories for each entity, Crédit Agricole S.A. consolidates them into a single trajectory at the international CA Group level, presenting that single trajectory for the entire Group (please, see the *Rapport de durabilité* of Crédit Agricole S.A. paragraph 2.4).

The sectors on which the CA Group has set Net Zero targets are given below, with a short outline of the action lines, which are more exhaustively described in the Sector Plans (please, see the *Rapport de durabilité* of Crédit Agricole S.A. paragraph 2.3.2).

Oil and gas

- To discontinue loans intended to be used for unconventional hydrocarbons, extraction projects in the Arctic region, new projects for the extraction of fossil fuels, and to producers whose business consists exclusively in oil and gas exploration and production;
- To examine the financial support given to corporates operating in this sector on a case-by-case basis, boosting that support to customers that are strongly committed to reducing their carbon footprint developing decarbonization solutions;
- To give priority to customers that are strongly committed to decarbonization, with production of energy from renewable sources, carbon capture and storage technologies, hydrogen production.

Electrical energy production

- To increase - to a significant extent - loans intended for renewable energy and exposures to low carbon energy, zeroing loans for steam coal by 2030 (EU and OECD) and by 2040 (rest of the world).

Automotive

- To promote the transition of individuals and businesses to sustainable mobility, supporting the purchase of hybrid or electric vehicles;
- To promote a new sustainable mobility model, with tools such as medium- and short-term hire of electric vehicles;
- To assist car makers in their path to electrification and transformation of their value chain;
- To finance new actors in the value chain, such as manufacturers of batteries and recharge solutions.

E1-2
MDR-P
DP25

Maritime Transport

- To assist customers in measuring the emissions from their fleets and in upgrading the fleets thanks to the development of a policy aimed at supporting the building of ships using sustainable fuels;
- To accelerate the decommissioning of the most polluting ships.

Aviation

- to give priority to loans intended for fourth-generation aircraft;
- To support the value chain of sustainable fuels, with constant dialogue with customers on sustainability matters.

Commercial real estate

- To finance the purchase or construction of high energy efficiency buildings;
- To finance the energy efficiency upgrading of buildings offering “turnkey” solutions;
- To place energy performance at the core of commercial offering and risk policies;
- To enrich constantly the quality of property data.

Residential real estate

- To finance the purchase or construction of high energy efficiency buildings;
- To make available tools and platforms to diagnose the property’s energy performance;
- To assist customers with a range of products and advisory services facilitating the renovation of properties with poor energy performances, also upon purchase;
- To design commercial and pricing policies that are different based on the property’s energy performance and aimed at facilitating renovation;
- To enrich constantly the quality of property data.

Cement

- To manage continuous dialogue with customers to encourage the decarbonization of activities;
- To support the financing needs for new infrastructures and electrification;
- To reallocate the portfolio by selecting the customers that prove the most virtuous and open to transition.

Steel

- To manage continuous dialogue with customers to assist them in their decarbonization path;
- To support the development of projects based on low-emission steel manufacturing technologies;
- To reallocate the portfolio by selecting the customers that prove the most virtuous and open to transition.

Agriculture

- To support agriculture as a whole, with funds allocated to agri-food transitions, intended to finance and invest in the development of an agricultural and food system that is competitive and with low environmental impacts.

To consult the Transition Plan, please see the *Destination 2050 – Notre plan de transition climat* document, which can be found on the CA Group’s website.

The Crédit Agricole Italia Banking Group's contribution to the Net Zero targets

GBCAI's Net Zero policies

In accordance with the governance of the Net Zero strategy adopted at the CA Group level, the *Transition Plan*, the objectives and targets, the decarbonization levers, the related actions and control mechanisms are set centrally by CAsa. In this context, the entities of the CA Group, including GBCAI:

- Implement the overall directions set for the CA Group in the sector plans on the 10 economic sectors;
- Undertake specific decarbonization commitment, to different extent and in a different manner, on specific economic sectors.

E1-2
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GBCAI contributes to the *Transition Plan* of the CA Group, progressively implementing the Net Zero policies in the Italian context in accordance with Italy's social and economic features, the national legislation and regulations governing transition and the announced evolution in the Italian energy mix, still strongly dependent on natural gas. Doing so, it can be ensured that the path is suitable to the Country's specificities and actions can be gradually deployed to assist businesses and households in their transition, combining the decarbonization targets with the need to remain competitive, to continue to support the economy and to maintain business relationships.

It is also to be considered that the international scenario features conflicting policies, some supporting the environmental transition, as the EU's one, and more conservative ones, including the one adopted by the USA, with the American banks leaving the NZBA and the US Government dropping the Green Deal. In this strongly polarized context, developing a decarbonization path is becoming increasingly difficult, as it cannot do without governmental policies, which should deploy incentives and tools in favour of households and businesses to drive the transition (for building renovation, energy production from renewable sources, electrical mobility, evolution in manufacturing plants).

In this scenario, within the CA Group's Net Zero targets, the GBCAI has undertaken the commitment to reduce the GHG emissions associated with the exposures in the loan portfolio classified as *Commercial Real Estate* (CRE) in accordance with the guidelines issued by Crédit Agricole S.A. and the NZBA. In agreement with CAsa, the target has been set and the trajectory aligned with the Italian specificities to contribute to achieving the CA Group's target as stated in the *Transition Plan* of -40% reduction by 2030, with baseline as at 2020 of 36.4 kgCO₂e/m²/y and target by 2030 of 22 kgCO₂e/m²/y.

The CRE Net Zero policy adopted by CAI Board of Directors defines the action levers intended to address the development in CRE lending, which cover three scopes: origination of new loans, loans for the upgrading of properties pledged as collateral for the existing exposures and data enrichment activities.

Decarbonization actions on sensitive sectors

Having regard to the Real Estate segments (residential and commercial), the actions aimed at contributing to the achievement of the CA Group's targets include:

- Support to financing for real estate units with high energy performances and lower emissions;
- Assistance to individuals and businesses with loans for the energy upgrading of properties in order to improve energy performances and reduce emissions;
- Strengthening the internal data collection processes (acquisition of Energy Performance certificates and data on the property);
- Differentiation of commercial offering, pricing policies, loan to value and, in general, of facilitation instruments, based on the real estate projects and on the emission intensity of the real estate assets;
- Evolution in the lending process with support given by the ESG and Sustainability Function in the assessment of the most material loan applications in the CRE segment, which may generate impacts on the CA Group's Net Zero targets.

E1-3
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Having specific regard to residential real estate, the GBCAI has designed an offering system that "natively" embeds ESG factors, making a spectrum of services and products available to its customers which are designed to assist them in purchasing their home and upgrade its energy performances, and namely:

- "Mutuo CA GreenBack" financing the purchase, building or renovation of the home with advantageous conditions for properties in energy efficiency class A or B;
- "Greenbees" advisory services and platforms to diagnose the property's energy performance and to design the upgrading or renovation process;
- "Turnkey" design and construction services for energy performance upgrading through partnerships with third-party companies.

Corporate Social Responsibility in the Crédit Agricole Group's sector policies

The CA Group's *Politiques Sectorielles* and commitment to the climate

E1-2
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DP25

To implement the *Projet Sociétal*, which covers environmental and social scopes, the Crédit Agricole S.A. Group has set and keeps constantly up to date its *Politiques Sectorielles*, sector policies that establish the directions to carry out its banking and financial activities in accordance with *CSR – Corporate Social Responsibility* principles.

The CA Group's Sector Policies are published on its website and cover various CSR scopes, including arms, tobacco and environmental matters, such as agriculture and forestry, extraction industries, construction, energy transition and transport.

The Sector Policies that are strictly linked to climate change topics are those directly concerning sensitive sectors: aviation, maritime supply chain, automotive, oil and gas, steam coal, hydroelectric works, nuclear energy, real estate and infrastructure sector, minerals and metals extraction.

The Sector Policies are implemented by the CA Group's entities in whole or in part, and in a different manner in accordance with their respective business and with their respective corporate and geographical specificities. The CA Group's Sector Policies can be consulted in section *Nos Politiques Sectorielles*, of the CA Group's website.

Implementation of the Sector Policies by the CAI Banking Group

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In order to contribute to the achievement of the CA Group's Transition Plan and to assist customers in their decarbonization trajectories, the GBCAI started the process for the progressive implementation in Italy of the *Politiques sectorielles* in force at the relevant time, in accordance with the specificities of the banking business and with the characteristics of Italy and of its social and economic fabric.

In this context, having regard to the Sector Policies that generate positive impacts on climate change, in 2024 the BoD approved the exclusion policies concerning new loans intended for the development of extraction of coal, asbestos, oil and gas from oil shales and has adopted an "expert assessment" process for companies operating in the supply chain of energy from fossil sources, with eligibility reserved to loans intended for energy transition purposes or under national strategic plans.

The Net Zero policies in asset management

The Crédit Agricole Group's investment policies

E1-2
MDR-P
DP25

Within its *Transition Plan*, Crédit Agricole S.A. sets Net Zero-oriented investment policies and specific asset management actions plans, which are then implemented by the CA Group's entities engaged in asset management, insurance, and investments in private equity funds.

These policies and actions contribute to the achievement of the Net Zero targets stated in NZBA, NZAOA, NZAM.

From this perspective, worth mentioning is also Crédit Agricole's *Green Bond Framework (GBF)*, which is compliant with the 2021 *Green Bond Principles* issued by the International Capital Markets Association and which is the reference framework for all the CA Group's entities for the issue of Green Bonds. The funds collected from those issues are used to finance activities or investments that meet specific eligibility criteria regarding climate change mitigation. This instrument falls within the wider scope of sustainability asset liability management, in the CA Group's harmonized framework called *CADR – Cadre des actifs durable de référence* in the *actifs/passifs durables* ALM approach.

The ESG finance policy set by the CAI Group

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CAI's Board of Directors has adopted the *ESG Finance Policy*, which lays down the rules to manage and monitor the CAI Group's proprietary finance portfolio. Along with the Risk Appetite Framework process and Risk Strategy, this policy is part of the CAI Group's risk governance model.

Consistently with the *Projet Sociétal* and with the social and environmental commitments undertaken by the CAI Group, the policy sets sustainable investing guidelines and policies, embedding ESG factors in the management of the Banking Book. The policy describes the approaches to manage and control the security portfolio recognized at amortized cost, the security portfolio recognized at FVOCI and the portfolio recognized at FVTPL of the CAI Group.

Having said that the biggest part of the banking book invested in liquidity buffers mainly consists of Italian government securities, which by their very nature meet sustainability profiles, the policy gives directions about other asset classes.

Bond and Private Placement portfolio

The Bond and Private Placement portfolio is subject to the GBCAI's lending policies, which implement the ESG directions issued by the Parent Company Crédit Agricole S.A., and namely "*Crédit Agricole Group's CSR sector policies*", with consequent exclusion of investments in companies that meet the "exclusion criteria". Having regard to ESG investment policies, the applicable Strategy establishes that, in the Bond and Private Placement portfolio, ESG issues shall be preferred, considering the issuer's ESG commitments pursuant to the principles determined by the ICMA regarding "*Sustainability-Linked Bonds*" and the use of proceeds pursuant to Regulation (EU) 2023/2631 for "*EU Green Bonds*".

Private Equity Funds

The portfolio consisting of Private Equity Funds is informed by the principles laid down in the SFDR (Sustainable Finance Disclosure Regulation), preferring financial instruments classified as virtuous in terms of sustainability. The portfolio consists of funds that are compliant with Article 8 of the SFDR, preferring sustainable investments. Specifically, investments are made aimed at supporting the challenges of the agricultural and agri-food transition, assessing the following elements:

- Five environmental pillars: (i) Preserving and regenerating biodiversity and natural resources, (ii) contributing to the transition to low-carbon agriculture and food, (iii) promoting the attractiveness of being a farmer, (iv) evolving consumption models, (v) producing through a circular economy;
- Social and governance factors, for example excluding investments in undertakings that engage in illegal economic activities, blatantly violate human rights in their operations or that manufacture or sell military systems.

Plafond Equity Startup

This portfolio consists of equity investments in innovative Startups and/or SMEs and investment vehicles belonging to sectors that are consistent with the strategy of the CAI Group's Medium-Term Plan, such as Fintech, Sustainability and Agritech.

The Plafond Equity Startup portfolio is managed with a selective approach aimed at excluding investments that are not compliant with the "Crédit Agricole Group's CSR sector policies".

CAI Covered Bond issue supporting the transition

Amongst the actions aimed at adapting to and mitigating climate change, in 2024 Crédit Agricole Italia issued Covered Bonds in the Italian market totalling 500 million Euros, in order to finance or refinance a pool of residential mortgage loans for the purchase of high energy efficiency properties. Applying eligibility requirements compliant with the Parent Company's guidelines, residential mortgage loans on properties energy-certified in classes A, B and C or, in case of no certification, recently built properties, in both cases belonging to the best 15% of the most efficient buildings in Italy in terms of energy performances were included in the pool.

The bond issue was certified as compliant with the four main components of the Green Bond Principles 2018 by Vigeo Eris, as the independent expert.

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Evolution in lending to fulfil its ESG pledges

Lending policies and weight of ESG elements

The Crédit Agricole Italia Banking Group has undertaken a path to evolve its lending process, to embed ESG factors structurally in order to assist individuals and businesses in their environmental and social transition and contribute to the achievement of the targets set in the CA Group's *Transition Plan*.

This evolution in the lending process is being driven with transformation projects laid down in the *Sustainability Plan*, which are leading to innovation in the tools to dialogue with customers, work models and credit rating analysis approaches. The path consists of consecutive steps, with regular updating of the Lending Policies, which are adopted by the Board of Directors after being validated by the Sustainable Development Board Committee, at the proposal of the ESG and Sustainability Managerial Committee.

E1-2
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The lending policies embed ESG elements, which condition the assessment step and the decision-making process, implementing the strategy of the CA Group, and namely:

- Net Zero policies setting out the CAI Group's commitments regarding the Commercial Real Estate sector;
- General directions given by CAsa on sensitive sectors in the Transition Plan;
- Progressive implementation in Italy of the CA Group's *Politiques Sectorielles*;
- Framework for the management of climate-related risks (physical and transition) and of environmental risk within the RAF and the Risk Strategy of the CA Group.

Lending policies and commitment to decarbonization

E1-2
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DP25

Consistently with the CA Group's climate strategy, the Crédit Agricole Italia Banking Group is committed to developing loans intended to support the environmental transition, and specifically:

- Financing projects concerning renewable energy, low-carbon infrastructures, clean technologies and energy efficiency;
- Supporting all customers, individuals and businesses, in their climate-change-related transitions;
- Accelerating discontinuation of business in fossil fuels.

For the sectors set in the lending policies, the directions and guidelines for the contribution to the CA Group's targets are given, while effectively managing the relationship on the positions already in the in-force-business portfolio:

- Lending to support projects for the mitigation of adaptation to climate change in the form of green loans, sustainability-linked loans, ESG-linked loans and leases;
- Lending, for positions already in the in-force-business portfolio, to finance carbon footprint reduction projects through transformation or upgrading of their production plants;
- Activating synergies within the CA Group (for example investment banking or private equity) for loans financing renewable energy production projects
- Activating synergies within the CA Group (for example on the sustainable mobility business) aimed at the reduction of sector GHG emissions;
- De-risking on the exposures in the in-force-business portfolio to the least attractive sectors and progressive run-off of the positions in the portfolio featuring high credit risk associated with transition risk.

Transition lending policies

E1-2
MDR-P
DP25

The CAI Group ensures wide commercial offering with sustainable finance and transition finance instruments to meet the needs associated with the transition of individuals and businesses.

Having regard to corporate counterparties, the CAI Group assists them in their ESG transition with various technical forms of loans, suitable for the needs stated by the counterparty or assessed by the Bank. The CAI Group offers a range of loans, both of the ESG KPI-linked "general purpose" type and of the "use of proceed" type with progressively increasing degree of eligibility/alignment to the Environmental Taxonomy compatibility with the corporate customers' different ESG maturity level.

The market benchmarks show that, to date, but few corporations can comply with the technical screening criteria laid down by the European Taxonomy (this is why the aligned loans account for but a small portion of the loans originated by the Italian banking system, with evidence of this given by the modest GAR levels reported in the Pillar III statements). The CAI Group's strategic positioning gives priority to the need to assist all its customers in their ESG path and lower priority to the need to originate taxonomy-aligned sustainable finance, which would inescapably prove to be a selection criterion.

The most part of Italian undertakings (especially SMEs) does not yet show sufficient maturity on ESG matters to accomplish transition projects through Taxonomy-aligned loans and this is the reason why, in its activity to assist them, the CAI Group offers ESG-linked loans intended to start their transition paths.

Nonetheless, growth in Taxonomy-aligned loans to corporations that are required to comply with the CSRD is an objective for the CAI Group (also in order to achieve a higher GAR), to the extent these technical forms are requested by the customer corporations and/or are assessed as the best fit to support the transition projects. Amongst the types of loans to individuals, mortgage loans for the purchase of high energy performance properties comply with the eligibility requirements under the Environmental Taxonomy.

Integration of ESG factors in the lending process phases

The GBCAI is integrating ESG factors in its lending process to be a partner of choice for individuals and businesses in their transition paths. The actions deployed in the 2024 to evolve the lending process, which will continue in 2025 consistently with the commitments to the achievement of decarbonization by 2030, meet the following needs:

- Assessing the customer's present and forward-looking exposure to climate-related physical and transition risks;
- Collecting information and assessing the customer's position on ESG matters;
- Assessing the customer's environmental footprint and, specifically CO₂ emissions, to implement the Net Zero policies in force at the relevant time;
- Assessing the customer's transition plans and, where necessary, provide the customer with support in an ESG path;
- Setting the path to assist and support the customer with loan technical forms that are fit to meet its needs;
- Applying different operational and management paths in accordance with the technical form, assessing the eligibility for and any alignment of the financed project with the Taxonomy, Net Zero impacts and the implications on the risk profiles of the loan portfolio.

To strengthen this lending model, the CAI Group is implementing transformation activities that concern the work processes, application tools, IT systems and the offering system, with concomitant evolution in the control and monitoring systems by the Risk Management and Permanent Controls Function.

The integration of ESG factors in the lending process concerns all the work phases, as well as the customer experience: the dialogue phase, the phase before loan application processing, the loan application processing and its assessment, the decision on whether to originate the loan and periodic monitoring. Specifically, the evolution of processed in an ESG perspective includes:

- The use of *ESG engagement tools* in the dialogue with customers: *green advisory services* for the energy performance upgrading of individuals' properties, *the Greenbees simulator* to obtain an energy performance diagnosis and identify the necessary works with turnkey proposal, *the agri path* to assess undertakings operating in the various agri-food chains, *the sustainable evolution path* for an advanced ESG assessment on corporate customers;
- Generating *ESG Scores* through calculation systems that are calibrated on the counterparty's size and type, which take into account environmental, social and governance elements; the *score* expresses the corporation's potential exposure to climate-related risks both at sector level and at geolocation level for climate-related and environmental risks;
- The use of the *ESG File* as a work tool guiding the assessment of the customer and the proposals to assist the customer in its ESG transition (it gives indicators such as the index of transition priority or ITP, climate-related and environmental risk KPIs);
- Systems to determine the loan amount taking risks into account (risk-adjusted authorized amount) including ESG risks;
- Systems to determine the hierarchical level at which the decision on loan origination must be made, taking into account also ESG risks;
- Enrichment of the loan application processing and assessment with sustainability matters thanks to the contribution given by experts belonging to the Credit Function, and thanks to the process involving the Sustainability Function and the Environmental and Social Risk Assessment Committee.

The Environmental and Social Risk Assessment Committee

The integration of ESG factors in the Bank's operations is essential in order to implement its sustainability strategies and to develop transition finance, to assist individuals and businesses in addressing the changes in the economic, environmental and social scenario.

To that end, the lending process has been supplemented, in its loan application processing phase, with an enhanced assessment - to be performed by the ESG and Sustainability Function, the Compliance Functions and the Risk Management and Permanent Controls Function (jointly referred to as "CERES - *Comité d'Evaluation de Risques Environnementaux et Sociales*") - of the loan applications that have ESG materiality elements. The enhanced assessment approach is calibrated based on the sensitivity or criticality of the lending transaction, ensuring the appropriate depth of the assessment and coverage of its various scopes from a sustainability perspective.

The core objective is to develop the ESG business through controlled growth in transition finance, assisting corporations in their path to sustainability. This is why the model proposed based on the loan application features includes a focus on:

- Any risks associated with the environmental, social and governance aspects of the lending transaction;
- Opportunities for development and assistance to the corporation associated with the transition plans and/or with any impacts on CSRD or taxonomy KPIs.

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E1-2
MDR-P
DP25

The topics at the basis of the identification of ESG-sensitive loan applications are associated with the CAI Group's ESG strategy and regard:

- The Bank's commitment to progressive reduction of GHG emissions of the customers it finances with a Net Zero approach, in order to contribute to the CA Group's *Transition Plan*;
- Attention to the financed sectors, taking into account the environmental impacts of customer corporations and, on a priority basis, their carbon footprint (e.g. fossil fuel supply chains);
- Attention to the financed sectors taking into account the social impacts of customer corporations (e.g. arms);
- The customer corporation's exposure to climate-related physical and transition risks, as well as to risks of non-compliance with the ESG applicable legislation and regulations (e.g. greenwashing);
- Progressive commitment to environmental taxonomy matters;
- ESG ambitions and/or elements set by the GBCAI and covered by its Sustainability Report pursuant to the CSRD through qualitative or quantitative indicators associated with credit exposures to corporations.

Integration of ESG factors in the investment advisory service

E1-2
MDR-P
DP25

The CAI Group started actions aimed at integrating ESG factors in the wealth management services it provides, in order to ensure compliance with MiFID II and the SFDR, to continue to improve its strategic market position and to achieve decarbonization effects indirectly by facilitating investments by its customers in sustainable assets.

To that effect, *the Policy to integrate sustainability factors in the investment advisory service has been adopted*. Specifically, the MiFID II profiling questionnaire has been updated adding an advanced section that requires an interview with the customer on sustainability preferences, consistently with the ESMA Guidelines. Furthermore, the suitability controls model has been implemented and the internal normative instruments have been supplemented with new controls on sustainability (concentration of sustainable investments, Taxonomy-alignment assessment, verification that the *Principal Adverse Impact* has been taken into account). The Product Oversight Governance (POG) system has been supplemented accordingly.

Integration of ESG factors in planning and governance processes

E1-3
MDR-A
DP28

To ensure the implementation of the policies on environmental matters, including climate change, within the *Projet Sociétal* and the Sustainability Plan, in 2024 the CAI Group continued with its progressive integration of ESG factors in the processes guiding and monitoring its actions.

Specifically, the systems listed below are being implemented or evolved/fine-tuned to integrate ESG factors or ESG qualitative/quantitative KPIs on environmental and climate-change related matters:

- Risk governance system, to evolve management and control of climate-related and environmental risks, supplementing the Risk Appetite Framework (RAF);
- *Carbon budget* system to limit lending to sectors with high carbon footprint;
- Product governance systems taking into account the Net Zero commitments and sustainability elements, including structured assessment of ESG profiles by the New Activities and New Products Committee;
- Remuneration system, embedding sustainability KPIs in the MBO and Incentive Systems.

The network of ESG specialists

E1-3
MDR-A
DP28

To implement the *Projet Sociétal* and the *Sustainability Plan*, with special regard to its climate change-related commitments, the CAI Group has adopted an internal organization whereby ESG specialists work to ensure dissemination of a sustainability culture, excellent offering system and targeted services to assist customers in their transition.

The ESG specialists work at central functions and in the commercial network, throughout the regions, to be close to customers and provide them with expert and skilled assistance. Amongst these:

- ESG Owners: they play a strategic role in the Bank's organizational model, as they combine knowledge of sector-specific business or work processes with expertise on specific ESG matters. The ESG Owners are on the staff of the various corporate functions of the CAI Group, have expertise in the various sector-specific matters and banking processes, and directly operate to integrate ESG factors and to evolve work models accordingly;
- ESG Project Managers: they oversee the activities of specific "Project Streams", to implement transformation projects aimed at alignment to and compliance with the applicable legislation and regulations, integration of ESG factors in work processes and the evolution of the Bank's business models;

- ESG Specialists: they support the commercial structures in the dialogue with corporations of all sizes, ensuring high ESG expertise, in order to understand the customers' position on sustainability matters and assist them in their ecological and social transition, proposing targeted services;
- Corporate Finance and Transition Specialists: they see to the structuring of complex transactions in the ESG scope, such as corporate acquisitions and syndicated loans;
- *Banquier Conseil* and Agro Advisors: they support businesses operating in the agri-food sector ensuring targeted responses to the specific sustainability needs of each supply chain.

Corporate culture and raising customers' awareness

To foster awareness about ESG matters and climate change, the GBCAI is engaged, through several initiatives, in disseminating the ESG culture and principles at all levels in its organization, from the Board of Directors, as specified in section ERS2 GOV-1 DP23 on the Board Induction Plan.

E1-3
MDR-A
DP28

For its own workforce, the CAI Group deploys several training initiatives aimed at disseminating a sustainability culture throughout its corporate functions and at engaging own workers on staff at the commercial network to ensure that they can give more and more targeted responses to meeting customer's sustainable transition needs.

For its customers, especially corporates, the GBCAI offers distinctive and high advisory content assistance paths through institutional events that foster cooperation and enhancement of ESG matters in the regions, as well as local meetings and workshops with SMEs, to propose assistance schemes for energy transition and social and governance matters.

The actions to assist customers in their transition

GBCAI's offering of products and services is intended for individuals, households, businesses, corporates and institutional customers.

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Offering for Individuals

The commercial offering for the transition of customers belonging to the Individuals segment has the purpose of reducing their environmental impacts, through support, with bespoke products and services, to building renovation and energy efficiency upgrading, as well as the purchase of NZEB (Nearly Zero Energy Buildings). Consistently with the wider goal of assisting its customers, the commercial offering includes solutions meeting insurance needs, personal loans intended for the purchase of hybrid or electric vehicles and advisory services on the purchase of homes.

The CAI Group's products and services supporting the transition are set out below:

Crédit Agricole Greenback Home Loan

The offered home loans give advantages on the mortgage loan conditions to customers who purchase "green" properties, who remortgage on a property in a high energy efficiency class or who, after taking out the loan, decide to upgrade the energy efficiency of their home.

Thanks to its characteristics, this product was awarded as "2024 Product of the Year" in the Financial Services category and obtained the Energy Efficient Mortgage Label, the EU certification for green mortgage loans, assigned by EEMI - Energy Efficient Mortgages Initiative.

Furthermore, through the Scelte di Valore prize contest, dedicated to Customers that take out the Crédit Agricole Greenback or Crédit Agricole a Rata Costante mortgage loans, also gives the possibility to obtain a monthly rebate on the mortgage loan repayment instalment in case of purchase of other products promoting sustainable behaviours.

Green advisory scheme

This service, which can be obtained at the Bank's branches and from the CA Home Portal, is intended for customers who want to have energy efficiency upgrading works done to their home, to provide them with expert and skilled advice aimed at raising awareness about the advantages (financial, tax, for the goods of the community) that the works generate, providing the appropriate technical and financial support to carry them out. The advisory services are enriched with tools, such as the Green Bees Simulator and the partnership with Harley & Dickinson, available to account managers in order to:

- Provide the customer with the energy efficiency diagnosis of their property;
- Suggest the energy efficiency upgrading work that have the highest value for the customer and for the environment;
- Finance the project with the most suitable solutions;
- Give the opportunity to receive a «turnkey» service for the completion of the works through specialist partners.

Flexicondominio Personal Loan

The loan is intended for condos that customers of the Group and to be used to renovate the building, for energy efficiency enhancement purposes or other types of improvements.

Crédit Agricole Progetto Casa Loan

It is a loan to manage the financing needs regarding the home, to renovate it or to enhance its energy efficiency. Specifically, the purposes that it finances are home renovation (roof insulation, windows, heat pumps, condensing boilers and appliances in high energy efficiency classes), and energy efficiency enhancement (e.g. installation of solar panels).

Insurance solutions against climate-related risks

The Protezione Vivi Casa insurance policy protects homes, including sustainable architecture ones, against Catastrophe Events, such as earthquakes and floods, and also includes specific coverage for solar panels and charging stations.

Sustainable mobility offering

Agos and CALIT launched “Leasing Mobilità Green +Opzioni”, a product financing the lease of new cars/commercial vehicles and zero-mile unused cars having low environmental impacts.

Furthermore, the Protezione Guida MV insurance policy promotes the switch to electric vehicles thanks to reserved Green Assistance services (rental car, assistance for out-of-order wallboxes, towing to the charging station). To support alternative mobility, coverage solutions are offered for accidents occurring when driving shared vehicles, micro-mobility or when using public transport.

Purchase of Tax Credits - Ecobonus

Amongst the measures to support the economy deployed by the Italian Government concerning expenses for energy efficiency enhancement or seismic upgrading and building redevelopment works, the GBCAI provided its customers with the service for the purchase of tax credits.

Offering for customer Small and Medium Enterprises

The environment-related offering for Small-Business customers aims at supporting investments in renewable energy and promoting the start of transition paths to low-carbon operations, especially for the least structured enterprises, such as micro-enterprises. The GBCAI provides its customers with bespoke ESG advisory services and with tools to assess customers' environmental position, also in cooperation with specialist partners.

Initiatives in cooperation with partners based in the regions and institutions

Fondo Multiscopo

Fondo Multiscopo is a subsidized finance tool set up with a public-private partnership by the Emilia-Romagna Region aimed at supporting the processes for energy upgrading and the development of renewable energy use by enterprises.

“Nuova Sabatini” law

This law supports investments to purchase or lease operating equipment, plants and capital assets, as well as digital technologies. Furthermore, yet another subsidized finance line went live intended to support “green investments” to purchase operating equipment and plants generating low environmental impacts.

Loans for transition under Italy's Recovery and Resilience Plan

The GBCAI assists its customers in the various missions under Italy's Recovery and Resilience Plan (Italian acronym PNRR) and in the main regional subsidized financing initiatives, thanks also to the consulting services provided by its partner Warrant Hub.

The most significant initiatives in favour of sustainability supported by specific loans, such as Flexibusiness PNRR and FinBreve PNRR are set out below:

- Sviluppo Agrivoltaico, for renewable energy production;
- Sviluppo Biometano, for biomethane production;
- Parco Agrisolare, for the purchase, installation and commissioning of solar panels on building roofs.

Partnership agreements

In 2024, CAI deployed commercial initiatives for agricultural supply chains, in order to ensure effective management of and provision of bespoke advisory services to the most attractive supply chains, such as the wine and dairy ones, and to strengthen its regional networking and partnerships to support the sector and to build innovative synergies. To support the business and supply chain itself, the cooperation agreements with the main agricultural trade associations were renewed: Coldiretti, Confagricoltura and CIA to ensure capillary operations nationwide.

Agri Blu

A line of loans tailor-made for Agribusiness players and intended for the purchase or renewal of machines and/or facilities in the following scopes: energy, irrigation water and wastewater, procurement cycles, product processing and distribution.

Agri Energia

A line of loans intended to support Agribusiness players in their energy transition through construction, enhancement and renovation of renewable energy production plants (solar panels, biogas and biomass, wind power plants and other renewable sources).

Scelgo io – Transition line

Unsecured loans rewarding ESG investments made by customers, with subsidized pricing, terms and conditions for businesses engaged in sustainable transition.

The product is intended to finance the expenses to obtain ESG certifications or to develop circular economy systems and investments aimed at reducing the business CO₂ emissions.

Protezione Piccola Impresa

Insurance solution intended for small enterprises with no more than 25 employees, which provides full coverage of operating property and assets and of personal wealth against damages caused by natural catastrophe events.

Protezione Valore Impresa

Solution intended for enterprises that need to insure movable or immovable operating assets used in production/commercial and/or manufacturing activities. The solution covers damages to the Building and the related Content from weather and catastrophe events (earthquake, floods, landslides).

Amount allocated to supporting the energy and digital transition

The CAI allocated an amount of 3 billion Euros to support enterprises in their investments plans that are compatible with Transition 4.0 and Transition 5.0 measures, incentivizing the adoption of innovative processes in plants, equipment and intangible assets, while also ensuring energy efficiency enhancement at the production plant or process level.

Offering for Large Corporates

With the “Sustainable Evolution” initiative, CAI intends to provide support to Large Corporates not only as a financial partner but also as an enabler, which can provide tangible and effective solutions to improve the environmental performances of corporates. That commercial proposition materializes through the specialist support given to customers in identifying the most suitable solutions in environmental, industrial and financial terms, and the offering of added-value banking products and services in partnership with specialist firms in technology analysis and process evolution for energy transition purposes.

Revolving Fund for Tourism Sector Players

The Revolving Fund for Tourism Sector Players supports sustainable investments in the tourism and trade fair sector, fostering digitalization and ecological transition. This subsidized financing solution, which is provided for by Italy's Recovery and Resilience Plan, combines government grants and bank loans to provide support to corporates that invest in energy efficiency, structural upgrading and sustainable mobility, incentivizing reduction in emissions and the use of renewable energy in the sector.

Renewable Energy Leases

A financing option for corporates that want to invest in energy production from renewable sources, whereby photovoltaic, wind, biomass and biogas energy production plants can be purchased, thus fostering the use of clean energy and reducing the environmental impacts generated by the corporation.

Real Estate Leases

Solution financing the purchase and construction of business, commercial and manufacturing real estate, with special regard to the upgrading of buildings in order to enhance their energy efficiency, consumption reduction and the adoption of energy saving technologies.

SACE Green Guarantee

Loans backed by a guarantee given by SACE in favour of CAI after signing an agreement; these loans are intended for companies that invest in sustainable projects, such energy transition, green mobility and low-emission manufacturing. The guarantee incentivizes the implementation of environmentally friendly technologies and provides support to corporates in their efforts for environmental impact reduction.

ESG Minibonds

Bonds intended for SMEs to finance sustainable growth and innovation projects. These financing solutions give an opportunity to corporates facilitating access to funding for the development of green projects and reducing their ecological footprint.

Sustainable Supply Chain Finance

Scheme designed to provide support to the suppliers of large corporates that are supply chain leads, promoting sustainable growth in the supply chain. The suppliers that are most virtuous as regards sustainability can benefit from more advantageous financial terms and conditions to foster their responsible development. Furthermore, this solution promotes process digitalization, facilitates transparency in the supply chain management and incentivizes production practices that have low environmental impacts.

ESG Linked Loans

Financing solution that offers subsidized pricing and conditions to corporates engaged in developing their ESG parameters, which are surveyed with a scoring tool. The interest rate changes based on the achievement of environmental sustainability targets, incentivizing the adoption of strategies to reduce emissions and to enhance energy efficiency.

ESG KPI Linked Loans

Financing solution linked to the achievement of specific environmental sustainability KPIs. Corporates that implement tangible measures to reduce their ecological impact, such as the transition to renewable energy or the optimization of production efficiency, can benefit from subsidized interest rates.

Sustainability Linked Loans

Medium/long-terms loans, compliant with the Loan Market Association (LMA) guidelines, whose pricing and conditions are linked to the selection and calibration of ambitious sustainability targets (ESG KPIs) which are measured on a regular basis. The incentive scheme provides for subsidized conditions upon the achievement of the targets set for each KPI and penalizing conditions in case of failure to achieve them.

Energicamento Business

Loans for corporates that intend to build plants for energy production from renewable sources with advantageous conditions to incentivize the adoption of green technologies and foster the energy transition of corporates.

Solutions to provide support to corporates hit by severe weather events

Amount allocated for special loans for corporates hit by extreme weather events, with advantageous conditions to resume operations and sustainability-oriented reconstruction. The funds may be used to build resilient infrastructures, to adopt environmentally friendly material and to integrated systems for the mitigation of hydrogeological risk.

POLICIES AND ACTIONS ON THE CARBON FOOTPRINT FROM OWN OPERATIONS

The targets on own emissions in the Crédit Agricole Group's Transition Plan

Within its *Projet Sociétal* the CA Group has set its *Climate Change Policy*, implementing it with its "*Destination 2050*" *Transition Plan*, being progressively embedded in the general strategy and business model. Through its *Transition Plan*, the CA Group is committed to contributing to carbon neutrality by 2050 also deploying policies and actions concerning the footprint from its operations.

Having regard to the emissions associated with the CA Group's operations, the *Transition Plan* lays down indicators and targets under the GRI G4 standard and the GHG Protocol, following the recommendations of the *Science Based Targets initiative* (SBTi), based on the 1.5 °C scenarios of the Paris Accord listed by the *Intergovernmental Panel on Climate Change*. In this context, Scope 1 and Scope 2 emissions must follow a linear reduction trajectory down by a constant percentage rate of -4.2% a year in absolute value or a -46.2% target by 2030. Having said that, in its *Transition Plan* the CA Group has set a higher reduction target on those scopes, of -50% by 2030 vs. the 2019 baseline. Furthermore, the *Transition Plan* expresses the CA Group's commitment to purchasing lower-carbon electricity to achieve 100% of the used energy from renewable sources by 2030 at all its sites in France and worldwide.

Furthermore, the CA Group has voluntarily undertaken the commitment to achieve a reduction in Scope 3 for emissions associated with business travel, specifically a -50% reduction by 2030 vs. the 2019 baseline. Therefore, having committed to halve the GHG emissions associated with its own activity on Scope 1, 2 and, the CA Group has chosen to set more ambitious targets than those recommended by the SBTi.

Lastly, for Crédit Agricole S.A. perimeter, the *Transition Plan* expresses the pledge to reach - by 2027 - 40% of the external expenses for the purchase of goods and services from suppliers and providers that have undertaken commitments for the reduction of their carbon footprint (please, see Crédit Agricole S.A. *Rapport de durabilité* at paragraph 2.2.1 and the breakdown of its commitments in *Destination 2050*).

E1
ESRS2
SBM-1

The policies on the carbon footprint from Crédit Agricole Italia's operations

The contribution to the CA Group's Transition Plan

The Crédit Agricole Italia Group contributes to the achievement of the targets under the CA Group's *Transition Plan* as a subsidiary of Crédit Agricole S.A. and implements the climate-related strategy set by the Parent Company in Italy in accordance with the characteristics of the Italian economic system and the physiological needs to recalibrate the directions based on Italy's energy mix. Indeed, in Italy, electrical energy production depends, to a significant extent, on natural gas (by over 30%, with seasonal peaks close to 50%, GSE S.p.A. data - *Breakdown of the opening Italian national energy mix of electrical energy fed into grid*) and is still affected by shortcomings in the distribution grid for electrical energy from renewable sources, as well as shortcomings in the storage systems.

However, the Crédit Agricole Italia Group started long ago to deploy transition projects and tangible actions for energy efficiency enhancement, based on policies that implement the directions set by CAsa. To implement the *Projet Sociétal*, on a yearly basis, the *Sustainability Plan* is adopted, which comprises projects and actions aimed at achieving the set environmental and social objectives, including the reduction in the carbon footprint from its own operations.

Consistently with the climate strategy of the Parent Company CAsa, to contribute to the achievement of the targets set in the CA Group's *Transition Plan*, the Board of Directors adopted the *Climate Change Policy*, which sets out the guidelines and commitments regarding Scope 1, 2 and 3 *own emissions*. In this context, in order for the Parent Company CAsa to consolidate the data at the CA Group level, the CAI Group regularly sends the data and information reporting flow on its consumption of energy and materials having repercussions on its emissions in the environment (*Greenway* platform).

E1
ESRS2
SBM-1

The Climate Change Policy

E1-2
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Based on its Double Materiality Assessment, the CAI Group has found climate change topics material, as well as the possible impacts from its own operations along the value chain. In its turn, if not monitored and managed, climate change may generate potential risks for the CAI Group, as well as opportunities resulting from initiatives aimed at reducing emissions. Proactive management of these aspects is at the basis of the CAI Group's environmental policies, to ensure business sustainability in the long term and meet its stakeholders' expectations.

Its *Climate Change Policy*, which is consistent with the Crédit Agricole S.A. Group's *Transition Plan* sets out the commitments undertaken by the CAI Group for responsible protection of the environment, the strategies and directions to reduce its impact on climate change, as well as the roles, responsibilities and related monitoring system on the relevant scopes.

The commitments to reducing the carbon footprint from the CAI Group's own operations concern the main sources of emissions, i.e. Scope 1 (gas and corporate fleet), Scope 2 (electrical energy) and Scope 3 (business travel and procurement), which are considered as some of the most material ones based on the amount of emissions estimated for the CAI Group.

The *Climate Change Policy* is adopted and updated by the Board of Directors, after being validated by the Sustainable Development. Board Committee, at the proposal of the ESG and Sustainability Managerial Committee. In order to ensure effective implementation of the policies and appropriate monitoring systems, every year, each owner function sets its *Action Plans for Sustainability* or APS, where, for each emission scope mapped, internal management targets expressed in qualitative and/or quantitative KPIs are set out, if present, along with any measurement metrics or approaches, planned actions, time schedule and necessary resources.

Through this framework, the CAI Group can progressively deploy the actions aimed at contributing, directly or indirectly, to the achievement of the targets expressed in the CAI Group's *Transition Plan*, applying the following directions:

- Purchasing of electrical energy from renewable sources with Guarantee of Origin (Scope 2), with the commitment to contributing to the achievement of the target set for the CA Group of 100% of consumption by 2030 of electrical energy from renewable sources;
- Reduction in direct GHG emissions (Scope 1 and Scope 2), with the commitment to contributing to the achievement of the target set for the CA Group of 50% reduction in emissions by 2030 vs. the 2019 baseline;
- Progressive replacement of the vehicles in its corporate fleet with hybrid or full electric cars;
- Progressive establishment of internal rules on own workers' travels, in order to reduce the emissions associated with business travels using private vehicles (Scope 3), with the commitment to contributing to the achievement of the target set for the CA Group of 50% reduction by 2030 vs. the 2019 baseline;
- Progressively raising the awareness of suppliers of goods and providers of services about the importance of improving their ESG position, especially in terms of GHG emissions, undertaking to award the related contracts preferably to virtuous suppliers and providers that have developed sustainability transition plans in line with the target set by CA.sa by 2027 in this regard.

The GHG Protocol scopes managed in accordance with the *Climate Change Policy* are given below:

SCOPE	ACTION RANGE	DATA COLLECTION FREQUENCY	APPROACH
SCOPE 1	Gas	Half-yearly	ESRS - ABI Lab guidelines
	Corporate fleet	Half-yearly	ESRS - ABI Lab guidelines
SCOPE 2	Electrical energy	Half-yearly	ESRS - ABI Lab guidelines
SCOPE 3	Paper	Half-yearly	ESRS - ABI Lab guidelines
	Business travel	Half-yearly	ESRS - ABI Lab guidelines
	Procurement	Half-yearly	Internal
	IT Procurement	Half-yearly	Internal - Shared with CA.sa

The path to reduction of the footprint from own operations is set by the ESG and Sustainability Function and by CAGS - Crédit Agricole Group Solution teams, consisting of expert engineers who actively contribute to ABI work groups. Indeed, CAGS is a highly specialized centre of competence that performs activities for the effective implementation of the *Climate Change Policy* and, thanks to the work of highly skilled workers, engages in constant study of environmental matters, of the standards and of the technical and technological solutions to reduce the GBCAI's environmental impact.

The Environmental Management System

Giving evidence of its commitment to the environment, the GBCAI has adopted an “Environmental Management System” (EMS), certifiable in accordance with standard *ISO 14001:2015 Environmental Management System - Requirements and guidelines for use* and *ISO 14004:2016 Environmental management systems — General guidelines on implementation*, with the objective of contain gas consumption (Scope 1), electrical energy (Scope 2) and paper (Scope 3) to reduce waste and polluting emissions.

The EMS, approved by the BoD, pursues objectives of continuous improvement in environmental performances, having regard to:

- Compliance with the applicable legislation and regulations on the environment;
- Protection of the environment by deploying specific actions to prevent pollution and to mitigate environmental impacts from the execution of the processes and activities in its responsibility perimeter;
- Selection of suppliers of goods and/or providers of services in order to limit the environmental impacts of the activities contracted out to them and in order to support them in implementing actions to reduce those impacts;
- Promotion of an environmental culture with the stakeholders.

The EMS focuses on proper management of the environmental impacts associated with the management of GBCAI's real estate assets, IT equipment, logistics and purchasing. Special attention is given to: emissions in the atmosphere, consumption reduction (consumption monitoring and implementation of action plans), waste (municipal waste or special waste) management, emissions in the environment (e.g. emissions from outdoor lighting systems, noise emissions from technological systems), management of hazardous waste, water management and responsible procurement.

E1-2
MDR-P
DP25

Sustainable Procurement

GBCAI substantiates its commitment to the environment also through the integration of ESG factors in its procurement process. To these ends, the GBCAI has adopted the *Sustainable Procurement Policy*, about which please see G1-2 DP15, which governs the procurement process and the relationships with the suppliers and providers of the GBCAI entities laying down the following principles:

- Measurement, upon procurement or competitive procurement procedure, of the supplier's/provider's sustainability performance with evidence given by specific certifications;
- Raising the suppliers'/providers' awareness about ESG matters and promoting an ESG culture with them, and, where necessary, proposing solutions to assist them in their transition;
- Deployment of engagement initiatives, such as campaigns, newsletters and surveys of the suppliers'/providers' satisfaction in their capacity as stakeholders, to build profound and long-lasting relationships.

In this context, the GBCAI attaches a specific value to the carbon footprint reduction in the process for the selection of its suppliers/providers, consistently with the target set by Crédit Agricole S.A. of 40% of products and services purchased from suppliers and providers that set their transition plan by 2027.

The *Sustainable Procurement Policy* is adopted and updated by the Board of Directors, after being validated by the Sustainable Development. Board Committee, at the proposal of the ESG and Sustainability Managerial Committee.

E1-2
MDR-P
DP25

The actions deployed to reduce the carbon footprint from own operations

Corporate fleet

E1-3
MDR-A
DP28

On the path to reduction of environmental impacts, many actions have been implemented to increase the portion of hybrid vehicles in the corporate fleet, including:

- Systematic replacement of the cars to be used “for business only” eliminating diesel cars and purchasing hybrid and electric vehicles;
- Progressive replacement of the cards for “mixed use” with the purchase of hybrid and electric vehicles, setting internal policies that provides for a range of high eco-efficiency models (CO₂ grams per Km), which is regularly updated considering the constant technological evolution in cars;
- Strengthening the electrical charge network at owned premises.

Thanks to these initiatives, consumption could be decreased, in terms of litres of fuel and related CO₂ emissions, by 24% vs. 2019, from 2,923 to 2,259 metric tonnes of CO₂.

Mobility management

E1-3
MDR-A
DP28

To organize its own workers' mobility, the CAI Group has adopted the Home-Work Commute Plan (HWCP) and has deployed a series of initiatives aimed at promoting sustainable mobility based on personal needs and requirements, setting the benefits for individuals, the environment and the Community.

To this effect, a key role is that of the *Mobility Manager*, who works to facilitate mobility that is environmentally and socially sustainable as well as affordable. To foster change in employees' attitudes and habits, the CAI Group started several Sustainable Mobility initiatives and services:

- In 2024, 9 HWCPs were approved for each one of our complex sites per (places of work with over 100 own workers);
- 48 charging stations for EVs are available to all our own workers at some of our main premises, and their progressive increase and extension has been planned.

The integrated mobility services provided by Drivalia are available to all the employees of the CAI Group, consisting of a wide range of mobility solutions, including car leases and electric car-sharing. The service can be accessed through a digital platform and, moreover, at some of the CAI Group's premises (Parma, Milan, Rome, Catania, Treviso) there are Drivalia Mobility Stores.

Within the scope of Mobility Management and HWCPs prepared for each one of the Group's complex sites, the gamification project with *Up2Go* is going on, whereby the partner company makes a digital platform available providing employees with support in monitoring travels, favouring carpooling and bike2work.

Business travel

E1-3
MDR-A
DP28

To reduce environmental impacts, many initiatives are deployed concerning employees' business travels, including:

- Promotion of sustainable business travels, with the use of car-sharing and low environmental impact public transport, for example the train, with a shuttle service between Green Life (the headquarters in Parma) and the railway station;
- Fostering responsibility-taking by managers on sustainable mobility targets, integrating KPIs on reduction in costs for business travels in the *Management by Objective* performance scheme.

Paper and stationery

E1-3
MDR-A
DP28

Amongst the actions to reduce environmental impacts there are those on paper consumption, which aim at:

- Reduction in the quantity of reams of paper, with consumption analysis and setting caps by individual structure;
- Progressive digitalization of all the types of communication to customers;
- Optimization of signature processes through advanced mechanisms extending the OneTime Password (OTP) digital signature;
- Recycled paper accounting for 99% of total use, with the remaining 1% that is FSC-certified ensuring that it comes from sustainably and responsibly managed forests;
- Purchase of green printers and office supplies (e.g.: made of recycled or regenerated materials, with FSC, BPA free, Blauer Engel, Pentel Green Label certifications).

Facility management

One of the scopes to which the CAI Group gives the utmost attention to reduce its direct footprint is proper management of buildings from an energy standpoint, with special regard to air conditioning and processing, sanitary water heating, indoor and outdoor lighting, microclimate management and self-areas management, office machinery management.

In 2024 energy efficiency enhancement activities continued, including:

- 15 actions to rationalize both central offices and commercial areas, with a decrease in occupied floorspace of over 11,500 m² and consequent savings of over 1,300,000 kwh of electrical energy and about 5,000 m³ of natural gas, resulting in a reduction of the emission in the environment of about 10 metric tonnes of CO₂;
- 35 initiatives for the upgrading of air conditioning systems, where possible switching from natural gas ones to those fed by heat pumps; these projects will yield annual savings estimated in over 60,000 m³ of natural gas and about 5,000 litres of diesel fuel used for heating, resulting in about 140 metric tonnes of CO₂ not emitted;
- 10 projects to upgrade lighting systems, which will generate annual savings of about 30,000 kwh;
- Management and implementation of photovoltaic plants for electrical energy production and self-consumption, totalling about 600,000 kwh;
- Fine-tuning of the systems to monitor energy consumption ensuring more targeted actions, with cross analyses, benchmarking and constant study of extreme weather conditions.

The actions were deployed thanks to the engagement of a team of expert engineers from CAGS, and achieved savings of about 4% of electrical energy and of 1% of natural gas vs. 2023, with over 150 metric tonnes of CO₂ not emitted.

Giving evidence of the importance that the Group attaches to efficient facility management, Green Life, GBCAI's headquarters in Parma, is certified in accordance with the highest environmental quality standard, namely LEED Platinum (*Leadership in Energy and Environmental Design*).

E1-3
MDR-A
DP28

Procurement

In 2024 GBCAI obtained the UNI ISO 20400 certification, whereby *Bureau Veritas*, an independent certifier, acknowledges an advanced maturity level as regards responsible procurement. Some of the main initiatives deployed by GBCAI are:

- Mapping of its stakeholders in the procurement scope, including suppliers and providers, in order to get to know them better, identify any needs and opportunities for cooperation;
- Mapping of ESG risks, identifying the minimum ESG requirements for the product/service categories purchases, in order to mitigate the sustainability risks associated thereto;
- Mapping of the CO₂ emissions of the suppliers/providers having registered office in Italy, where possible;
- Fine-tuning of the selection criteria, which will progressively lead to choosing firms with the Ecovadis sustainability certification; in 2024 the portion of products and services ordered from suppliers and providers with the Ecovadis certification was 80%.

Furthermore, the "Green IT" project was started, which concerns procurement of technological and IT equipment, tools and services and measures the CO₂ emissions of the main IT suppliers and providers related to software, infrastructures and workstations, as the input to deploy containment actions.

E1-3
MDR-A
DP28

Resources allocated to activities related to indirect carbon footprint and carbon footprint from own operations

The actions deployed to mitigate climate change and to adapt thereto as regards the indirect carbon footprint provided for the allocation of earmarked financial resources, especially relating to the integration of ESG factors in the lending process phases and to the evolution in the offering designed to assist customers in their transition, which, in 2024, amounted to over 1 million Euros in capital expenses (CAPEX) and to about 1 million Euros in operating expenses (OPEX).

To complete the aforementioned initiatives, with the activities related to the carbon footprint from own operations, in 2024 investments were made amounting to about 2.4 million Euros and expenses were incurred amounting to approximately 300 thousand Euros, mainly associated with the management of owned real estate and the electrification and hybridization of the corporate fleet.

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DP29

METRICS AND TARGETS

Targets linked to the management of material impacts for mitigation of and adaptation to climate change

E1-4
MDR-T
DP81

In contributing to the achievement of the targets set in the CA Group's Transition Plan (please, see E1-1 DP17), the CAI Group sets specific targets in its Remuneration Policies and compensation schemes, with said targets being linked to:

- Measures to assist customers in the Retail individuals segment for sustainable buildings and energy efficiency enhancement;
- Measures to assist corporate customers in their environmental transition, with special regard to renewable energy development;
- Loans aimed at reducing emissions from residential and commercial real estate;
- The integration of ESG factors in lending policies;
- Reduction in the direct CO₂ emissions through a series of actions, such as the improvement of the corporate fleet and to the enhancement of the energy efficiency of owned real estate.

For more exhaustive information, please see ERS2 GOV-3 DP29.

The CAI Group monitors the effectiveness of its policies and actions through regular and periodic updating of progress in the underlying activities and the related commitments, at the meetings of the ESG and Sustainability Managerial Committee, of the Sustainable Development Board Committee and of the BoD, also in the light of any developments in the applicable legislation and regulations and in the market, and consistently with Crédit Agricole S.A. guidelines (for more exhaustive information, please see ERS2 GOV-1 DP22 DP26).

Energy consumption and mix

Total energy consumption related to own operations

E1-5
DP37

The metrics regarding the CAI Group's energy consumption from own operations are given below.

The table below reports the energy consumption in 2024, representing all the energy scopes the processes depend on. This representation gives a view of consumption broken down by fossil sources and renewable sources. The self-generated share of electrical energy from renewable sources is also represented.

The energy consumption associated with the use of the whole set of operating properties has been reported taking into account: diesel fuel for heating, GPL for heating, natural gas, thermal energy from district heating and district cooling from fossil sources, purchased electrical energy, self-generated and self-consumed electrical energy from owned photovoltaic plants.

The table also reports the consumption associated with condominium sites (Scope 2), relating to the following energy carriers: natural gas, diesel fuel for heating, thermal energy from district heating and district cooling, whose weight in terms of emissions is about 50% of the same Scope 1 emissions.

	2024
Fuel consumption from coal and coal products (MWh)	0.00
Fuel consumption from crude oil and petroleum products (MWh)	10,383.81
Fuel consumption from natural gas (MWh)	24,122.26
Fuel consumption from other non-renewable sources (MWh)	0.00
Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources (MWh)	23,441.39
Total fossil energy consumption (MWh)	57,947.46
Share of fossil sources in total energy consumption (%)	52.00%
Consumption from nuclear sources (MWh)	0.00
Share of consumption from nuclear sources in total energy consumption (%)	0.00%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0.00
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	52,902.16
Consumption of self-generated non-fuel renewable energy (MWh)	580.98
Total renewable energy consumption (MWh)	53,483.14
Share of renewable sources in total energy consumption (%)	48.00%
Total energy consumption (MWh)	111,430.60

The table below gives evidence of energy from renewable sources generated by the photovoltaic plants owned by the Group. The Group owns 3 photovoltaic plants with capacity of over 800 kW, with the main one located at Green Life, the Group's headquarters in Parma, which, in 2024, covered about 17% of the annual electrical energy need of the premises.

E1-5
DP39

	2024
Non-renewable energy production (MWh)	0.00
Renewable energy production (MWh)	633.46
Total energy production (MWh)	633.46

GHG emissions along the value chain

Total Scope 1 and Scope 2 GHG emissions and Scope 3 significant emissions

This paragraph represents the GHG emissions associated with both own operations and the upstream and downstream value chain, broken down by Scope 1, Scope 2 (location-based e market-based) and Scope 3. These emissions are calculated considering the principles, requirements and guidance provided in the Corporate Accounting and Reporting Standard of the Greenhouse Gas Protocol.

E1-6
DP48
DP49
DP51
DP52

	31 Dec. 2024 (N)
Scope 1 GHG emissions:	
Gross Scope 1 GHG emissions (TeqCO ₂)	8,803.87
of which:	
- from operational control	7,671.74
- from financial control	1,132.13
Share of boundary Scope 1 GHG emissions from regulated emission trading systems (%)	0%
Scope 2 GHG emissions:	
Gross location-based Scope 2 GHG emissions (TeqCO ₂)	22,734.57
of which:	
- from operational control	19,568.02
- from financial control	3,166.55
Gross market-based Scope 2 GHG emissions (TeqCO ₂)	7,029.42
of which:	
- from operational control	3,240.79
- from financial control	3,788.63
Significant Scope 3 GHG emissions:	
Total gross indirect GHG emissions (Scope 3) (TeqCO ₂)	16,060,802.80
1. Purchased goods and services	375.56
6. Business travels	210.35
7. Home-work commute	2,216.12
15. Investments	16,058,000.77
Total GHG emissions:	
Total GHG emissions (location – based) (teqCO ₂)	16,092,341.24
Total GHG emissions (market – based) (teqCO ₂)	16,076,636.09

These emissions are calculated based on the Financial Reporting consolidation perimeter.

To report the data for the reference year (N), the approach-related considerations are given below having regard to each emission scope:

Scope 1 and Scope 2 GHG emissions

Scope 1 and Scope 2 refer to the CAI Group's emissions from sources it owns or controls and from its own operations, and cover the types of assets listed below:

- Owned real estate properties, both operating and non-operating
- Operating real estate properties not owned with utilities registered in the CAI Group's name;
- Corporate fleet

The calculation does not include not owned and not operating real estate properties used by the CAI Group's own workforce. The applied reporting approaches are based on the *"ABI Lab guidelines on the application in banking operations of the European Sustainability Reporting Standards on environmental matters – December 2024 version"* issued by the Italian Banking Association, with the CAI Group being an active member of its work groups on research and innovation. Specifically:

- Owned real estate properties, both operating and non-operating: the emissions were calculated using the emission factors based on the Italian energy mix (ABI LAB Guidelines), in order to produce estimates consistent with the Italian context; the calculation does not include non-operating properties with inactive utilities;
- Operating real estate properties not owned with utilities registered in the CAI Group's name: the emissions are calculated based on consumption, in accordance with the aforementioned approaches regarding owned operating real estate properties, where the datapoint is available; in case of no consumption datapoint, the calculation is made with proxies based on the floor area and intended use of the property;
- Corporate fleet for "business" use only and for "mixed" use: also in this case the calculation used emission factors based on the Italian energy mix; moreover, as regards electric vehicles, in accordance with Regulation (EU) 2023/851 of the European Parliament and of the Council "zero-emission vehicles" include battery electric vehicles, fuel-cell and other hydrogen powered vehicles, and, therefore, those vehicles have an emission factor of 0. As regards the approach to allocate the emissions from "mixed-use" cars, the Group reports 70% of those emissions, in accordance with the ABI LAB guidelines, therefore assuming that personal use accounts for 30% of total use; as regards cars to be used for "business only" the Group reports 100% of the related emissions".

To calculate Scope 1 emissions related to the corporate car fleet, the Group has adopted the following conversion criteria:

- Diesel = 2.6499 kg CO₂e/litre
- Petrol = 2.3328 kg CO₂e/litre.

Having regard to gross Scope 1 GHG emissions, biogenic CO₂ emissions from biomass combustion or biodegradation are not measured.

To calculate Scope 2 emissions, based on the different energy sources, the emissions factors used are those compliant with the applicable legislation and regulations and with the industry-specific technical instructions, in compliance with the ABI Lab Guidelines. Specifically:

- Scope 2 emissions (market based), from purchased electrical energy: having regard to the operating property perimeter, they are zero, as the Group purchases certified green electrical energy with Guarantee of Origin; having regard to the non-operating property perimeter, for which there are no Guarantee of Origin certificates, the emission factor refers to the residual mix for 2022 and is equal to 457.15g CO₂eq/MWh;
- Scope 2 emissions (location based), from purchased electrical energy: the applied emission factor is 0.309 tonnCO₂eq/MWh.

The emissions associated with purchased electrical energy, both market-based and location-based, are calculated considering the Financial Reporting consolidation perimeter.

The location-based and market-based emissions associated with consumption of thermal energy from district heating and district cooling and, similarly to the emissions associated with consumption of all the sites in condominium buildings (from vectors such as natural gas, diesel or others), the Italian emission factors set by ISPRA have been applied, because neither the precise procurement sources (location based) nor specific contractual agreements (market based) that third parties (e.g. condominium managers) have opted for nationwide are known.

Having regard to gross Scope 2 GHG emissions, biogenic CO₂ emissions from biomass combustion or biodegradation are not measured.

Scope 3 GHG emissions

Scope 3 emissions are the emissions from activities along the value chain (upstream and downstream). The emissions calculated from actual data amount to 13% while the other 87% is based on estimated data. The CAI Group has identified the Scope 3 categories listed below as material:

- Category 1 – Purchased goods and services;
- Category 6 – Business Travel;
- Category 7 – Home-work commute;
- Category 15 – Investments.

Scope 3 – Category 1

Having regard to Category 1 – Purchased goods and services, the emissions from the purchase of paper and cardboard for office use (branches and central structures) are calculated as follows:

- Directly reported by the supplier (where available), in accordance with the GHG Protocol supplier – specific approach;
- Estimated in accordance with the ABI Lab Guidelines (DEFRA coefficients), with the GHG Protocol average – data approach.

Specifically, all the processes to obtain and prepare crude fibre, from used paper, ancillary materials used, including their transportation, used paper processing and production with renewable energy are considered. Conversely, as regards emission from paper production (not recycled), the conversion factors made available by the UK Government for greenhouse gas communication are used.

Scope 3 – Category 6

Having regard to category 6 – Business travel, for business travels by public transportation (planes and train) and by private cars, the following is used:

- The emissions directly reported by the service providers in charge of managing business travels (planes and trains);
- The emission factors used by the service providers are based on distance, therefore the estimate complies with the distance-based approach under the GHG Protocol.

Scope 3 – Category 7

The preparation of the HWCPs (Home-Work Commute Plans) is to be considered a regulatory obligation after the publication in the Official Journal of the *Relaunch Decree*, converted with Italian Law no. 77 of 17 July 2020 laying down “Measures to incentivize Sustainable mobility”, which has confirmed the lowering of the minimum thresholds for the appointment of the Mobility Manager and the consequent preparation of the Home-Work Commute Plan from 300 to 100 employees of companies located in Metropolitan Cities, Region and Province Capitals and, in general, in Municipalities with over 50,000 inhabitants.

To this end, the CAI Group has planned to administer the questionnaire to about 3,300 employees, whereby, based on the answers, data on employees’ needs and habits could be collected (e.g. what means of transport they use) and the levers to be used to shift employees’ habits towards more sustainable mobility could be identified.

Scope 3 – Category 15

For a bank, Scope 3 - Category 15 indirect emissions include the emissions from the operations and indirect GHG emissions of its end customers proportionally to its financial participation in the value of the business or of the project, in accordance with the Partnership for Carbon Accounting Financial (PCAF) approach.

The Scope 3 - Category 15 emissions reported herein refer to the emissions of the GBCAI's entities that operate as lenders (CAI and CALIT). To calculate financed emissions in accordance with asset classes, the “minimum requirements” of the GHG Protocol, to which other asset classes that are material for the CAI Group are to be added. For the calculation, the following data sourced have been used:

- Emissions disclosed by the companies in publicly available documents (e.g. Non-Financial Statements) collected through infoproviders;
- For the Real Estate sector, emissions obtained from the Energy performance Certificates, where available.

Where there is not accurate emission data, the calculation is based on estimated emissions obtained from infoproviders or estimated based on the sector average emission intensity (ISTAT - the Italian National Institute of Statistics - for corporates, ENEA - Italian National Agency for New Technologies, Energy and Sustainable Economic Development - for Commercial Real Estate).

Based on the foregoing, the percentage of emissions calculated from actual data amounts to 14% while the other 86% is based on estimated data. Having regard to the perimeter that the GBCAI considered to calculate category 15, based on the approaches developed by the PCAF (Partnership for Carbon Accounting Financials), non-financial corporations and households (Individuals segment) have been taken into account.

The perimeter of non-financial corporations consists of corporations operating in the sectors set out in the Pillar III ESG Template 1 (Article 449a of Regulation (EU) no. 575/2013; Commission implementing Regulation (EU) 2022/2453), which requires the publication of “Scope 3 GHG financed emissions” relating to non-financial corporations portfolio.

The Pillar III Template 1 reporting perimeter consists of the *banking book on – balance* (loans and advances, debt securities and equity instruments, as per FinRep) to “high climate impact sectors”, i.e. Sectors with ATECO code from A to H, and L of Annex I of Regulation (EC) No 1893/2006. Furthermore, the estimate includes the counterparties having ATECO I, as represented by Template 1.

If the counterparties’ financials (turnover and enterprise value) are not available to correctly attribute financed emissions to the individual counterparties, they are excluded from the estimate; the counterparties that are not included in the calculation of financed emissions for this reason are mainly small- and medium-sized businesses belonging to the “Retail” segment.

For counterparties belonging to the Real Estate sector, which includes the Commercial Real Estate segment (which considers the Corporate segment) and the Residential Real Estate sector (which considers the Individuals Retail sub-segment only) the related reporting is compliant with the PCAF principles, estimating the emissions related to real estate loans considering the exposure share on the value of the financed real estate properties.

The calculation of financed emissions does not include Corporations operating in sectors that are not considered “high climate impact” with ATECO codes J, K and from M to U. It is also specified that, in accordance with the PCAF standard and the Pillar III ESG (Template 1), *off-balance-sheet* exposures are excluded.

Based on materiality assessments carried out through internal surveys, market benchmarks and through the assessment of the categories of purchased products and services, GHG emission inventories do not report the categories listed below, as the data required for the estimation was not available:

- Category 2 – Capital goods
- Category 5 – Waste
- Category 8 – Upstream leased assets

Moreover, the categories listed below are also excluded, as, also following internal and external context assessments, they are not material for the banking business:

- Category 3 – Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2
- Category 4 – Upstream Transportation and Distribution
- Category 9 – Downstream Transportation and Distribution
- Category 10 – Processing of sold products
- Category 11 – Use of sold products
- Category 12 – End-of-Life Treatment of sold products
- Category 13 – Downstream leased assets
- Category 14 – Franchises.

Having regard to gross Scope 3 GHG emissions, biogenic CO₂ emissions from biomass combustion or biodegradation are not measured.

GHG Intensity based on net revenue

E1-6
DP53
DP54

	2024
Total GHG emissions (location based) per net revenue (tCO ₂ e/mln €)	3,001.17
Total GHG emissions (market based) per net revenue (tCO ₂ e/mln €)	2,998.24

Connectivity of GHG intensity based on revenue with financial reporting information

E1-6
DP55

(Millions of Euros)	2024
Net revenue used to calculate GHG intensity	5,362.02
Net revenue (other)	-
Total net revenue (in financial statements)	5,362.02

The CAI Group has set the approach for determining the “Net Revenue” figure pursuant to the Corporate Sustainability Reporting Directive, in accordance with Article 27 of Council Directive 86/635/EEC.

DISCLOSURE UNDER ARTICLE 8 OF REGULATION (EU) 2020/852 (EU TAXONOMY REGULATION)

The European Taxonomy, as defined by Regulation (EU) 852/2020¹ (known as “Taxonomy Regulation”), has introduced a system of classification of the economic activities considered environmentally sustainable, laying down specific technical screening criteria that determine the conditions in which an activity contributes substantially to one or more of the environmental objectives listed below:

- Climate change mitigation (CCM);
- Climate change adaptation (CCA);
- The sustainable use and protection of water and marine resources (WTR);
- The transition to a circular economy (CE);
- Pollution prevention and control (PPC);
- The protection and restoration of biodiversity and ecosystems (BIO).

The Regulation has been progressively supplemented by Delegated Acts, which specify, for each one of the six environmental objectives, the taxonomy-eligible economic activities and the necessary screening criteria to verify compliance with the European Taxonomy requirements. Specifically, Delegated Regulation (EU) 2021/2139 and Delegated Regulation (EU) 2023/2485 regard the first two environmental objectives, while Delegated Regulation (EU) 2023/2486 applies to the other four environmental objectives. The aforementioned Delegated Regulations identify the economic activities that can contribute to the individual objectives (“Taxonomy-eligible”) in accordance with the technical screening criteria on substantial contributions while doing no significant harm to the other objectives and in compliance with minimum safeguards (“Taxonomy-aligned”).

Furthermore, Delegated Regulation (EU) 2021/2178² lays down specific performance indicators to comply with the reporting requirements, which are different for the different types of financial undertakings, namely credit institutions, asset managers, insurance and reinsurance undertakings, and investment firms. With the inclusion, amongst those that can contribute to the energy transition, of specific economic activities in the fossil gas and nuclear energy sectors, the legislative framework has been extended with Delegated Regulation (EU) 2022/1214, which lays down additional disclosure requirements for the undertakings concerned. The main Key Performance Indicators (KPIs) that shall be reported under the applicable legislation are:

- The Green Asset Ratio (GAR), i.e. the ratio of the bank’s assets financing and/or invested in Taxonomy-aligned economic activities to total covered assets;
- The KPIs for off-balance-sheet exposures, as to the share of Taxonomy-aligned economic activities over off-balance-sheet exposures that banks manage and direct or contribute to directing towards sustainable economic activities.

In accordance with the legislative and regulatory framework, the Crédit Agricole Italia Banking Group has prepared and presented the required disclosures since 2024, as before it was not required to include this information in its Non-Financial Statement³.

1 Regulation (EU) 852/2020: <https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32020R0852>

2 Delegated Regulation (EU): 2021/2178: <https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32021R2178>

3 Crédit Agricole Italia is not subject to the obligation to include, in its Consolidated Non-Financial Statement, information on how and to what extent the undertaking’s activities are associated with economic activities that qualify as environmentally sustainable. That obligation lies with any undertaking which is subject to an obligation to publish non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU, in accordance with Article 8 - Transparency of undertakings in non-financial statements - of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

Disclosure requirement

For the 2024 reporting period, the applicable legislation and regulations require credit institutions to present their Key Performance Indicators in tables, adopting the table templates given in Annex VI of Delegated Regulation (EU) 2021/2178, namely:

- Table 0: Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation;
- Table 1: Assets for the calculation of GAR
- Table 2: GAR sector information;
- Table 3: GAR KPI (stock)
- Table 4: GAR KPI (flow)
- Table 5: KPI off-balance sheet exposures.

Each disclosure template shall be presented in two versions, one weighting Taxonomy-eligible and Taxonomy-aligned exposures to financial and non-financial undertakings by **CapEx** and the other weighting them by **Turnover**.

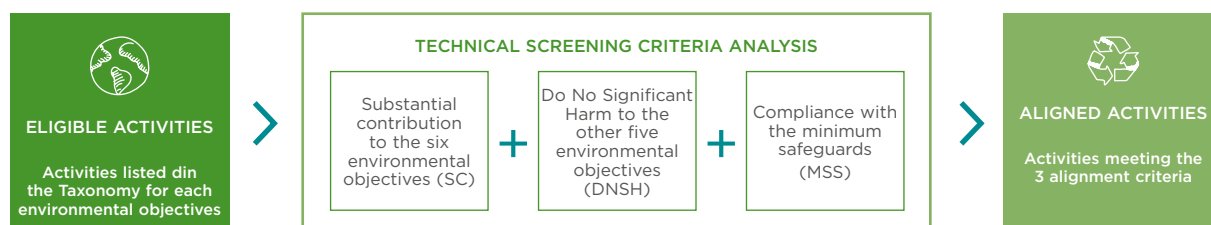
Total Assets = FINREP total	=	Eligible Activities	+	Non-eligible Activities	+	Exclusions (1)	+	Exclusions (2)
Covered assets = Total Assets - Exclusions (1)	Exclusions (1) (assets excluded from the KPI numerator and denominator): i. Exposures to central governments, central banks and supranational issuers ii. Trading book							
Assets excluded from the numerator = Covered Assets - Exclusions (2)	Exclusions (2) (assets excluded from the KPI numerator and denominator): i. Derivatives (banking book) ii. Financial and non-financial counterparties not subject to the NFRD iii. Demand interbank loans iv. Cash and cash equivalents v. Other assets							
Eligible assets	i. Financial and non-financial counterparties subject to the NFRD ii. Retail customers iii. Local governments iv. Repossessed real estate collaterals							
Aligned assets	On the set of eligible assets, aligned assets are identified in accordance with two approaches: • For general loans, based on the alignment ratios published by counterparties subject to the NFRD. • For special-purpose loans (whose purpose is known), based on the characteristics of the financed asset, applying the Taxonomy-alignment technical criteria							
					$\text{GAR} = \frac{\text{Aligned assets}}{\text{Covered assets}}$			

In compliance with the applicable legislation and regulations, the KPIs reported above are calculated with the denominator being the carrying amount of the covered assets of the Crédit Agricole Italia Banking Group, determined from the total assets on the Balance Sheet, net of the exposures to Central Governments, Central Banks and supranational issues, plus the exposures on the trading book.

Detailed methodological information

To comply with the disclosure requirement, to calculate the GAR the Crédit Agricole Italia Banking Group considered the exposures to:

1. **Financial and non-financial undertakings** subject to the Non-Financial Reporting Directive (NFRD): exclusively undertakings that are required to prepare and present non-financial disclosures have been considered. To assess EU Taxonomy-eligibility and EU Taxonomy-alignment of economic activities, the approach must be chosen based on the type of loan purpose:
 - In case of “general purpose” loans, where the use of the proceeds is not clearly identified, the eligible and aligned amount depends on the shares, based on both turnover and CapEx in relation to the different environmental objectives, as stated by the counterparties in their respective 2023 statements under the NFRD;
 - If the use of proceeds is known, Taxonomy-eligible economic activities are subdivided based on the type of use, in accordance with the classification given in Delegated Regulation 2021/2139 as updated. To assess Taxonomy-alignment, the single technical screening criteria set for the specific activity have been verified.



2. **Individuals**, loans secured by residential real estate and for the purpose of purchasing, renovating residential properties and/or construction. The aligned amount includes only loans secured by residential real estate and/or to be used for purchasing residential properties assessed based on the technical screening criteria of activity 7.7 of Delegated Regulation (EU) 2021/2139, and specifically:
- For the criteria on substantial contribution to the mitigation objective: exclusively real estate properties with accurate information on energy efficiency class or energy performances have been considered, taking into account also, amongst the other drivers, the floor area in square metres and the construction year, in accordance with the applicable legislation;
 - To verify the Do Not Significant Harm (DNSH) criteria on the climate change adaptation objective, the Crédit Agricole Italia Group has decided to consider aligned only the exposures concerning real estate properties with “Very Low”, “Low”, “Modest” or “Medium” physical risk scores. Furthermore, in accordance with Appendix A to Regulation (EU) 2021/2139 of the EU Taxonomy on the 28 chronic and acute physical risks, for the DNSH assessment, different scenarios are applied in accordance with the duration of the assessed activity:
 - Up to 10 years*: use of the baseline scenario to calculate the risk;
 - Between 10 and 30 years*: use of the future scenario (RCP4.5).
3. **Local governments**, the gross carrying amounts of the exposures consisting of special-purpose loans for which the use of the proceeds is known are considered, proportionally to the contribution that the specific project gives to one or more Taxonomy-aligned economic activities.
4. **Reposessed real estate collateral** there is no commercial and residential real estate collateral reposessed and held for sale.

More specifically, the GBCAI holds the substantial contribution to climate change mitigation met by the loans for the construction, renovation or purchase of buildings in accordance with the table below:

Floor area in square metres	Construction year	Substantial contribution threshold
Not over 5000 m ²	Before 2021	Energy efficiency class “B” or higher
Not over 5000 m ²	2021 or after	Primary energy need lower than 24.1 kWh/m ²

The “B” threshold energy efficiency class is the class enabling to identify the top performing 15% of Italy’s real estate assets. The 24,1 kWh/m² primary energy need threshold accounts for 90% the threshold for *Nearly Zero Energy Buildings*. Both thresholds were calibrated on the data in the Energy Performance Certificates Information System (SIAPE) in January 2024.

In case of loans for the construction, renovation or purchase of properties with a floor area of 5000 m² or larger, where the customers did not provide breakdown data to verify the substantial contribution criterion for large-size buildings, the position is conservatively considered not aligned.

Disclosure pursuant to Annex VI of Regulation (EU) no. 2021/2178

In all the disclosure Tables given, the amounts are stated (in millions of Euros and in percentage) for the reporting year 2024 and include the eligibility and alignment information for all the objectives under the Taxonomy Regulation.

The main results on the share of Crédit Agricole Italia Group's exposures resulting from Taxonomy-aligned economic activities are stated, in terms of both stock and flow as at 31 December 2024. The details on the models required by the applicable legislation can be found in section Disclosure pursuant to Annex VI of Regulation (EU) no. 2021/2178.

0 - Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets (mln €)	Turnover KPI	Capex KPI	% coverage (over total assets)	% of assets excluded from the GAR numerator (Article 7(2) and (3), and section 1.1.2 of Annex V)	% of assets excluded from the GAR denominator (Article 7(1) and section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	2,252.19	2.82%	2.89%	84.94%	45.06%	15.06%

		Total environmentally sustainable assets (mln €)	Turnover KPI	Capex KPI	% coverage (over total assets)	% of assets excluded from the GAR numerator (Article 7(2) and (3), and section 1.1.2 of Annex V)	% of assets excluded from the GAR denominator (Article 7(1) and section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	810.96	3.37%	3.49%	25.57%	19.75%	15.06%
	Trading book						
	Financial guarantees	1.82	0.82%	1.48%			
	Assets under management	-	-	-			
	Revenues regarding fees and commissions						

The Green Asset Ratio (GAR) of the Crédit Agricole Italia Group for 2024, in stock terms, is:

- 2.82% (approx. Euro 2,252 million) considering the counterparties' Turnover KPI as the weighting factor for exposures to corporates to assess alignment;
- 2.89% (approx. Euro 2,311 million) considering the counterparties' CapEx KPI as the weighting factor for exposures to corporates to assess alignment.

Table 1: Assets for the calculation of GAR – Turnover base

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	
	31.12.2024														
In millions of EUR	Total gross carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)					Water and marine resources (WTR)			
		Of which to taxonomy relevant sectors (Taxonomy-eligible)					Of which to taxonomy relevant sectors (Taxonomy-eligible)					Of which to taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds
GAR - Covered assets in both numerator and denominator															
1 Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	37,518.52	34,433.97	2,248.33	1,952.28	27.72	115.08	9.28	0.20	-	-	3.13	2.88	-	1.13	
2 Financial undertakings	1,451.67	390.15	43.04	-	1.16	1.44	0.98	0.00	-	-	0.01	-	-	-	
3 Credit institutions	1,439.11	388.69	42.60	-	1.15	1.44	0.86	-	-	-	-	-	-	-	
4 Loans and advances	1,439.11	388.69	42.60	-	1.15	1.44	0.86	-	-	-	-	-	-	-	
5 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7 Other financial corporations	12.57	1.45	0.44	-	0.01	-	0.12	0.00	-	-	0.01	-	-	-	
8 of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12 of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
14 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
15 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
16 of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
17 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
18 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
19 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20 Non-financial undertakings	1,381.66	402.78	253.01	-	26.56	113.64	8.30	0.20	-	-	3.13	2.88	-	1.13	
21 Loans and advances	1,349.22	379.85	238.59	-	13.59	112.91	8.29	0.19	-	-	3.13	2.88	-	1.13	
22 Debt securities, including UoP	32.44	22.93	14.42	-	12.97	0.74	0.01	0.01	-	-	-	-	-	-	
23 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24 Households	34,681.90	33,641.04	1,952.28	1,952.28	-	-	-	-	-	-	-	-	-	-	
25 Loans and advances	30,208.63	-	-	-	-	-	-	-	-	-	-	-	-	-	
26 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
27 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
28 Local governments financing	3.30	-	-	-	-	-	-	-	-	-	-	-	-	-	
29 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
30 Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

[illegible]

continues _ Table 1: Assets for the calculation of GAR – Turnover base

		a	b	c	d	e	f	g	h	i	j	k	l	m	n
		31.12.2024													
In millions of EUR		Total gross carrying amount	Climate change mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WTR)				
			Of which to taxonomy relevant sectors (Taxonomy-eligible)				Of which to taxonomy relevant sectors (Taxonomy-eligible)				Of which to taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling				
	GAR - Covered assets in both numerator and denominator														
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation	42,389.39													
33	Financial and non-financial undertakings	33,995.46													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	25,133.02													
35	Loans and advances	25,075.84													
36	of which loans collateralised by commercial immovable property	2,354.92													
37	of which building renovation loans	-													
38	Debt securities, including UoP	35.39													
39	Equity instruments	21.79													
40	Third-country counterparties not subject to NFRD disclosure obligations	196.19													
41	Loans and advances	196.19													
42	Debt securities, including UoP														
43	Equity instruments														
44	Derivatives	754.03													
45	Demand interbank loans	243.43													
46	Cash and cash-related assets	483.08													
47	Other asset categories (for example, goodwill, commodities, etc.)	6,717.20													
48	Total GAR assets	79,907.92	34,433.97	2,248.33	1,952.28	27.72	115.08	9.28	0.20	-	-	3.13	2.88	-	1.13
49	Assets not covered for GAR calculation	14,166.41													
50	Central governments and Supranational issuers	8,790.64													
51	Central banks exposure	5,241.06													
52	Trading book	134.71													
53	Total assets	94,074.33													
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	220.51	67.63	1.76	0.00	0.01	0.23	0.01	0.00	0.00	0.00	0.05	0.05	0.00	0.00
55	Financial assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-

o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
31.12.2024																	
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Of which to taxonomy relevant sectors (Taxonomy-eligible)				Of which to taxonomy relevant sectors (Taxonomy-eligible)				Of which to taxonomy relevant sectors (Taxonomy-eligible)				Of which to taxonomy relevant sectors (Taxonomy-eligible)					
Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)					
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.48	0.56	-	-	13.08	0.21	-	-	0.01	-	-	-	34,477.95	2,252.18	1,952.28	27.72	116.22	
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
0.01	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	67.70	1.82	0.00	0.01	0.23	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 1: Assets for the calculation of GAR – CAPEX base

	a	b	c	d	e	f	g	h	i	j	k	l	m	n
	31.12.2024													
	Total gross carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
		Of which to taxonomy relevant sectors (Taxonomy-eligible)					Of which to taxonomy relevant sectors (Taxonomy-eligible)				Of which to taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
In millions of EUR		Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling		
GAR - Covered assets in both numerator and denominator														
1 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	37,518.52	34,433.97	2,248.33	1,952.28	27.72	115.08	9.28	0.20	-	-	3.13	2.88	-	1.13
2 Financial undertakings	1,451.67	390.15	43.04	-	1.16	1.44	0.98	0.00	-	-	0.01	-	-	-
3 Credit institutions	1,439.11	388.69	42.60	-	1.15	1.44	0.86	-	-	-	-	-	-	-
4 Loans and advances	1,439.11	388.69	42.60	-	1.15	1.44	0.86	-	-	-	-	-	-	-
5 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Other financial corporations	12.57	1.45	0.44	-	0.01	-	0.12	0.00	-	-	0.01	-	-	-
8 of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Non-financial undertakings	1,381.66	402.78	253.01	-	26.56	113.64	8.30	0.20	-	-	3.13	2.88	-	1.13
21 Loans and advances	1,349.22	379.85	238.59	-	13.59	112.91	8.29	0.19	-	-	3.13	2.88	-	1.13
22 Debt securities, including UoP	32.44	22.93	14.42	-	12.97	0.74	0.01	0.01	-	-	-	-	-	-
23 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Households	34,681.90	33,641.04	1,952.28	1,952.28	-	-	-	-	-	-	-	-	-	-
25 Loans and advances	30,208.63	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 Local governments financing	3.30	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Assets excluded from the numerator for GAR calculation	42,389.39													
33 Financial and non-financial undertakings	33,995.46													
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	25,133.02													

[illegible]

continues _ **Table 1: Assets for the calculation of GAR – CAPEX base**

	a	b	c	d	e	f	g	h	i	j	k	l	m	n
	31.12.2024													
	Total gross carrying amount	Climate change mitigation (CCM)					Climate change adaptation (CCA)					Water and marine resources (WTR)		
		Of which to taxonomy relevant sectors (Taxonomy-eligible)					Of which to taxonomy relevant sectors (Taxonomy-eligible)					Of which to taxonomy relevant sectors (Taxonomy-eligible)		
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
In millions of EUR		Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling				Of which Use of Proceeds	Of which enabling	
30 GAR - Covered assets Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Assets excluded from the numerator for GAR calculation	42,389.39													
33 Financial and non-financial undertakings	33,995.46													
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	25,133.02													
35 Loans and advances	25,075.84													
36 of which loans collateralised by commercial immovable property	2,354.82													
37 of which building renovation loans	-													
38 Debt securities, including UoP	35.39													
39 Equity instruments	21.79													
40 Third-country counterparties not subject to NFRD disclosure obligations	186.19													
41 Loans and advances	196.19													
42 Debt securities, including UoP														
43 Equity instruments														
44 Derivatives	754.03													
45 Demand interbank loans	243.43													
46 Cash and cash-related assets	483.08													
47 Other asset categories (for example, goodwill, commodities, etc.)	6,717.20													
48 Total GAR assets	79,907.92	34,433.97	2,248.33	1,952.28	27.72	115.08	9.28	0.20	-	-	3.13	2.88	-	1.13
49 Assets not covered for GAR calculation	14,166.41													
50 Central governments and Separational issuers	8,790.64													
51 Central banks exposure	5,241.06													
52 Trading book	134.71													
53 Total assets	94,074.33													
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54 Financial guarantees	220.51	67.63	1.76	0.00	0.01	0.23	0.01	0.00	0.00	0.00	0.05	0.05	0.00	0.00
55 Financial assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56 Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57 Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-

o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
31.12.2024																
Circular economy (CE)			Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Of which to taxonomy relevant sectors (Taxonomy-eligible)			Of which to taxonomy relevant sectors (Taxonomy-eligible)				Of which to taxonomy relevant sectors (Taxonomy-eligible)				Of which to taxonomy relevant sectors (Taxonomy-eligible)					
Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)					
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.48	0.56	-	-	13.08	0.21	-	-	0.01	-	-	-	34,477.95	2,252.18	1,952.28	27.72	116.22
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																
0.01	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	67.70	1.82	0.00	0.01	0.23
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table 2: GAR – Sector information – Turnover base

		a	b	c	d	e	f	g	h	i	j	k	l
		31.12.2024											
Breakdown by sector - level NACE 4 digit		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WTR)			
		Non-financial undertakings (NFRD)		SMEs and other non-financial corporations (non-NFRD)		Non-financial undertakings (NFRD)		SMEs and other non-financial corporations (non-NFRD)		Non-financial undertakings (NFRD)		SMEs and other non-financial corporations (non-NFRD)	
		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)	
		in millions of EUR	Of which environmentally sustainable activities (CCM)	in millions of EUR	Of which environmentally sustainable activities (CCM)	in millions of EUR	Of which environmentally sustainable activities (CCA)	in millions of EUR	Of which environmentally sustainable activities (CCA)	in millions of EUR	Of which environmentally sustainable activities (WTR)	in millions of EUR	Of which environmentally sustainable activities (WTR)
1	C.13.30	5.26	-	-	-	-	-	-	-	-	-	-	-
2	C.14.31	0.71	-	-	-	-	-	-	-	-	-	-	-
3	C.14.39	39.93	-	-	-	-	-	-	-	-	-	-	-
4	C.15.12	5.10	-	-	-	-	-	-	-	-	-	-	-
5	C.15.20	25.60	-	-	-	-	-	-	-	-	-	-	-
6	C.19.20	4.01	0.05	-	-	-	-	-	-	-	-	-	-
7	C.20.11	42.35	0.08	-	-	-	-	-	-	-	-	-	-
8	C.20.60	12.06	0.19	-	-	-	-	-	-	-	-	-	-
9	C.21.20	46.66	-	-	-	-	-	-	-	-	-	-	-
10	C.22.19	0.81	-	-	-	-	-	-	-	-	-	-	-
11	C.22.29	45.14	-	-	-	-	-	-	-	-	-	-	-
12	C.23.13	19.98	-	-	-	-	-	-	-	-	-	-	-
13	C.25.20	-	-	-	-	-	-	-	-	-	-	-	-
14	C.26.12	1.33	-	-	-	-	-	-	-	-	-	-	-
15	C.26.51	14.17	6.52	-	-	-	-	-	-	-	1.13	-	-
16	C.27.10	2.07	-	-	-	-	-	-	-	-	-	-	-
17	C.27.32	2.19	-	-	-	-	-	-	-	-	-	-	-
18	C.27.51	18.90	0.83	-	-	-	-	-	-	-	-	-	-
19	C.27.90	10.73	-	-	-	-	-	-	-	-	-	-	-
20	C.28.14	11.97	-	-	-	-	-	-	-	-	-	-	-
21	C.28.15	55.39	1.88	-	-	-	-	-	-	-	-	-	-
22	C.28.22	6.28	3.25	-	-	-	-	-	-	-	-	-	-
23	C.28.24	6.76	-	-	-	-	-	-	-	-	-	-	-
24	C.28.29	32.92	-	-	-	-	-	-	-	-	-	-	-
25	C.28.49	57.60	-	-	-	-	-	-	-	-	-	-	-
26	C.28.96	12.50	0.00	-	-	-	-	-	-	-	-	-	-
27	C.29.32	0.97	-	-	-	-	-	-	-	-	-	-	-
28	C.30.10	0.12	-	-	-	-	-	-	-	-	-	-	-
29	C.30.11	46.00	5.72	-	-	-	-	-	-	-	-	-	-
30	C.30.12	1.18	0.00	-	-	-	-	-	-	-	-	-	-
31	C.30.20	0.20	-	-	-	-	-	-	-	-	-	-	-
32	C.30.91	18.64	1.17	-	-	-	-	-	-	-	-	-	-
33	C.32.99	11.90	-	-	-	-	-	-	-	-	-	-	-
34	D.35.11	39.17	7.01	-	-	-	-	-	-	-	-	-	-
35	D.35.12	72.40	61.54	-	-	-	-	-	-	-	-	-	-
36	E.36.00	40.94	5.62	-	-	-	-	-	-	-	1.74	-	-
37	E.38.11	5.10	1.43	-	-	-	-	-	-	-	-	-	-
38	F.42.12	13.02	11.60	-	-	-	-	-	-	-	-	-	-
39	G.46.39	11.81	-	-	-	-	-	-	-	-	-	-	-
40	G.46.51	0.57	-	-	-	-	-	-	-	-	-	-	-
41	G.47.11	0.09	-	-	-	-	-	-	-	-	-	-	-
42	G.47.19	12.32	-	-	-	-	-	-	-	-	-	-	-
43	G.47.74	89.29	-	-	-	-	-	-	-	-	-	-	-
44	H.49.31	22.29	14.42	-	-	-	-	-	-	-	-	-	-
45	H.52.23	11.24	-	-	-	-	-	-	-	-	-	-	-
46	H.53.10	0.88	0.01	-	-	-	-	-	-	-	-	-	-
47	J.58.14	0.22	-	-	-	-	-	-	-	-	-	-	-
48	J.60.20	9.52	-	-	-	-	-	-	-	-	-	-	-
49	J.62.01	32.77	-	-	-	-	-	-	-	-	-	-	-
50	J.62.09	-	-	-	-	-	-	-	-	-	-	-	-
51	J.63.11	7.87	3.23	-	-	-	0.16	-	-	-	-	-	-
52	L.68.10	5.65	0.17	-	-	-	-	-	-	-	-	-	-
53	M.70.10	414.67	128.29	-	-	-	0.05	-	-	-	0.00	-	-
54	M.73.12	10.00	-	-	-	-	-	-	-	-	-	-	-
55	N.77.10	0.00	-	-	-	-	-	-	-	-	-	-	-
56	N.77.40	3.10	-	-	-	-	-	-	-	-	-	-	-
57	N.78.20	0.21	-	-	-	-	-	-	-	-	-	-	-
58	N.82.30	2.77	-	-	-	-	-	-	-	-	-	-	-
59	S.96.01	13.79	-	-	-	-	-	-	-	-	-	-	-

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
31.12.2024															
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)			
Non-financial undertakings (NFRD)		SMEs and other non-financial corporations (non-NFRD)		Non-financial undertakings (NFRD)		SMEs and other non-financial corporations (non-NFRD)		Non-financial undertakings (NFRD)		SMEs and other non-financial corporations (non-NFRD)		Non-financial undertakings (NFRD)		SMEs and other non-financial corporations (non-NFRD)	
Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)	
in millions of EUR	Of which environmentally sustainable activities (CE)	in millions of EUR	Of which environmentally sustainable activities (CE)	in millions of EUR	Of which environmentally sustainable activities (PPC)	in millions of EUR	Of which environmentally sustainable activities (PPC)	in millions of EUR	Of which environmentally sustainable activities (BIO)	in millions of EUR	Of which environmentally sustainable activities (BIO)	in millions of EUR	Of which environmentally sustainable activities (CCM + CCA + WTR)	in millions of EUR	Of which environmentally sustainable activities (CCM + CCA + WTR)
-	-			-	-			-	-			5.26	-		
-	-			-	-			-	-			0.71	-		
-	-			-	-			-	-			39.93	-		
-	-			-	-			-	-			5.10	-		
-	-			-	-			-	-			25.60	-		
-	-			-	-			-	-			4.01	0.05		
-	-			-	-			-	-			42.35	0.08		
-	-			-	-			-	-			12.06	0.19		
-	-			-	-			-	-			46.66	-		
-	-			-	-			-	-			0.81	-		
-	-			-	-			-	-			45.14	-		
-	-			-	-			-	-			19.98	-		
1.00	-			-	-			-	-			1.00	-		
-	-			-	-			-	-			1.33	-		
-	-			-	-			-	-			14.17	7.65		
-	-			-	-			-	-			2.07	-		
-	-			-	-			-	-			2.19	-		
-	-			-	-			-	-			18.90	0.83		
-	-			-	-			-	-			10.73	-		
-	-			-	-			-	-			11.97	-		
-	-			-	-			-	-			55.39	1.88		
-	-			-	-			-	-			6.28	3.25		
-	-			-	-			-	-			6.76	-		
-	-			-	-			-	-			32.92	-		
-	-			-	-			-	-			57.60	-		
-	-			-	-			-	-			12.50	0.00		
-	-			-	-			-	-			0.97	-		
0.63	-			-	-			-	-			0.75	-		
-	-			-	-			-	-			46.00	5.72		
-	-			-	-			-	-			1.18	0.00		
-	-			-	-			-	-			0.20	-		
-	-			-	-			-	-			18.64	1.17		
-	-			-	-			-	-			11.90	-		
-	-			-	-			-	-			39.17	7.01		
-	-			-	-			-	-			72.40	61.54		
-	0.11			-	0.21			-	-			40.94	7.68		
-	-			-	-			-	-			5.10	1.43		
-	-			-	-			-	-			13.02	11.60		
-	-			-	-			-	-			11.81	-		
-	-			-	-			-	-			0.57	-		
-	-			-	-			-	-			0.09	-		
-	-			-	-			-	-			12.32	-		
-	-			-	-			-	-			89.29	-		
-	-			-	-			-	-			22.29	14.42		
-	-			-	-			-	-			11.24	-		
-	-			-	-			-	-			0.88	0.01		
-	-			-	-			-	-			0.22	-		
-	-			-	-			-	-			9.52	-		
-	-			-	-			-	-			32.77	-		
0.88	-			-	-			-	-			0.88	-		
-	-			-	-			-	-			7.87	3.39		
-	-			-	-			-	-			5.65	0.17		
-	-			-	-			-	-			414.67	128.33		
-	-			-	-			-	-			10.00	-		
0.02	-			-	-			-	-			0.02	-		
-	-			-	-			-	-			3.10	-		
-	-			-	-			-	-			0.21	-		
-	0.45			-	-			-	-			2.77	0.45		
-	-			-	-			-	-			13.79	-		

Table 2: GAR – Sector information – CapEX base

		a	b	c	d	e	f	g	h	i	j	k	l
		31.12.2024											
Breakdown by sector - level NACE 4 digit		Climate change mitigation (CCM)				Climate change adaptation (CCA)				Water and marine resources (WTR)			
		Non-financial undertakings (NFRD)		SMEs and other non-financial corporations (non-NFRD)		Non-financial undertakings (NFRD)		SMEs and other non-financial undertakings (non-NFRD)		Non-financial undertakings (NFRD)		SMEs and other non-financial undertakings (non-NFRD)	
		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)	
		in millions of EUR	Of which environmentally sustainable activities (CCM)	in millions of EUR	Of which environmentally sustainable activities (CCM)	in millions of EUR	Of which environmentally sustainable activities (CCA)	in millions of EUR	Of which environmentally sustainable activities (CCA)	in millions of EUR	Of which environmentally sustainable activities (WTR)	in millions of EUR	Of which environmentally sustainable activities (WTR)
1	C.13.30	5.26	-	-	-	-	-	-	-	-	-	-	-
2	C.14.31	0.71	-	-	-	-	-	-	-	-	-	-	-
3	C.14.39	39.93	-	-	-	-	-	-	-	-	-	-	-
4	C.15.12	5.10	-	-	-	-	-	-	-	-	-	-	-
5	C.15.20	25.60	0.09	-	-	-	-	-	-	-	-	-	-
6	C.19.20	4.01	0.59	-	-	-	-	-	-	-	-	-	-
7	C.20.11	42.35	-	-	-	-	-	-	-	-	-	-	-
8	C.20.60	12.06	1.93	-	-	-	-	-	-	-	-	-	-
9	C.21.20	46.66	-	-	-	-	-	-	-	-	-	-	-
10	C.22.19	0.81	-	-	-	-	-	-	-	-	-	-	-
11	C.22.29	45.14	-	-	-	-	-	-	-	-	-	-	-
12	C.23.13	19.98	-	-	-	-	-	-	-	-	-	-	-
13	C.25.20	-	-	-	-	-	-	-	-	-	-	-	-
14	C.26.12	1.33	0.00	-	-	-	-	-	-	-	-	-	-
15	C.26.51	14.17	7.93	-	-	-	-	-	-	-	-	0.99	-
16	C.27.10	2.07	-	-	-	-	-	-	-	-	-	-	-
17	C.27.32	2.19	-	-	-	-	-	-	-	-	-	-	-
18	C.27.51	18.90	1.16	-	-	-	-	-	-	-	-	-	-
19	C.27.90	10.73	-	-	-	-	-	-	-	-	-	-	-
20	C.28.14	11.97	-	-	-	-	-	-	-	-	-	-	-
21	C.28.15	55.39	-	-	-	-	-	-	-	-	-	-	-
22	C.28.22	6.28	3.03	-	-	-	-	-	-	-	-	-	-
23	C.28.24	6.76	-	-	-	-	-	-	-	-	-	-	-
24	C.28.29	32.92	-	-	-	-	-	-	-	-	-	-	-
25	C.28.49	57.60	-	-	-	-	-	-	-	-	-	-	-
26	C.28.96	12.50	-	-	-	-	-	-	-	-	-	-	-
27	C.29.32	0.97	-	-	-	-	-	-	-	-	-	-	-
28	C.30.10	0.12	-	-	-	-	-	-	-	-	-	-	-
29	C.30.11	46.00	1.08	-	-	-	-	-	-	-	-	-	-
30	C.30.12	1.18	0.01	-	-	-	-	-	-	-	-	-	-
31	C.30.20	0.20	-	-	-	-	-	-	-	-	-	-	-
32	C.30.91	18.64	2.88	-	-	-	-	-	-	-	-	-	-
33	C.32.99	11.90	-	-	-	-	-	-	-	-	-	-	-
34	D.35.11	39.17	21.72	-	-	-	-	-	-	-	-	-	-
35	D.35.12	72.40	71.68	-	-	-	-	-	-	-	-	-	-
36	E.36.00	40.94	10.50	-	-	-	-	-	-	-	-	8.71	-
37	E.38.11	5.10	3.47	-	-	-	-	-	-	-	-	-	-
38	F.42.12	13.02	10.35	-	-	-	-	-	-	-	-	-	-
39	G.46.39	11.81	-	-	-	-	-	-	-	-	-	-	-
40	G.46.51	0.57	-	-	-	-	-	-	-	-	-	-	-
41	G.47.11	0.09	-	-	-	-	-	-	-	-	-	-	-
42	G.47.19	12.32	0.53	-	-	-	-	-	-	-	-	-	-
43	G.47.74	89.29	-	-	-	-	-	-	-	-	-	-	-
44	H.49.31	22.29	22.29	-	-	-	-	-	-	-	-	-	-
45	H.52.23	11.24	0.51	-	-	-	-	-	-	-	-	-	-
46	H.53.10	0.88	0.05	-	-	-	-	-	-	-	-	-	-
47	J.58.14	0.22	-	-	-	-	-	-	-	-	-	-	-
48	J.60.20	9.52	-	-	-	-	-	-	-	-	-	-	-
49	J.62.01	32.77	-	-	-	-	-	-	-	-	-	-	-
50	J.62.09	-	-	-	-	-	-	-	-	-	-	-	-
51	J.63.11	7.87	4.31	-	-	-	0.21	-	-	-	-	-	-
52	L.68.10	5.65	0.18	-	-	-	-	-	-	-	-	-	-
53	M.70.10	414.67	136.04	-	-	-	0.07	-	-	-	-	0.00	-
54	M.73.12	10.00	-	-	-	-	-	-	-	-	-	-	-
55	N.77.10	0.00	-	-	-	-	-	-	-	-	-	-	-
56	N.77.40	3.10	-	-	-	-	-	-	-	-	-	-	-
57	N.78.20	0.21	-	-	-	-	-	-	-	-	-	-	-
58	N.82.30	2.77	0.05	-	-	-	-	-	-	-	-	-	-
59	S.96.01	13.79	-	-	-	-	-	-	-	-	-	-	-

m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab
31.12.2024															
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				Total (CCM + CCA + WTR + CE + PPC + BIO)			
Non-financial undertakings (NFRD)		SMEs and other non-financial undertakings (non-NFRD)		Non-financial undertakings (NFRD)		SMEs and other non-financial undertakings (non-NFRD)		Non-financial undertakings (NFRD)		SMEs and other non-financial undertakings (non-NFRD)		Non-financial undertakings (NFRD)		SMEs and other non-financial undertakings (non-NFRD)	
Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)		Carrying amount (gross)	
in millions of EUR	Of which environmental ly sustainable activities (CE)	in millions of EUR	Of which environmental ly sustainable activities (CE)	in millions of EUR	Of which environmental ly sustainable activities (PPC)	in millions of EUR	Of which environmental ly sustainable activities (PPC)	in millions of EUR	Of which environmental ly sustainable activities (BIO)	in millions of EUR	Of which environmental ly sustainable activities (BIO)	in millions of EUR	Of which environmental ly sustainable activities (CCM + CCA + WTR + CE + PPC + BIO)	in millions of EUR	Of which environmental ly sustainable activities (CCM + CCA + WTR + CE + PPC + BIO)
-	-	-	-	-	-	-	-	-	-	-	-	5.26	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	0.71	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	39.93	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	5.10	-	-	-
-	0.07	-	-	-	-	-	-	-	-	-	-	25.60	0.16	-	-
-	-	-	-	-	-	-	-	-	-	-	-	4.01	0.59	-	-
-	-	-	-	-	-	-	-	-	-	-	-	42.35	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	12.06	1.93	-	-
-	-	-	-	-	-	-	-	-	-	-	-	46.66	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	0.81	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	45.14	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	19.98	-	-	-
1.00	-	-	-	-	-	-	-	-	-	-	-	1.00	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	1.33	0.00	-	-
-	-	-	-	-	-	-	-	-	-	-	-	14.17	8.93	-	-
-	-	-	-	-	-	-	-	-	-	-	-	2.07	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	2.19	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	18.90	1.16	-	-
-	-	-	-	-	-	-	-	-	-	-	-	10.73	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	11.97	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	55.39	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	6.28	3.03	-	-
-	-	-	-	-	-	-	-	-	-	-	-	6.76	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	32.92	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	57.60	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	12.50	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	0.97	-	-	-
0.63	-	-	-	-	-	-	-	-	-	-	-	0.75	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	46.00	1.08	-	-
-	-	-	-	-	-	-	-	-	-	-	-	1.18	0.01	-	-
-	-	-	-	-	-	-	-	-	-	-	-	0.20	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	18.64	2.88	-	-
-	-	-	-	-	-	-	-	-	-	-	-	11.90	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	39.17	21.72	-	-
-	-	-	-	-	-	-	-	-	-	-	-	72.40	71.68	-	-
-	0.32	-	-	-	0.92	-	-	-	-	-	-	40.94	20.46	-	-
-	-	-	-	-	-	-	-	-	-	-	-	5.10	3.47	-	-
-	-	-	-	-	-	-	-	-	-	-	-	13.02	10.35	-	-
-	-	-	-	-	-	-	-	-	-	-	-	11.81	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	0.57	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	0.09	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	12.32	0.53	-	-
-	-	-	-	-	-	-	-	-	-	-	-	89.29	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	22.29	22.29	-	-
-	-	-	-	-	-	-	-	-	-	-	-	11.24	0.51	-	-
-	-	-	-	-	-	-	-	-	-	-	-	0.88	0.05	-	-
-	-	-	-	-	-	-	-	-	-	-	-	0.22	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	9.52	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	32.77	-	-	-
0.88	-	-	-	-	-	-	-	-	-	-	-	0.88	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	7.87	4.53	-	-
-	-	-	-	-	-	-	-	-	-	-	-	5.65	0.18	-	-
-	0.00	-	-	-	-	-	-	-	-	-	-	414.67	136.12	-	-
-	-	-	-	-	-	-	-	-	-	-	-	10.00	-	-	-
0.02	-	-	-	-	-	-	-	-	-	-	-	0.02	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	3.10	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	0.21	-	-	-
-	0.29	-	-	-	-	-	-	-	-	-	-	2.77	0.34	-	-
-	-	-	-	-	-	-	-	-	-	-	-	13.79	-	-	-

Table 3: GAR KPI (stock) – Turnover base

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
% (compared to total covered assets in the denominator)		Climate change mitigation (CCM)					Climate change adaptation (CCA)					Water and marine resources (WTR)		
		Of which taxonomy relevant sectors (Taxonomy-eligible)					Of which taxonomy relevant sectors (Taxonomy-eligible)					Of which taxonomy relevant sectors (Taxonomy-eligible)		
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling				Of which Use of Proceeds	Of which enabling
	<u>GAR - Covered assets in both numerator and denominator</u>													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	43.09%	2.81%	2.44%	0.03%	0.14%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Financial undertakings	0.49%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.49%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.49%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	Non-financial undertakings	0.50%	0.32%	0.00%	0.03%	0.14%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.48%	0.30%	0.00%	0.02%	0.14%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.03%	0.02%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	Households	42.10%	2.44%	2.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%
25	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%
26	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%
27	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%								
28	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	43.09%	2.81%	2.44%	0.03%	0.14%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
31.12.2024																	
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets	
Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)					
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional		Of which enabling
0.02%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	43.15%	2.82%	2.44%	0.03%	0.15%	46.95%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.49%	0.05%	0.00%	0.00%	0.00%	1.82%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.49%	0.05%	0.00%	0.00%	0.00%	1.80%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.49%	0.05%	0.00%	0.00%	0.00%	1.80%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.02%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.56%	0.32%	0.00%	0.03%	0.14%	1.73%
0.02%	0.00%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.53%	0.30%	0.00%	0.02%	0.14%	1.69%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.02%	0.00%	0.02%	0.00%	0.04%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%										0.00%	42.10%	2.44%	2.44%	0.00%	43.40%
0.00%	0.00%	0.00%										0.00%	0.00%	0.00%	0.00%	0.00%	37.80%
0.00%	0.00%	0.00%										0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
												0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table 3: GAR KPI (stock) – CapEX base

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
% (compared to total covered assets in the denominator)		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
		Of which taxonomy relevant sectors (Taxonomy-eligible)					Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling		
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HIT eligible for GAR calculation	43.21%	2.88%	2.44%	0.06%	0.18%	0.02%	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%
2	Financial undertakings	0.49%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.48%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.48%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	Non-financial undertakings	0.62%	0.38%	0.00%	0.05%	0.18%	0.02%	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%
21	Loans and advances	0.59%	0.35%	0.00%	0.03%	0.18%	0.02%	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%
22	Debt securities, including UoP	0.03%	0.03%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	Households	42.10%	2.44%	2.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%
25	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%
26	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%
27	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%								
28	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	43.21%	2.88%	2.44%	0.06%	0.18%	0.02%	0.00%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
31.12.2024																	
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets	
Of which environmentally sustainable (Taxonomy-aligned)			Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)			Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)		Of which enabling	Of which environmentally sustainable (Taxonomy-aligned)			Of which enabling			
	Of which Use of Proceeds				Of which Use of Proceeds				Of which Use of Proceeds				Of which Use of Proceeds				
0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	43.27%	2.89%	2.44%	0.06%	0.18%	46.95%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.49%	0.06%	0.00%	0.00%	0.00%	1.82%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.48%	0.06%	0.00%	0.00%	0.00%	1.80%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.48%	0.06%	0.00%	0.00%	0.00%	1.80%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	20.24%	0.00%	0.00%	0.00%	0.00%	0.02%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.68%	0.39%	0.00%	0.05%	0.18%	1.73%
0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.65%	0.36%	0.00%	0.03%	0.18%	1.69%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%	0.03%	0.00%	0.03%	0.00%	0.04%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%						0.00%	0.00%		0.00%	42.10%	2.44%	2.44%	0.00%	0.00%	43.40%
0.00%	0.00%	0.00%									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	37.80%
0.00%	0.00%	0.00%									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
											0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	43.26%	2.89%	2.44%	0.06%	0.18%	46.95%

Table 4: GAR KPI (flow) – Turnover base

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
% (compared to total covered assets in the denominator)		Climate change mitigation (CCM)					Climate change adaptation (CCA)					Water and marine resources (WTR)		
		Of which taxonomy relevant sectors (Taxonomy-eligible)					Of which taxonomy relevant sectors (Taxonomy-eligible)					Of which taxonomy relevant sectors (Taxonomy-eligible)		
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling				Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	17.72%	3.37%	2.96%	0.10%	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which: insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	Non-financial undertakings	0.52%	0.41%	0.00%	0.10%	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and	0.12%	0.09%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
31.12.2024																	
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets	
Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)								
	Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		
0.01%	0.00%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	17.79%	3.37%	2.96%	0.10%	0.06%	22.73%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0						

continues _ Table 4: GAR KPI (flow) – Turnover base

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
% (compared to total covered assets in the denominator)		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
		Of which taxonomy relevant sectors (Taxonomy-eligible)					Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Of which Use of Proceeds		Of which transitional	Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which enabling			
	GAR - Covered assets in both numerator and denominator													
21	Loans and advances, debt advances	0.43%	0.35%	0.00%	0.04%	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.09%	0.06%	0.00%	0.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%			0.00%
24	Households	17.20%	2.96%	2.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%
25	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%
26	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%
27	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%								
28	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	17.72%	3.37%	2.96%	0.10%	0.06%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
31.12.2024																	
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets	
Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)					
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional		Of which enabling
U.U1%	U.UU%	U.UU%	U.UU%	U.U3%	U.UU%	U.UU%	U.UU%	U.UU%	U.UU%	U.UU%	U.UU%	U.UU%	U.UU%	U.UU%	U.U4%	U.U0%	1.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.06%	0.00%	0.05%	0.00%	0.09%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%									0.00%	17.20%	2.96%	2.96%	0.00%	0.00%	20.76%
0.00%	0.00%	0.00%									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	16.70%
0.00%	0.00%	0.00%									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
											0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.01%	0.00%	0.00%	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	17.79%	3.37%	2.96%	0.10%	0.06%	22.73%

Table 4: GAR KPI (flow) - CapEX base

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
% (compared to total covered assets in the denominator)		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
		Of which taxonomy relevant sectors (Taxonomy-eligible)					Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
	<u>GAR - Covered assets in both numerator and denominator</u>													
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	17.93%	3.49%	2.96%	0.15%	0.14%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	Non-financial undertakings	0.73%	0.53%	0.00%	0.15%	0.14%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.64%	0.44%	0.00%	0.06%	0.14%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.09%	0.09%	0.00%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
24	Households	17.20%	2.96%	2.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%
25	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%
26	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%				0.00%
27	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%								
28	Local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	17.93%	3.49%	2.96%	0.15%	0.14%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
31.12.2024																	
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)				Of which taxonomy relevant sectors (Taxonomy-eligible)					
Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)					
Of which Use of Proceeds Of which enabling				Of which Use of Proceeds Of which enabling				Of which Use of Proceeds Of which enabling				Of which Use of Proceeds Of which transitional Of which enabling					
0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	17.95%	3.49%	2.96%	0.15%	0.14%	22.73%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.76%	0.54%	0.00%	0.15%	0.14%	1.97%
0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.67%	0.44%	0.00%	0.06%	0.14%	1.88%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.09%	0.09%	0.00%	0.09%	0.00%	0.09%
0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%									17.20%	2.96%	2.96%	0.00%	0.00%	20.76%
0.00%	0.00%	0.00%	0.00%									0.00%	0.00%	0.00%	0.00%	0.00%	16.70%
0.00%	0.00%	0.00%	0.00%									0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
												0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	17.95%	3.49%	2.96%	0.15%	0.14%	22.73%

Table 5: KPI off-balance sheet exposures- stock – Turnover base

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
% (of total eligible off-balance-sheet assets)		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds			Of which transitional	Of which enabling	Of which Use of Proceeds			Of which enabling	Of which Use of Proceeds			Of which enabling
1	Financial guarantees (KPI on financial guarantees)	30.67%	0.80%	0.00%	0.00%	0.10%	0.00%	0.00%	0.00%	0.00%	0.02%	0.02%	0.00%	0.00%
2	Financial assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

off-balance-sheet (Flow)

Table 5: – stock – CapEX base

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
% (of total eligible off-balance-sheet assets)		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds			Of which transitional	Of which enabling	Of which Use of Proceeds			Of which enabling	Of which Use of Proceeds			Of which enabling
1	Financial guarantees (KPI on financial guarantees)	31.64%	1.36%	0.00%	0.01%	0.56%	0.00%	0.00%	0.00%	0.00%	0.11%	0.10%	0.00%	0.00%
2	Financial assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
31.12.2024																
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	30.70%	0.82%	0.00%	0.00%	0.10%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
31.12.2024																
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
0.01%	0.01%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	31.78%	1.48%	0.00%	0.01%	0.56%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%

Table 5: KPI off-balance sheet exposures- flow - Turnover base

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds			Of which transitional	Of which enabling	Of which Use of Proceeds			Of which enabling	Of which Use of Proceeds			Of which enabling
1	Financial guarantees (KPI on financial guarantees)	3.68%	2.06%	0.00%	0.01%	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Financial assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table 5: KPI off-balance sheet exposures- flow- CapEX base

		a	b	c	d	e	f	g	h	i	j	k	l	m
		31.12.2024												
		Climate change mitigation (CCM)					Climate change adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds			Of which transitional	Of which enabling	Of which Use of Proceeds			Of which enabling	Of which Use of Proceeds			Of which enabling
1	Financial guarantees (KPI on financial guarantees)	7.51%	5.39%	0.00%	0.01%	3.84%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%
2	Financial assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
31.12.2024																
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
0.05%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.74%	2.09%	0.00%	0.01%	0.43%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae
31.12.2024																
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
0.03%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.55%	5.41%	0.00%	0.01%	3.84%
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Template 1 - Nuclear and fossil gas related activities

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 Taxonomy-aligned economic activities (denominator)

Turnover	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,248,535,352	2.81%	2,248,330,443	2.81%	204,909	0.00%
8	Total applicable KPI	2,248,535,352	2.81%	2,248,330,443	2.81%	204,909	0.00%

Capex	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,299,801,643	2.88%	2,299,516,016	2.88%	285,627	0.00%
8	Total applicable KPI	2,299,801,643	2.88%	2,299,516,016	2.88%	285,627	0.00%

Template 3 Taxonomy-aligned economic activities (numerator)

Turnover	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	43,335,731	1.93%	43,335,731	1.9%	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	2,205,199,621	98.07%	2,204,994,712	98.07%	204,909	100.00%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	2,248,535,352	100.00%	2,248,330,443	99.99%	204,909	0.01%

Capex	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	0.00%	-	0.00%	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	43,335,731	1.88%	43,335,731	1.88%	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	2,256,465,913	98.12%	2,256,180,286	98.12%	285,627	100.00%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	2,299,801,643	100.00%	2,299,516,016	99.99%	285,627	0.01%

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

Turnover	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	450,824	0.00%	450,824	0.00%	-	0.00%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	613,215	0.00%	613,215	0.00%	-	0.00%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable PKI	32,193,649,247	40.29%	32,184,574,043	40.28%	9,075,204	0.01%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	32,194,713,285	40.29%	32,185,638,082	40.28%	9,075,204	0.01%

Capex	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	56,211	0.00%	56,211	0.00%	-	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4,300,660	0.01%	4,300,660	0.01%	-	0.00%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	32,239,367,618	40.35%	32,222,780,278	40.32%	-	0.00%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	32,243,724,489	40.35%	32,227,137,149	40.33%	499,704	0.00%

Template 5 Taxonomy non-eligible economic activities

Turnover	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	450,824	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	613,215	0.00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	45,428,907,367	56.85%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	45,429,971,406	56.85%

Capex	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	56,211	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4,300,660	0.01%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	45,333,578,321	56.73%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	45,337,935,192	56.74%

Template 1 - Nuclear and fossil gas related activities (OFF-BALANCE)

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 Taxonomy-aligned economic activities (denominator)

Turnover	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,762,877.55	0.80%	1,762,878	0.80%	-	0.00%
8	Total applicable KPI	1,762,877.55	0.80%	1,762,878	0.80%	-	0.00%

Capex	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-		-		-	
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,993,983	1.36%	2,993,983	1.36%	-	0.00%
8	Total applicable KPI	2,993,983	1.36%	2,993,983	1.36%	-	0.00%

Template 3 Taxonomy-aligned economic activities (numerator)

Turnover	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	66,748.1	3.79%	66,748.1	3.79%	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1,696,130	96.21%	1,696,130	96.21%	-	0.00%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	1,762,878	100.00%	1,762,878	100.00%	-	0.00%

Capex	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	66,748.1	2.23%	66,748.1	2.23%	-	-
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2,927,235	97.77%	2,927,235	97.77%	-	0.00%
8	Total applicable KPI	2,993,983	100.00%	2,993,983	100.00%	-	0.00%

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

Turnover	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2,438.01	0.00%	2,438.01	0.00%	-	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable PKI	65,876,328	29.88%	65,866,555	29.87%	9,772	0.00%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	65,878,766	29.88%	65,868,993	29.87%	9,772	0.00%

Capex	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity	-	0.00%	-	0.00%	-	0.00%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	546.11	0.00%	546.11	0.00%	-	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%		0.00%	-	0.00%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%	-	0.00%	-	0.00%
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	66,774,829	30.28%	66,774,829	30.28%	-	0.00%
8	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	66,775,375	30.28%	66,775,375	30.28%	-	0.00%

Template 5 Taxonomy non-eligible economic activities

Turnover	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	22,249.35	0.01%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	152,864,658	69.32%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	152,864,658	69.32%

Capex	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	0.00%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	150,736,943	68.36%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	150,736,943	68.36%

SOCIAL RESPONSIBILITY

HUMAN RESOURCES

ESRS S1. OWN WORKFORCE



STRATEGY

The Crédit Agricole Group's Projet Humain

S1
ESRS2
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The Crédit Agricole Group has adopted its *Projet du Groupe* Medium-Term Plan to fulfil its *Raison d'être* «Working every day in the interest of our customers and society» in each and every market where it operates worldwide.

The *Projet du Groupe* expresses the ambitions of the CA Group, which operates based on a Customer-focused universal banking model, to create social usefulness, assist the Communities in large transformations and to further strengthen its role as a reliable partner of choice for its customers in sustainable and inclusive development.

The Medium-Term Plan rests on three pillars: the Customer Project or *Projet Client* to serve customers aiming at relational excellence, the Social Project or *Projet Sociétal* to work in the interest of the collectivity being committed to sustainability, and the People Project or *Projet Humain* to act with individual responsibility being close to customers in a relationship of trust.

In the *Projet Humain*, Crédit Agricole S.A. has expressed its promise to be at all times a *responsible employer* for its own workers worldwide, supporting people's development and managerial and cultural transformation.

The *Projet Humain* enhances the identify, commitment and performances of its people, both individual and collective, fostering the development of skills and growth of people, giving them career and international mobility opportunities.

The *Projet Humain* is coordinated by the Human Resources Business Line or *Ligne Métier Ressources Humaines* of Crédit Agricole S.A. which steers its implementation at the various entities of the CA.sa Group, including the Crédit Agricole Italia Group, which has deployed its *People Project*.

For information on the CA Group's Medium-Term Plan, please see ESR2 SBM-1 DP40.

Commitment to Human Rights and Social Rights

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DP24

Having signed a *UNI Global Union Worldwide Agreement*, the Crédit Agricole S.A. Group has substantiated its commitment to respect internationally acknowledged human rights in all the markets where it operates, as well as all legislation on labour, freedom of association, collective bargaining agreements and all rules on workers' health and safety.

In its *Charte étiq*ue the Crédit Agricole Group has undertaken operate anywhere in the world ensuring full respect for fundamental human rights and social rights.

The Code of Conduct or *Code de conduite* of the CA Group establishes that, in all relations between and with its own workers or stakeholders, respect for all fundamental human rights and social rights shall be utterly ensured.

For more information on the commitments to human rights at the CA Group level in all the international markets where it operates, including Italy, please see the *Rapport de durabilité* of Crédit Agricole S.A., which makes reference to and requires compliance with:

- The United Nations Guiding Principles on Business and Human Rights (UNGPs);
- The ILO Declaration on Fundamental Principles and Rights at Work;
- The OECD Guidelines for multinational enterprises;
- The Tripartite declaration of principles concerning multinational enterprises and social policy (MNE Declaration).

The Crédit Agricole Italia Group fulfils its commitments to Human Rights and Social Rights implementing the CA Group's policies in Italy.

In this context, the Board of Directors has adopted the *Code of Ethics*, which expresses the principles of the *Charte éthique*, setting out the values and principles informing the relationships with customers and with all stakeholders.

Each director, member of the Board of Auditors, employee and contract worker of the CAI Group is called upon to adopt behaviours that are consistent with the ethical values and to comply with the rules set out in the Code of Ethics and with the rules and standards indirectly referred to therein.

The values and principles of the *Code of Ethics* guide the projects, choices, work processes and people's conduct, with special regard to:

- Enhancing diversities;
- Fostering an open and responsible corporate culture to foster human cohesion and progress;
- Fighting any and all forms of discrimination, abuse and harassment;
- Ensuring that all have equal opportunities in terms of jobs and professional development based on merit;
- Promoting active and mindful participation, to build sense of belonging and team spirit;
- Implementing transparent and fair remuneration policies;
- Supporting constant and constructive dialogue with all own workers.

Adopting the *Code of Ethics*, along with its *D&I Policy* and *Gender Equality Policy*, the CAI Group fosters the dissemination of an inclusive culture that enhances diversities and specifically prohibits any and all forms of discrimination based on gender, nationality, sexual orientation, age, race, religious beliefs, political affiliation, trade union membership, disabilities, language, philosophical beliefs, as well as any other form of discrimination envisaged by the EU and the Italian legislation and regulations. Specifically, pursuing reduction in inequalities (gender, intergenerational, internationalization, disabilities, closeness to the LGBTQ+ Community), the GBCAI deploys activities fostering the wellbeing and quality of life of people and supporting parenthood; for more exhaustive information, please, see S1-1 MDR-P DP19 and 24 about the *D&I Policy* and S1-4 MDR-A DP35 about diversity and inclusion actions.

Each and every corporate structure is required to ensure that its activities fully abide by the *Code of Ethics*, and there are arrangements in place for control and reporting of any breaches to the Compliance Function, which has a support and control role.

To ensure compliance with the principles of the *Code of Ethics*, the CAI Group has adopted the Code of Conduct, which guides people's conduct in the interest of customers and of stakeholders in order to preserve the undertaking's reputation. The rules of conduct concern, amongst others, the matters listed below:

- Express prohibition of any and all forms of discrimination or attitudes that prejudice individual dignity;
- Fairness in all relationships with customers, suppliers, providers and other external parties;
- Prevention of corruption and bribery;
- Confidentiality and personal data protection obligations;
- Conduct fairness and decency at workplaces and outside;
- Restricted access to premises and health and safety at work;
- Transparency and limits to personal transactions of material risk takers.

The Code is approved by the Board of Directors and applies to the GBCAI's corporate officers, employees and contract workers, irrespective of their function or job.

The *Code of Ethics* and the *Code of Conduct* are given to all own workers at the start of the work relationship, as well as to all corporate officers upon their appointment. The *Code of Ethics* can be accessed by all stakeholders as it is published on Crédit Agricole Italia's website and on its corporate Intranet; the *Code of Conduct* can be accessed as it is published on the corporate Intranet. Every update is made known and disseminated throughout the organization. Furthermore, the values, principles and rules are the subject-matter of training, with special focus on new hires.

The strategic axes of the *People Project* of the Crédit Agricole Italia Banking Group

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In the *People Project*, the Crédit Agricole Italia Banking Group has laid down the policies concerning human resources along five main directions, which respond to the material impacts, risks and opportunities associated with this scope.

In an ever-evolving scenario, with the digital, environmental and social transformation underway, the Crédit Agricole Italia Banking Group implements the directions given by the parent Company Crédit Agricole S.A. to prove a “responsible employer” for all its own workers, deploying its policies on the following axes:

1. **Human capital development:** The GBCAI fosters improvement and development of skills, to ensure its own workers’ employability and mobility across functions, enhancing and asserting leadership;
2. **Social dialogue:** The GBCAI fosters rich and constructive dialogue always respectful of human rights, freedom of association and trade union rights, alongside active listening to all its own workers;
3. **Diversity and inclusion:** The GBCAI adopts an inclusive policy at all levels in its organization, whereby any and all forms of discrimination (for example, based on gender, age, origin, disability) can be firmly prevented and opposed, and equal opportunities can be promoted;
4. **Work environment:** GBCAI’s social policy offers work and occupation conditions ensuring safety and protecting the health, quality of life and work conditions of its own workers;
5. **Performances and remuneration:** GBCAI’s remuneration policy is based on the values of responsibility and transparency and ensures that its own workers’ performances be rewarded fairly, in compliance with the relevant international standards, taking into account the merit and individual contribution of each single worker.

The business model and own workers’ interests

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In the present social and economic scenario, human capital is the driver of sustainable development and business growth. The Crédit Agricole Italia Banking Group takes care of the relationships with its customers and foster growth in the regions where it operates thanks to the abilities, skills, expertise and sensitivity of its own workers, who are engaged every day, individually and collectively, in implementing the Group’s strategy. The GBCAI’s business model is strictly linked to its own workers’ motivation and wellbeing and this is why the views and interests expressed by its people are taken into account and constantly orient its human resources development policies.

Every year the GBCAI deploys structured processes to listen to its own workers:

- Annual corporate climate survey, called IMR - *Mise en Responsabilité index*;
- Regular assessments of its own workers comprising interaction and feedback;
- Focus groups and surveys on specific topics;
- Exchanges of views with Trade Unions, both required by the applicable legislation and regulations and the applicable Italian National Collective Bargaining Agreement, and organized on a voluntary basis within constant dialogue with the Workers’ representatives.

The aforementioned listening processes give evidence that is thoroughly analyzed to obtain useful indications and insight that orient the implementation of corporate policies, are embedded into the action plans aimed at improving the human resources management and development, with progressive evolution in the business model and strategy.

FRAMEWORK OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment was carried out on the possible impacts, risks and opportunities concerning own workforce.

Based on the DMA, the positive impacts, risks and opportunities that were found material were those that:

- Are strictly connected to the corporate strategy in the logic expressed by the Group's *Raison d'être* and *Medium-Term Plan*;
- Orient the business model and strategy in the above-described logic of the *People Project*, which is implemented over time through the *Policies* on human resources management, which evolve based on the inputs from listening to its own workers and on the outcomes of the Double Materiality Assessment.

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The materiality of impacts, risks and opportunities was assessed considering all the Crédit Agricole Italia Banking Group's own workforce, i.e. its employees, including employees with fixed-term and permanent contracts. For a breakdown of employment and work contracts, please see section "Characteristics of the undertaking's employees".

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ESRS2
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The *positive material impacts* on GBCAI's own workforce are generated by or strictly associated with the activities listed below:

- Adoption of policies and actions to provide support to and improve workers' health and wellbeing;
- Implementation of policies and programmes for workers training and the development of their skills and professional paths;
- Promotion of constructive and inclusive social dialogue with Workers' representatives.

Material risks are potentially generated by or associated with the scopes listed below:

- Remuneration scheme;
- Labour legislation and social dialogue;
- Discriminatory practices and own workforce management;
- Workers' health and safety or respect for human rights.

Material opportunities are generated by or associated with the scopes listed below:

- Adoption of ESG policies that increase the GBCAI's attractiveness as an employer;
- Adoption of upskilling policies that may contribute to increasing the GBCAI's performances.

Having regard to the categories of workers, it is point out that:

- The identified material risks, opportunities and impacts concern the whole own workforce rather than specific groups of people;
- The specific category of own workers on staff at branches has been identified, as they can be exposed to risks of robbery. In favour of this category, the GBCAI has deployed actions to monitor risk events, to manage the relations with Public Authorities and the Police, to control access to the premises and to adopt appropriate protection devices, along with training and information initiatives through the corporate portal and the internal training: digital platform; on this topic, please see section S1-1 MDR-P DP19 on the *Work Environment Policy*.

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The impacts, risks and opportunities that have been found material through the Double Materiality Assessment are outlined below.

IRO	Type	Value Chain	Policy
Financial opportunity generated by the increase in the Group's attractiveness thanks to the adoption of ESG policies and virtuous practices.	Opportunities	Own: Own Workforce	• Human Capital Development Policy • Policy on Performances and Remuneration • Work Environment Policy • Social Dialogue Policy • D&I Policy
Financial opportunity of increasing the Group's performance thanks to the implementation of virtuous policies for the development of its own workers' skills and careers.	Opportunities	Own: Own Workforce	• Human Capital Development Policy
Financial risks generated by the Group's lower attractiveness and weaker ability to retain own workers due to a non-virtuous remuneration policy.	Risk	Own: Own Workforce	• Policy on Performances and Remuneration
Risks of negative effects on the Group's image or decrease in the performances of its own workers due to deteriorated social climate shortcomings in social dialogue.	Risk	Own: Own Workforce	• Social Dialogue Policy
Positive impact on own workers directly or indirectly generated by social policies or practices adopted by the Group that are more favourable than as required by the applicable legislation and regulations.	Positive impact	Own: Own Workforce	• Work Environment Policy
Risk of negative effects on the Group's image and reputation in case of hazards to its workers' health and safety or to respect for human rights.	Risk	Own: Own Workforce	• Work Environment Policy • Occupational Health and Safety Management System • Occupational Health and Safety Policy • Organization and Management Model pursuant to Italian Legislative Decree 231/2001
Positive impact on own workers generated by an improvement in their health, safety and wellbeing thanks to effective and attentive labour policies.	Positive impact	Own: Own Workforce	• Work Environment Policy
Positive impact on own workers associated with the recognition of rights to freedom of association and collective bargaining by implementing virtuous dialogue practices.	Positive impact	Own: Employees	• Social Dialogue Policy
Financial risk generated by its image worsening within the Group and outside due to adopted discriminatory practices or inadequate policies to its own workforce.	Risk	Own: Own Workforce	• D&I Policy

IRO	Type	Value Chain	Policy
Financial risk for the Group generated by poor knowledge or lack of knowledge of its own workers' characteristics.	Risk	Own: Own Workforce	• Human Capital Development Policy
Positive impact on own workforce generated by the application of policies aimed at developing skills and rewarding merit .	Positive impact	Own: Own Workforce	• Human Capital Development Policy

MANAGEMENT OF IMPACTS, RISK AND OPPORTUNITIES: POLICIES AND ACTIONS RELATED TO OWN WORKFORCE

Human capital development

Human Capital Development Policy

With its *Human Capital Development Policy*, the Crédit Agricole Italia Group has undertaken to promote a positive impact on its own workers, thanks to appropriate management of talents and development of skills. The policy sets the directions and guidelines to orient specific actions, especially in the scopes listed below:

- As regards *training*, a culture of continuous learning, proactivity and cross-cutting perspective is fostered, to ensure that each own worker can develop both specialist and managerial skills, with the goal of ensuring their long-lasting employability, improvement in their performances and higher attractiveness of the Group;
- As regards *professional development*, career paths and professional mobility opportunities are fostered, in order to motivate own workers and meet their expectations, and thus increasing their wellbeing and retention.

The policy is approved by the Board of Directors and applies to all own workforce of the GBCAI's entities. The Human Resources Function is responsible for the governance of human capital development, is the owner of the implementation of the actions under the *Projet Humain* and tasked with making proposals on the policy evolution.

The policy is made available to all the recipients through the corporate Intranet.

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Actions for human capital development

The Crédit Agricole Italia Group adopts approaches, methods and tools to develop its people which are fit to provide support in an ever-evolving scenario. The training programmes are designed to meet the specific needs, consistently with the relevant priorities and professional development plans. In 2024 the Crédit Agricole Italia Group invested about 5 mln Euros in learning, through different approaches chosen in accordance with the contents to be conveyed: classroom training, webinars or E-learning, via the internal training platform, which provides training to foster continuous development in technical and behavioural skills.

Actions on training

The GBCAI fosters the development of managerial and specialist skills through a culture based on individual responsibility and initiative. To this end, it adopts approaches, methods and tools to develop its people which are fit to provide support in an ever-evolving scenario. The training programmes are designed to meet business and strategic priorities, as well as to implement the professional development plans.

The GBCAI started actions aimed at:

- Upskilling and reskilling in order to meet the challenges posed by the present context in an effective way;
- Ensuring the calibration of actions and behaviours in full respect for its ethical values and strategic objectives;
- Disseminating a culture of compliance and strengthening the skills that are useful to pursue it;
- Generating collective engagement on cross-cutting sustainability matters;
- Evolving the managerial model.

Some of the scopes to which the GBCAI gives constant attention are:

- The relational excellence practices of the Commercial Network and Central Structures;
- The ESG culture, with training actions structured on three levels:

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- Basic programme, with cross-cutting coverage of the various sustainability topics, which involves all own workers;
- Specialist programme on individual matters (transition lending, ESG investments, insurance against climate-related risks);
- Certified training programmes for specialist advisors;
- Technological innovation, with the go-live of new work tools to enhance the efficiency of processes (FrEE and Solead projects) along with appropriate training and support provided by Ambassadors;
- Agile working approaches, with training actions aimed at improving efficiency in project execution and the time to response to customers;
- Artificial Intelligence, with a structured training programme focusing on different use cases;
- Compliance, with actions focusing on regulatory matters, including Cybersecurity, Anti-money-laundering, Transparency, Business Continuity, Corporate Liability, Personal Data Protection, DORA, Workers' Health and Safety, International Sanctions and Fraud Prevention;
- Evolution in the managerial model, to implement change management and to adopt transformative leadership styles, based on powerful vision and orientation to sustainable results (Top Training HUB).

The GBCAI ensures comprehensiveness and effectiveness of training through various approaches: classroom training, mentoring and *on the job tutoring*, webinars, e-learning, the internal training platform, the international platform that provides multi-language training and self-training (LinkedIn Learning).

Actions on development

Assessment

The assessments of own workers are an important basis of information to direct training and career development plans for our own workers. Within the system adopted by the Group, performance assessment is carried out on all own workers under a permanent contract and are not recipients of the MbO scheme, and concerns the objectives achieved and behaviours linked to corporate values; it comprises self-assessment, assessment by the function head, discussions and calibration of the outcome through a sharing meeting coordinated by the Human Resources Function, at the presence of a person who has the role of overseer of diversity and inclusion principles, and interview to obtain the worker's *feedback*.

Career management

The GBCAI adopts a holistic approach to the development of its own workers' skills, with *tailor-made* training and development programmes to assist all its people in evolving their role and to provide instruments and skills in all specific professional paths. Some of the career development instruments, at the various levels, are:

- *Talent Management* activities to identify and develop potential;
- Before- and after-appointment training on technical and / managerial topics and *soft skills*;
- *Coaching* and *mentorship* programmes bespoke for designated targets of people;
- Training programme for managers intended for executive positions.

Onboarding

Some of the many initiatives designed to onboard new hires who have recently joined the GBCAI are:

- Onboarding and *engagement* programmes on the CA.sa Group's values and strategies;
- Training to increase soft skills and to exploit the power of generational diversity.

Upskilling and reskilling

To respond to changes in the scenario, *upskilling* and *reskilling* programmes are held, including:

- Preparation for the new intended role through bespoke mentorship and training;
- Targeted training for the development of technical, digital and behavioural skills.

International mobility

For some profiles, the GBCAI encourages professional development in an international context, through participation in training and assessment programmes held in France, including, at the various levels, the *Parcours Directeur*, *Directeur Général Adjoint* et *Directeur Général du Crédit Agricole* selection programmes for future executives and top managers.

Other international programmes are also held, such as:

- Training and experiential activities at large corporates in France;
- Mentoring programmes with General Managers for those preparing for high-complexity managerial roles;
- Training and exchange of views and experience with colleagues from foreign entities of the Crédit Agricole S.A. Group;
- International missions at entities of the Crédit Agricole S.A. Group.

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Social dialogue

Social Dialogue Policy

The Crédit Agricole Italia Group is committed to fostering transparent and responsible social dialogue, whereby reciprocal trust amongst stakeholders can be strengthened, transformation can be driven and adaptation to the changes in the context can be ensured, with special regard to changes in the applicable legislation and regulations.

The GBCAI adopts a model for relations with the trade unions that features dialogue and trust in the relationship between the Company, the Trade Unions and its Own Workforce, in order to create better and better conditions for active cooperation enabling to achieve the business objectives in a shared and constructive manner, as well as effectively and in diverse macroeconomic scenarios. The social dialogue quality and the ESG practices boost the Group's attractiveness and prevent the risk of negative effects on its image or of lower performance due to deterioration in the internal climate. Some of the cornerstones of the *Social Dialogue Policy* are:

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Reorganization management

The effects of reorganizations on own workers are a material challenge in a social dialogue context. The GBCAI reasserts its belief that transparent and responsible social dialogue within the company is the best way to drive and manage change and to strengthen the reciprocal trust between the Management and its own workforce. Therefore, under the Italian national collective bargaining agreement for the banking industry, as provided for in the *Social Dialogue Policy*, Crédit Agricole Italia implements information and consultation phases immediately after the decision-making phase. In case of any repercussions on the workers' conditions, they would be the subject-matter of bargaining between the Workers' Representatives and the Management aimed at finding socially responsible solutions for the workers and that procedure would be completed before starting the reorganization.

Stakeholder consultation

The dialogue with the Trade Unions is managed in accordance with the applicable Italian legislation and company-specific rules and ensures that the Workers' Representatives can hold talks with the Industrial Relations Function at meetings of various types and levels.

The agreements with the Trade Unions resulting from the social dialogue are made available to and accessible by all own workers concerned via the Intranet. The *Social Dialogue Policy* is approved by the Board of Directors, applies to all GBCAI's own workforce and its implementation and evolution is coordinated by the Industrial Relations Function, which is part of the Human Resources Function.

The policy is made available to all the recipients through the corporate Intranet. Within the Social Dialogue, after being approved by the BoD, the Sustainability Report is made available to the Trade Unions. The Trade Unions then given their opinion, which may include inputs and evidence and which is reported to the BoD and to the Board of Auditors, at their first meeting thereafter. Any inputs given in the opinion are taken into account within the stakeholder engagement process and in the following Sustainability Report.

Social Dialogue actions

In 2024, about 50 meetings were held with the Trade Unions, which led to the signing of agreements; some of the most significant ones were:

- The agreement of professional profiles and related paths and job positions;
- The agreement on the 2024 bonus, with the enhancement of welfare solutions;
- Structural action on subsidized banking conditions, which implemented an improvement in the borrowing conditions reserved for own workers regarding home loans for the main residence and loans for documented personal expenses;
- The agreement on healthcare in favour of own workers with expenses paid by the Company.

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Within the cooperation with the Trade Unions, every six months meetings are held at the Bank's Regional Departments in order to address region-specific matters. Furthermore, the GBCAI has set up specific *Joint Commissions*, consisting of representatives of the Company and representatives of the Trade Unions, to address matters about training, commercial policies, the healthcare insurance policy, corporate social responsibility and work organization.

Some other scopes of dialogue with the Trade Unions are:

- Smart working;
- Social offering aimed at fostering work-life balance;
- Corporate welfare and forms of conversion of performance bonuses;
- Family assistance (payment of an annual contribution to daycare fees, scholarships);
- Parental leave for fathers, payment of family allowances;
- Supplementary healthcare scheme;
- Contributions paid by the Company to the Pension Fund.

Diversity and inclusion

D&I Policy

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The Crédit Agricole Italia Group, with its *D&I Policy*, has undertaken to enhance everyone's uniqueness, as one of the enabling factors to be excellent in the relationship with customers and achieve sustainable growth.

The GBCAI's strategy on Diversity e Inclusion (D&I) comprises five commitments:

- *Equal opportunities*: ensuring that all own workers have the same opportunities to take on roles based on the skills and merit;
- *Openness and curiosity*: Encouraging openness to differences, making the diversity policy known and understood and conveying its benefits to accelerate and strengthen an inclusive corporate culture;
- *Representativeness*: promoting evolution in roles to reflect society and customers, overcoming any biases in selection criteria (e.g. age, disability, gender equality) in all the business lines and at all levels in the organization;
- *Solidarity*: orienting people's behaviour to ensure mutual help and cooperation;
- *Responsibility*: making diversity promotion everyone's commitment.

The GBCAI's commitments aim at ensuring full compliance with the principles of non-discrimination and equity, fostering the development of every person, promoting gender equality, the suitability of paths for the different profiles, support to people with disabilities, social dialogue, wellbeing and the quality of work-life, making sure that the work environment is safe and informed with respect for and the dignity of all own workers.

Specifically, the GBCAI is committed both to reducing inequalities (gender equality, intergenerational inclusion, internationalization, disabilities, closeness to the LGBTQ+ Community) and to investing in activities that foster the wellbeing and quality of life of the people (physical, psychological, relational and financial wellbeing, work-life balance and support to parenthood). Enhancing diversities is a constant priority and objective also towards society; this is why, consistently with its corporate values, the GBCAI also promotes initiatives in the regions where it operates, in cooperation with external stakeholders, institutions and local governments. The *D&I Policy* also lays down the rules to prevent any form of harassment, as well as sexually-connoted unwanted behaviours expressed physically, verbally and non-verbally, which violate the dignity of the person concerned and create an intimidatory, hostile and humiliating climate.

The policy is made available to all the recipients through the corporate Intranet.

Gender Equality Policy

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The D&I framework include the *Gender Equality policy*, which the GBCAI has set as a priority because of the wide span of the own workforce concerned. For years now, the Mixité has been part of the culture of the Group, which implements plans aimed at full integration of women in the company management and at the enhancement of female talent as a factor of success and progress.

The policy represents the GBCAI's actions for gender equality at the corporate governance level (corporate governance bodies) and corporate organization (human resources on staff). Indeed, having women sitting on the Board of Directors fulfils social equity reasons, overcomes discrimination and, especially, meets the need to improve decision-making mechanisms through the acquisition of new technical skills and managerial capabilities, which generate benefits for Board discussion and prevent any "*groupthinking*".

The policy is made available to all the recipients through the corporate Intranet.

Considering the importance of the D&I matters and of Gender Equality, the GBCAI has set up a specific governance system:

- The Board of Directors approves the policies and oversees their implementation, with support given by the Sustainable Development Board Committee;
- The ESG and Sustainability Managerial Committee gives its opinion on the policy proposals submitted over time to the Board of Directors and directs the implementation actions;
- The Top Management oversees the implementation of the actions ensuring the allocation of the necessary resources, promoting an organizational culture fostering active participation of people and actual enhancement of everyone's identity;
- The Human Resources Function sees to the implementation of the actions and to the monitoring on diversity, equity and inclusion matters.

Furthermore, the Corporate Affairs and Sustainability Function makes proposals on D&I evolution in terms of governance and qualitative-quantitative composition of the corporate governance bodies.

Actions on Diversity & Inclusion

GBCAI continues to strengthen its commitment to Diversity & Inclusion towards its own workforce, corporate officers and also external stakeholders through initiatives aimed at enhancing diversities and inclusion.

Gender Equality in corporate governance

Crédit Agricole Italia implemented structural actions aimed at redesigning the structure of its Governance Bodies increasing the number of members of the less represented gender, in the spirit of the European legislation and regulations (CRR) and of the Italian ones, albeit applying to listed companies (Golfo-Mosca Act), and implementing the Supervisory Provisions issued by the Bank of Italy.

The deployed actions concerned:

- Amendments to its Articles of Association adding provisions on gender representation;
- Adoption by the Board of Directors of the *Document on the optimal qualitative-quantitative composition of the Board of Directors* which contain a part on diversity and on the presence of members of the less represented gender; the same action was taken by the Board of Auditors;
- Albeit suggested as a voluntary option by the Bank of Italy, inclusion of a member of the less represented gender in all Board Committees;
- Setting up, on a voluntary basis, of the Board Committee competent on ESG matters, albeit not required under the Supervisory Provisions, with equal gender representation and specific tasks on sustainability, including social responsibility.

For more exhaustive information on the composition of the Board of Directors, please see ERS2 GOV-1 DP21.

Actions in favour of gender equality

The Group is committed to ensuring professional equality between men and women in each and every scope of the work life and work-life balance.

The D&I strategy scope includes a set of structural actions aimed at gender equality:

- Ensuring that all have the same opportunities in each and every aspect of the work life, implementing processes aimed at ensuring non-discrimination and equal opportunities in professional development and promotions, which are exclusively based on skills, performance and professional levels;
- Driving managerial development and gender balance in corporate leadership positions, providing career and training opportunities and designing bespoke programmes for the professional development of all own workers;
- Promoting women's empowerment and acceleration in development and career paths, in order to boost and improve professional and leadership skills and to address any possible obstacles in career progress;
- Ensuring equal pay between men and women.

Some of the other actions that were deployed are:

- The adoption of the Charter of Respect, which lays down the principles and rules to build an inclusive corporate environment;
- Time care tools that promote respect for the “protected time” bands (“Time Care App”);
- Initiatives for training and raising awareness about gender stereotypes, prevention of violence against women, financial inclusion and, more in general, opportunities to reflect on D&I matters, such as, in synergy with CA.sa and the other entities of the Group, the Week and Month of Diversities.

The GBCAI has joined several arrangements and initiatives aimed at fostering equality between men and women and at preventing gender-based violence:

- The Memorandum of Understanding between the Equal Opportunity Department of the Italian Government and the Italian Banking Association;
- The “Women in Banking” Chart promoted by the Italian Banking Association to enhance gender diversity;
- The Agreement against gender violence signed with the Trade Unions;
- The ABI Protocol providing for easy loan repayment terms to women that are victims of gender-based violence.

Thanks to the policies, plans and actions deployed, the GBCAI obtained the Gender Equality Certification from Bureau Veritas for the first time in 2023 and again in 2024 (UNI/PdR 125:2022).

Evidence of the quality of the initiatives deployed by the GBCAI in 2024 was given also by the achievement of the Top Employers certification for the seventeenth year in a row.

Intergenerational inclusion actions

True to the value of Crédit Agricole S.A., taking inspiration from the *Plan Jeunesse*, the GBCAI deployed a plan of recruitment of young people aimed at the recomposition of its own workforce.

The following initiatives were also started:

- The *100 Youths project*, which gives 100 new secondary school graduates, in the 2024-2025 two-year period, the opportunity to enter the world of work with a 3-month internship aimed at developing their knowledge and potential.
- The *GénérAction project*, an initiative involving lower and upper secondary school students with the goal of orienting them towards the opportunities offered by the labour market and making the Group better known to them;
- Initiatives to raise awareness, including dissemination pills on the various generations within the Company, in order to provide own workers with inputs to foster cooperation and exchange of skills.

Actions fostering the enhancement of own workers with disabilities

Some of the several initiatives that were started to foster the enhancement of own workers with disabilities are:

- *Accessibility Project*, undertaking to provide own workers with disabilities with full accessibility to the tools for internal communication, training and other features;
- *Disability Manager Project*, aimed at building an increasingly inclusive and accessible work environment and at providing support to own workers with disabilities, the Disability Manager role has been established: this role is held by own workers belonging to various corporate functions and have been specifically trained to be able to support colleagues with disabilities;
- Initiatives to raise awareness about the inclusion of people with disabilities, through webinars, deep dives into this matter and sponsorships (e.g. Run For Inclusion).

Actions for the promotion of LGBTQ+ identities

The GBCAI deploys initiatives to enhance identities and equal opportunities at the workplace, two of which are:

- Training aimed at overcoming stereotypes, in cooperation with the "Parks-Liberi & Uguali" association;
- Promotion of the Employee Resource Group (ERG) on this matter.

Actions on welfare and organizational wellbeing

GBCAI strongly invests in offering services aimed at its own workers' wellbeing, some of which are:

- Raising awareness about the importance of sports and healthy lifestyle (Good Life);
- Raising awareness about psychophysical wellbeing (in partnership with Stimulus, Fondazione Onda and Lifeed);
- Psychological wellbeing and social-assistance support services (Stimulus);
- Promotion of the Employee Resource Groups (ERG) on these matters.
- Arrangements in favour of shared parenthood, some of which are:
 - Extension of parental leave for fathers to 28 days;
 - Opportunity to use the "Caribimbi" company daycare at Green Life (the headquarters in Parma);
 - Contribution to daycare fees with a welfare scheme and project on a dispersed network of daycare facilities in partnership with Jointly, whereby the Bank's own workers are entitled to pre-emption for child enrolment and to a discount on fees at all the facilities in the network throughout Italy;
 - Self-coaching digital platform to provide support to parents and care-givers (Lifeed development paths);
 - Smart-working;
 - Easy Learning and Digital Academy to manage one's training path independently and with flexible time schedule.

Actions for social and work inclusion

The GBCAI is committed to promoting projects and initiatives aimed at social and work inclusion, such as the Lavanderie Solidali project in Parma, Piacenza and Milan. These projects and initiatives pursue the goal of providing support to vulnerable people, promoting their employment in the regions, while also giving a contribution to the local and circular economy.

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Work environment

Work Environment Policy

The GBCAI has adopted its *Work Environment Policy* within a strategy for constant attention to the positive impacts generated by optimal conditions in terms of its own workers' health, safety and wellbeing.

The policy is intended to ensure:

- Good working and employment conditions and protection of its own workers against any and all forms of work-associated violence, abuse, harassment or discrimination, as well as the implementation of procedures to prevent, detect and solve any such behaviours, in full respect for people's rights and in compliance with risk prevention, especially through training its own workforce;
- Its own workers' wellbeing and work-life balance through strategies aimed at supporting parenthood and giving flexibility thanks to remote working; these initiatives go along with the actions aimed at constant development in the support provided to the Group's own workforce, including corporate welfare schemes.

Having regard to occupational health and safety, in compliance with the Italian legislation, the Crédit Agricole Italia Group has set up a governance structure which ensures that the risks at work are eliminated or, where not possible, at least mitigated, protecting its own workers' health, contributing to the prevention of occupational risks and to the improvement in working conditions. The corporate structure overseeing those activities is the Occupational Safety Function, in synergy with the Prevention and Protection Unit and the other relevant corporate Functions.

The *Work Environment Policy* is approved by the Board of Directors and applies to all the GBCAI's own workforce and can be consulted by all the recipients on the corporate Intranet.

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Actions concerning the work environment

Occupational health and safety

Having regard to occupational health and safety, to protect its own workers' physical and mental health, the GBCAI:

- Deploys procedures, tools, training programmes on occupational health and safety regarding the specific risks the workers are exposed to, as well as on emerging topics, such as violence and harassment;
- Implements initiatives to raise awareness, such as information on risks, protection and prevention activities, also concerning harassment, ethics and inclusivity.

In the Risk Assessment Document, which is regularly updated by the Employer in cooperation with the Prevention and Protection Unit and the Competent Physician after consulting the Workers' Representatives in charge of Safety, the principles and the Maintenance and Improvement Plan are set out, as necessary to manage the measures aimed at eliminating and, where they cannot be eliminated, at mitigating the risks the workers are exposed to.

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Occupational safety

Occupational safety comprises the set of devices and tools designed to manage technical, physical, chemical and environmental risks having accidental origin to people and assets (accidental fires, climate-related risks, accidents at work).

The GBCAI's strategy on safety is based on risk prevention, especially through training provided to its own workers, in order for them to adopt the right behaviours and acquire the appropriate reflexes about safety.

Ensuring that its own workforce is well informed is also a priority goal. In 2024 the main scopes of activity were:

- HR: monitoring of the training process, oversight of psycho-social risks, with special regard to the process to manage violence and harassment, management of the work-related stress risk and monitoring of the process to manage medical surveillance for own workers exposed to display screen risk;
- Buildings: strengthening of the process to manage risk factors, improving the activities to survey and control the aspects associated with work premises;
- Emergency management: strengthening of the processes to manage risks associated with extraordinary exogenous event (floods, landslides, earthquakes), as well as the related effects; monitoring the presence of the persons in charge of emergency management; psychological support given to own workers involved in robbery events; strengthening the process to manage accidents and injuries;
- Occupational Health and Safety Management System: assessment of the proper implementation of the system through audits performed by a third party on the processes that may have impacts on occupational health and safety.

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Physical security

Asset protection concerns all the measures intended to prevent and manage risks of intentional origin, associated with actions aimed at harming or damaging people and tangible and intangible assets (intrusions, thefts, deterioration).

The GBCAI's physical security strategy is based on three principles:

- Forestalling risk events thanks to monitoring;
- Prevention through systems to control access to the sites and appropriate technical protection devices;
- Training and informing its own workforce also through the corporate portal.

With a risk-based approach, in 2024 the Group set up the role of Regional Physical Security Owners, in order to improve efficiency and effectiveness in meeting the different needs of the single Regional Departments. As regards risk governance, the GBCAI posted a number of Robberies, ATM thefts and thefts at Branches essentially in line with the industry benchmark.

Occupational Health and Safety Management System

S1-1
DP23

The GBCAI holds the protection of workers' health and safety as a priority; this is why it has implemented an Occupational Health and Safety Management System, in accordance with the UNI INAIL Guidelines, which operates based on the "Deming cycle" (Plan - Do - Check - Act or PDCA) and applies to all business and corporate processes, with a specific system of controls also in place.

All own workers, irrespective of the different roles and responsibilities, participate first-hand in pursuing the shared goal of increasing safety levels in the work environment. The System consists in a set of documents:

- The *Occupational Health and Safety Policy*, which sets out the principles, the mission and the objectives comprised in the occupational health and safety action plan and is an integral part of the Organization and Management Model under Italian Legislative Decree. 231/2001 (Special Part Section D);
- The *Manual*, which describes the methods and criteria with which the Occupational Health and Safety Management System is implemented, managed and reviewed; it also describes the organization, responsibilities and decision-making methods and it can be used to identify, implement and control all the activities that are relevant for Occupation Health and Safety in compliance with the UNI-INAIL guidelines;
- The *Procedures*, which, for each relevant activity and process, define the consistent assignment of responsibility and the related implementation methods.

Performances and Remuneration

Policy on Performances and Remuneration

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The GBCAI has adopted its *Policy on Performances and Remuneration* within a compensation strategy that, in compliance with the applicable Italian legislation and Supervisory provisions, meets the need to ensure internal equity and the ability to attract and retain people with skills, expertise and talent.

The GBCAI's compensation strategy balances the requirements of a more and more competitive market with the goal of keeping its leading position in the international arena and of integrating the ESG values of fairness, transparency and merit, based on five objectives:

- To attract, motivate, engage and retain talents;
- To acknowledge and reward individual and collective performances over time;
- To align the interests of its own workers with those of the other stakeholders and to the long-term business strategies and objectives, through criteria based on performances in terms of profitability, share price, the environment and corporate governance;
- To apply a compensation policy that is gender-neutral;
- To implement a compensation policy that is responsible and fosters healthy and effective management of risks.

More exhaustive information is given in the "*Remuneration Policies of the Crédit Agricole Italia Banking Group*", which are compliant with Crédit Agricole S.A.'s guidelines. The GBCAI is particularly focused on:

- Gender-neutrality: The GBCAI conducted its gender pay gap assessment to measure compensation equity and to plan the related corrective actions, which are being progressively implemented;
- ESG matters: in 2024 the GBCAI once again assigned ESG-related KPIs to all the managers under its Management by Objective (MbO) scheme, as described in section ERS2 GOV-3.

The Remuneration Policies are approved by the Board of Directors and afterwards submitted to the General Meeting of Crédit Agricole Italia's Shareholders. The *Policy on Performances and Remuneration* is approved by the Board of Directors. These policies apply to all the Crédit Agricole Italia Banking Group's own workforce.

The *Policy on Performances and Remuneration* is made available to all the recipients through the corporate Intranet. The Remuneration Policies are published on the GBCAI's website.

Actions on performances and remuneration

Gender equality and equal pay for work of equal value

The GBCAI keeps true to its commitment to ensuring gender equality going on with the implementation of its multi-year action plan addressing the gender pay gap, covering compensation and management policies. Specifically, in 2024 the GBCAI:

- Implemented the actions for progressive mitigation of the gender pay gap, subject to the appropriate merit and performance assessments;
- Included the information on the gender pay gap (to be regularly updated and monitored) among the decision-making drivers;
- Formalized an internal regulation of the action policies in force aimed at regularly measuring the gender gap defining scopes of analysis, assessment drivers, usable levers, action plans, responsibilities and monitoring phases;
- Optimized its assessment, development and career processes to ensure equal opportunities;
- Established the assignment of a specific KPI on female leadership enhancement to all managers at the highest level in the MbO system, in line with the corporate objectives.

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The actions described above are some of the activities thanks to which Crédit Agricole Italia obtained once again the Certification of its gender equality management system from Bureau Veritas (UNI/PdR 125:2022).

Adequate wages

The GBCAI applies the compensation system established by the Italian national collective bargaining agreement for the Banking industry. That choice, which is compliant with the principles laid down by Directive (EU) 2022/2041, ensures wages that not only comply with the minimum requirements, but provide for the satisfaction of the needs of the workers and their families in the light of national economic and social conditions, while also ensuring equitable compensation for all workers. Not only is compliance with the Italian national collective bargaining agreement an obligation established by law, but it also reflects the Group's belief that fair and adequate pay is essential to enhance the engagement of human resources.

ENGAGEMENT OF WORKERS AND WORKERS' REPRESENTATIVES

The engagement processes

The GBCAI promotes the engagement of its own workforce and of the Trade Unions with structured processes to share strategies and objectives, being always focused on the principles of inclusion and enhancement of the contributions to the business model evolution. The engagement of these stakeholders is fundamental in order to understand their points of view and catch inputs substantiating the adopted policies and plans, as well as inputs for improvement or evolution.

To this end, the GBCAI organizes several occasions for structured listening and dialogue, some of which are:

- Annual corporate climate survey, to measure the Mise en Responsabilité (MR) index;
- Collection of feedback within the annual assessment system;
- Social dialogue with the Trade Unions.

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The Mise en Responsabilité index

The GBCAI implements the structured listening process through the *IMR – Indice de Mise en Responsabilité* survey, an annual corporate climate survey covering all its own workforce.

The survey main areas are: the Bank's strategy, commitment to sustainability, working conditions, responsibility taking by individuals, the managers own workers report directly to, work life quality. The survey also asks for free expression of comments about recommending Crédit Agricole as an employer and on individual motivation.

The 2024 IMR posted a high participation rate of 91%, with the overall score increasing and a synthetic IMR index for the GBCAI of 80 over 100. Based on the evidence obtained from the climate survey, actions plans have been designed pursuing continuous improvement, including yet other engagement and listening initiatives targeting specific clusters, change management projects and technological evolution projects.

S1-2
DP27

As regards dialogue forms, please see sections Social Dialogue and Human Capital Development: S1-1 DP19, S1-4 DP35. For more information on the stakeholder engagement process, please see the *Stakeholder Engagement Policy*, which can be found on the GBCAI’s website, and ESRS2 SBM-2.

Channels for own workers and workers’ representatives to raise concerns

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Besides the stakeholder engagement structured processes, about which reference is made to S1-2 DP27, the GBCAI’s own workers can use the following channels to raise concerns:

- The whistleblowing system in place;
- Expressing their concerns to the manager they directly report to or their HR manager;
- Expressing their concerns to the owners of specific matters, including the Disability Manager;
- Reporting their concerns directly to the Compliance Function.

The whistleblowing system can be accessed through a specific link that can be found on the corporate Intranet and on the GBCAI’s website. The concerns expressed through the whistleblowing system are reported to the Compliance Function, which manages them as required by the applicable legislation.

The concerns reported by the GBCAI’s own workers are processed in accordance with the internal normative instruments and with the Code of Ethics, which specifies the various methods whereby also violation of workers’ rights can be reported, including concerns about diversity and inclusion. The Crédit Agricole Italia Group makes sure that all own workers are aware of the channels made available to them, both by monitoring the percentage of participation in the IMR survey, and, as regards whistleblowing, by administering the Ethics Quiz and also thanks to participation in the “The Code of Ethics and the Code of Conduct” training programme.

In order to ensure compliance with the values and principles laid down in the Code of Ethics, if, based on reported concerns, violations or breaches are ascertained, they shall be reported to the relevant functions that shall adopt the appropriate measures.

The Compliance Function reports on a regular basis to the Board of Directors on the proper operation of the whistleblowing system providing aggregate information. A summary of that report is made available to all own workforce on the corporate Intranet.

Each and every reported concern is processed with the utmost confidentiality, both as regards the whistleblower and as regards any reported persons, without prejudice to full compliance with the obligations laid down by law; it is ensured that all whistleblowers who report concerns in good faith are protected against any form of retaliation, discrimination or penalization. For more exhaustive information, please see section G1-1 DP10.

At present, no material negative impacts on the GBCAI’s own workforce have been found . In any case, within the processes to listen to and engage its own workers and the Trade Unions, in accordance with the *Stakeholder Engagement Policy*, the GBCAI assesses the outcomes and undertakes, where necessary, to design action plans addressing the outputs found.

METRICS AND TARGETS

S1-5
MDR-T
DP81

The GBCAI sets its ambitions concerning its own workforce in the above-described policies, of which it monitors the effectiveness and progressive implementation. The Group’s Human Resources Function monitors the effectiveness of its policies and actions concerning the identified material impacts, risks and opportunities associated with sustainability through regular exchanges with the Top Management and at specific meetings (e.g. internal Committees, the Board of Directors) as well as through a process based on proactively listening to own workforce carried out with the IMR (Indice de Mise en Responsabilité) survey, which is the tool to measure the CA Group’s cultural and managerial transformation, with the related results, both qualitative and quantitative, being disseminated via internal communication mechanisms. Furthermore, together with the other relevant corporate Functions, the HR Function sets specific sustainability-related targets at all corporate levels, within the Group’s incentive schemes.

Characteristics of the undertaking’s employees

S1-6
DP50

The tables below state the information on GBCAI’s employees.
The tables report the number of the GBCAI’s employees as per the ledger of employees in service as at 31 December 2024 (except for two employees seconded abroad). The figures are consistent with those in the financial statements, albeit calculated with a different approach.

Number of the GBCAI's employees broken down by gender (in headcount)

Gender	Number of employees in headcount	% of employees
Women	6,130	49.38%
Men	6,283	50.62%
Other*		
Not disclosed		
Total Employees	12,413	100.00%

*Gender as specified by the employees themselves

Number of employees by country for countries in which the undertaking has 50 or more employees representing at least 10% of its total number of employees

Country	Number of employees (in headcount)	% of employees
Italy	12,413	100.00%
Total Employees	12,413	100.00%

Information on employees by contract type, broken down by gender (in headcount)

Reporting period 31 December 2024					
	Female	Male	Other (*)	Not disclosed	Total
Number of employees					
In headcount	6,130	6,283			12,413
In %	49.38%	50.62%			100%
Number of permanent employees					
In headcount	6,020	6,208			12,228
In %	49.23%	50.77%			100%
Number of temporary employees					
In headcount	110	75			185
In %	59.46%	40.54%			100%
Number of non-guaranteed hours employees					
In headcount					
In %					
Number of full-time employees					
In headcount	4,635	6,203			10,838
In %	42.77%	57.23%			100%
Number of part-time employees					
In headcount	1,495	80			1,575
In %	94.92%	5.08%			100%

Information on employees by contract type, broken down by geographical region (in headcount)

Reporting period 31 December 2024				
	Northern Italy	Central Italy	Southern Italy and Islands	Total
Number of employees				
In headcount	9,430	1,826	1,157	12,413
Number of permanent employees				
In headcount	9,260	1,819	1,149	12,228
Number of temporary employees				
In headcount	170	7	8	185
Number of non-guaranteed hours employees				
In headcount				
Number of full-time employees				
In headcount	8,141	1,603	1,094	10,838
Number of part-time employees				
In headcount	1,289	223	63	1,575

The total number of employees who left the GBCAI in the reporting period is 477 and includes those who left voluntarily or due to dismissal, retirement, or death in service and those who reached the end of a temporary contract that was not confirmed.

The employee turnover rate in the same period was 3.8% and was calculated considering the number of employees who left the GBCAI at the numerator and, at the denominator, the number of employees in service on the ledger of employees as at 31 December 2024.

Collective bargaining coverage and social dialogue

All the employees of the GBCAI are covered by the Italian national collective bargaining. As at 31 December 2024, 86% of the employees belong to a Trade Union and therefore covered by workers' representatives.

Collective bargaining coverage and social dialogue

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – non-EEA (for countries with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0 – 19%			
20 – 39%			
40 – 59%			
60 – 79%			
80 – 100%	Italy		Italy

The Crédit Agricole Italia Group, along with the Crédit Agricole entities in Italy, express their participation in the *Comité d'Entreprise Européen* of Crédit Agricole S.A. through the representatives identified jointly by the Trade Unions in Italy.

S1-8
DP60
DP63

Diversity metrics

The Crédit Agricole defines the Top Management as its own workers belonging to “Cercle 1”; that “Management Circle” is set by the Parent Company for its top managers and, for the GBCAI, consists of: Chief Executive Officer, Co-General Manager, Deputy General Manager in charge of Retail Banking and Digital of Crédit Agricole Italia, General Manager of Crédit Agricole Group Solutions, Chief Governance Officer, Chief Financial Officer, Chief Lending Officer, Group Human Resources Executive of Crédit Agricole Italia and Deputy General Manager in charge of Digital Transformation of Crédit Agricole Group Solutions. The Chief Executive Officer (and Senior Country Officer of Crédit Agricole in Italy) is also a standing member of the Executive Committee (Comex) of CA.sa.

S1-9
DP66

Breakdown of employees by gender at the various hierarchical levels

Reporting period 31 December 2024		
	In headcount	%
Breakdown by gender of CAsa EXECUTIVE COMMITTEE (COMEX)	1	100.0%
Female	0	0.0%
Male	1	100.0%
Other	0	0.0%
Not disclosed	0	0.0%
Breakdown by gender of CERCLE 1 (Circle C1 excluding the COMEX)	8	100.0%
Female	3	37.5%
Male	5	62.5%
Other	0	0.0%
Not disclosed	0	0.0%
Breakdown by gender of the other senior managers (excluding COMEX and C1)	141	100.0%
Female	39	27.7%
Male	102	72.3%
Other	0	0.0%
Not disclosed	0	0.0%

In accordance with the applicable Italian legislation, in its Remuneration Policies, the GBCAI defines its “Top Officers”, namely: Chief Executive Officer and/or General Manager, Co-General Manager, Deputy General Manager/Managers of the Parent Company Crédit Agricole Italia, General Manager of Crédit Agricole Group Solutions (as well as Chief Operating Officer of Crédit Agricole Italia), Chief Governance Officer and Chief Financial Officer of the Parent Company Crédit Agricole Italia. For the GBCAI, the “Top Management” includes, besides the Top Officers, the General Manager of CA Leasing Italia.

The table below reports the breakdown of the GBCAI's employees on the employee ledger broken down by age group, plus the total average age figure.

Breakdown of the GBCAI's employees by age group

Reporting period 31 December 2024	
Under 30 years of age, o/w:	965
<25 years of age	74
25-30 years	891
Between 30 and 50 years of age, o/w:	5,745
30 - 35 years	840
35 - 40 years	1,107
40 - 45 years	2,046
45 - 50 years	1,752
Over 50 years of age, o/w	5,703
50 - 55 years	2,122
55 - 60 years	2,364
60 - 65 years	1,122
> 65 years	95
Not disclosed	
Total	12,413
Average age	47 years and 6 months

Plan Jeunesse

Consistently with CAsa, the GBCAI contributes to the *Plan Jeunesse* as defined in section S1-4 MDR-A DP35, a project aimed at recruiting and onboarding 50,000 youths in France and internationally from 2022 to 2025.

1 January 2024 - 31 December 2024	
Total number of youths onboarded under the Plan Jeunesse	686

Adequate wages

S1-10
DP69

The CA Italia Banking Group ensures that all its workers receive adequate wages compliant with the benchmarks, including the Italian national collective bargaining agreement and with Directive (EU) 2022/2041, as well as in accordance with the GBCAI's Remuneration Policies. The GBCAI ensures wages that not only comply with the minimum requirements, but provide for the satisfaction of the needs of the Group's workers and their families in the light of national economic and social conditions, while also ensuring equitable compensation for all workers.

Employees with disabilities

S1-12
DP79

The table below reports the percentage of employees with disabilities over the total employees of the GBCAI in service as at 31 December 2024.

Reporting period 31 December 2024	
Workers with disabilities (*)	6.43%

*Workers with disabilities as per the annual statement.

Training and Skills Development metrics

The table below reports the percentage of the GBCAI's employees that participated in regular performance and career development reviews.

S1-13
DP83

2024	
Percentage of employees that participate in regular performance and career development reviews (in %)	In %
Female	94.65%
Male	94.65%
Other	
Not disclosed	

The table below reports the average number of training hours per employee on the GBCAI's employee ledger broken down by gender. The total number of training hours provided by the GBCAI is also set out.

S1-13
DP83

2024	
Average number of training hours per employee, o/w:	50.79
Female	52.35
Male	49.27
Other	
Not disclosed	
Total number of training hours	630,473

The table below reports the number of resources hired by the GBCAI under a permanent contract in 2024.

Reporting period 1 January 2024 - 31 December 2024						
	Female	Male	Other	Not disclosed	Total headcount	%
Hires under permanent contracts in headcount	273	227	0	0	500	100.0%
o/w external hires*	45	98	0	0	143	28.6%
o/w conversion of temporary contracts to permanent contracts	228	129	0	0	357	71.4%
o/w under 30 years of age	208	125	0	0	333	66.6%
o/w between 30 and 50 years of age	59	90	0	0	149	29.8%
o/w over 50 years of age	6	12	0	0	18	3.6%

* resources hired on the market directly under a permanent contract

Health and safety metrics

S1-14
DP88

The CAI Group has adopted its occupational health and safety management system. Specifically, in accordance with the applicable Italian legislation, the GBCAI defines work-related accidents both those resulting from exposure to risks at work and those occurring while commuting.

To calculate the rate of work-related injuries, the GBCAI divides the number of cases, 132 in 2024, by the total number of hours worked by its own workforce (equal to 1,734* theoretical hours per resource considered on the employee ledger) and multiplied by 1,000,000.

2024	
Percentage of employees covered by the GBCAI's health and safety management system	100.00%
Number of fatalities due to work-related injuries	0.00
Number of work-related injuries	132
Rate of work-related injuries	6.13

* 1,734 theoretical hours – 2023 figure as per the OECD for Italy Italia.

Remuneration metrics

S1-16
DP97

The table below, regarding all the GBCAI's employees, represents the gender pay gap as the difference between the average pay to female workers and male workers, expressed as a percentage of the average pay of male workers.

Pay gap

2024	
Pay gap	17.3%

In addition to the regulatory surveys, the GBCAI supplements its gender pay gap assessments applying its own approach based on the “Equal Pay for Equal Work” principle. This view, which is deeper and more specific than the ratio calculated in accordance with the ESRS, shows the gender pay gap by homogeneous job positions and the results report a less significant gap.

Total pay

The table reports the ratio of the total annual pay of the person that receives the highest wage to the total annual median pay of all employees, excluding the person receiving the highest wage.

2024	
Ratio of the total annual pay of the person that receives the highest wage to the total annual median pay of all employees.	37.41

Incidents, complaints and severe human rights impacts

S1-17
DP100

In 2024, at the GBCAI no severe human rights incidents occurred..

SOCIAL RESPONSIBILITY

SUSTAINABLE DEVELOPMENT OF THE REGIONS

ESRS S3. AFFECTED COMMUNITIES



STRATEGY

The Crédit Agricole Group's *Projet Sociétal*

S3
ESRS2
SBM-1

The Crédit Agricole Group has adopted its *Projet du Groupe* Medium-Term Plan to fulfil its *Raison d'être* "Working every day in the interest of our customers and society" in each and every market where it operates worldwide.

The *Projet du Groupe* expresses the ambitions of the CA Group, which operates based on a *Customer-focused universal banking* model, to create social usefulness, assist the Communities in large transformations and to further strengthen its role as a reliable partner of choice for its customers in sustainable and inclusive development.

Crédit Agricole S.A. has a cooperative and mutualistic identity, whose core values are precisely *social usefulness*, i.e. working in the interest of the Communities to make progress accessible for all, and *universality*, i.e. working to be benefit of all customers, large and small, responding to the needs of each one of them. The *Projet du Groupe* rests on three pillars: the Customer Project or *Projet Client* to serve customers aiming at relational excellence, the Social Project or *Projet Sociétal* to work in the interest of the collectivity being committed to sustainability, and the People Project or *Projet Humain* to act with individual responsibility being close to customers in a relationship of trust.

The *Projet Sociétal* pursues the goal of generating positive impacts thanks to the Ca Group's strong bond with the regions where it operates, assisting households and businesses in environmental and social transformations, promoting the sustainable development of local economies.

For information on the CA Group's Medium-Term Plan, please see ESRS2 SBM-1 DP40.

Crédit Agricole Italia's commitment to the Communities and regions

S3
ESRS2
SBM-1

The Crédit Agricole Italia Group has set strategies to generate positive impacts on the Communities and regions, in order to assist its customer as a reliable partner in the ecological and social transition, promoting inclusion and cohesion projects.

The Crédit Agricole Italia Group incorporated the *Projet Sociétal* in its strategy, designing proximity policies that take into account the specific features of the Italian regions and of the Italian legislation and economic system.

The commitment to the Communities and the regions is substantiated in the projects and actions fostering development, inclusion and cohesion and implemented through:

- The **shareholder Foundations**;
- The **Regional Committees**;
- The network of **Le Village by CA**;
- The **CrowdForLife** crowdfunding portal;
- The **Charity Committee**;
- The **Municipality of Parma**;
- Other channels or initiatives to the benefits of stakeholders in the regions.

Therefore, the CAI Group's strategy aims at generating positive impacts on the Communities, with different scopes based on the system used:

- With cross-cutting scope in all the regions where it operates in case of general projects or systems (for example crowdfunding, charity, inclusion and cohesion initiatives);
- With targeted scope on specific perimeters in case of bespoke projects (for example Parma Climate Neutral 2030, Regional Committees, Le Village by CA).

THE BUSINESS MODEL AND THE COMMUNITIES' INTERESTS

The objectives of breathing new life into and develop the Communities and local economies are consistent with the GBCAI's business model, which has been built thanks to the integration of regional banks with strong bonds with the regions and local communities, such as Cassa di Risparmio della Spezia, Banca Popolare FriulAdria, Cassa di Risparmio di Cesena, Cassa di Risparmio di Rimini, Cassa di Risparmio di San Miniato and Credito Valtellinese.

Therefore, the GBCAI's growth story is strongly linked to the development of the regions where it operates assisting them in the evolution of social and production systems.

The business model is strictly linked to the regional dynamic and to the social and economic systems of the Provinces where the Group operates. This is why the Communities' interests, expectations and views are taken into high consideration and orient the planned policies and actions to generate positive impacts on the regions.

The CAI Group implements structured processes to listen to the Communities through:

- The **stakeholder engagement** process;
- The meetings of the **Regional Committees**;
- The action of the **Le Village by CA**;
- The **CrowdForLife crowdfunding** portal;
- The assessments by the **Charity Committee**;
- The interactions with the **Municipality of Parma**.

The aforementioned listening processes give cross-cutting evidence or evidence regarding specific regions, which is thoroughly analyzed to extract useful inputs that orient the implementation of the corporate policies to pursue the development, inclusion and cohesion objectives, with progressive evolution in the business model and strategy.

FRAMEWORK OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment

The double materiality assessment was carried out on the possible impacts, risks and opportunities concerning the affected Communities.

Based on the process of selection of the IROs and of assessment, the material *positive impacts* found were those that:

- Are strictly connected with the business strategy in the logic described in its bond with the regions, resulting also from the path of growth achieved integrating the regional banks;
- Orient the business model and strategy in the logic described by the *Projet Sociétal*, which is implemented over time through policies and actions aimed at driving the development of the regions, social inclusion and cohesion based on listening to the stakeholders and on the outcomes of the Double Materiality Assessment.

The positive impacts on the affected Communities are achieved thanks also to solutions and instruments that the CAI Group has implemented to the benefit of the regions, as well as initiatives implemented in synergy with its stakeholders, which substantiate its position in terms of sustainability and social cohesion, true to its *Raison d'être* and consistently with the *Projet Sociétal*.

S3
DP7
ESRS2
SBM-2

S3
DP8
ESRS2
SBM-3

The material impacts found with the Double Materiality Assessment are outlined below.

S3
ESRS2
SBM-3
DP48

IRO	Type	Value Chain	Policy
Positive impact on the social situation of people through activities such as charity and donations.	Positive impact	Cross-cutting - the Communities and the regions are not strictly either upstream or downstream. The actions implemented by the CAI Group generate effects on the regions and the Communities with which the CAI Group has relationships and to which it provides support.	- Regional Committees Operation Regulation - Resolutions adopted by the BoD on Charity - Corporate Rules on Charity - Corporate rules on CrowdFor-Life - Stakeholder Engagement Policy
Positive impact generated by the Group through its contributions to projects aimed at creating an attractive living environment for the development of the regions.	Positive impact	Cross-cutting - the Communities and the regions are not strictly either upstream or downstream. The actions implemented by the CAI Group generate effects on the regions and the Communities with which the CAI Group has relationships and to which it provides support.	- Resolutions adopted by the BoD on Parma Climate Neutral 2030 - Resolution adopted by the BoD on Le Village by CA - Stakeholder Engagement Policy
Positive impact generated by the assistance provided to the actors of the regions through the Foundations, allocated funds and local projects.	Positive impact	Cross-cutting - the Communities and the regions are not strictly either upstream or downstream. The actions implemented by the CAI Group generate effects on the regions and the Communities with which the CAI Group has relationships and to which it provides support.	- Regional Committees Operation Regulation - Resolutions adopted by the BoD on Charity - Corporate Rules on Charity - Corporate rules on CrowdFor-Life - Stakeholder Engagement Policy

S3
DP9
ESRS2
SBM-3

Communities affected by the positive impacts generated

The material positive impacts, identified through the Double Materiality Assessment, affect the Communities with which the CAI Group interacts at a regional level or through action channels or tools.

The types of Communities that benefit from the positive impacts are different based on the mapped actions and of the structured that cooperate or are activated, as outlined below.

Foundations

In the shareholding structure of Crédit Agricole Italia S.p.A. there are some banking Foundations including Fondazione Cariparma, Fondazione di Piacenza e Vigevano and Fondazione Carispezia, which signed a Shareholder Agreement with the controlling shareholder.

The shareholder Foundations receive the dividends paid out by CAI and use them to serve the Communities and local economies. The presence of the Foundations as shareholders implies institutional anchoring with the regions and tangible development on a continuous basis of projects in the interest of the stakeholders.

In this logic, the affected Communities are, respectively:

- **Fondazione Cariparma:** The Community of the city of Parma and its province;
- **Fondazione di Piacenza e Vigevano:** The Piacenza and Vigevano Communities;
- **Fondazione Carispezia:** the Foundation carries out its activities mainly in province of La Spezia and in Lunigiana.

Regional Committees

The Regional Committees have been set up to liaise between the Bank and the regions where it operates. They consist of CA managers, entrepreneurs and representatives of associations, academia, social and economic organization based in the regions. The Regional Committees maintain the relations with the local

stakeholders, prepare project proposals for the sustainable development of the regions and see to their implementation after they are approved by CAI bodies.

To date, the Regional Committees operate to the benefit of the regions listed below: Sicily, Romagna, Marche, Campania, Tuscany, Umbria, Alta Lombardia, Veneto, Friuli Venezia Giulia and Liguria.

The network of Le Village by CA

Le Village by CA are the members of an open innovation ecosystem that pursues the goal of transforming startups in their stages of growth. The network of Le Village is the instrument whereby the CAI Group supports the development and accelerates startups, fostering synergies between youths, corporates and academia.

At present, the Italian network, which was created based on the French model, consists of 5 Villages operating in Italy and able to accelerate over 195 startups being an innovation network covering the entire Italian territory. Le Village by CA are based in Milan, Parma, Padua (Triveneto), Sondrio (Alps) and Catania (Sicily).

The CrowdForLife crowdfunding portal

In order to assist inclusion and cohesion projects in their implementation, the GBCAI has created the *donation crowdfunding* platform called *CrowdForLife*. It is used, launching fundraising campaigns, to support projects with social and environmental purposes to the benefit of the Communities throughout Italy. CAI or other partners can step in a supplement the donations with their contributions.

Municipality of Parma

Within the “100 Climate-Neutral and Smart Cities” European Mission, CAI has established a partnership with the Municipality of Parma for the *Parma Climate Neutral 2030* Project, which aims at reaching the city’s carbon neutrality ahead of schedule vs. the Green Deal deadlines. Crédit Agricole Italia S.p.A. signed the City Climate Contract and, in its capacity as partner Bank and Sole Financial Advisor of the Municipality, implements projects to drive the climate transition. The affected Community consists of the resident citizens and the enterprises based in Parma.

Charity Committee

CAI responds to the needs of the Communities also through targeted donations. The strategy to manage donations, overseen by the Charity Committee, responds to the need to implement inclusive actions creating value for the regions in the logic of the *Projet Sociétal*. The scope of the actions on cultural works or projects covers the Communities throughout Italy.

Universities

Over the years, CAI has established partnerships with Universities with progressive extension throughout the regions where it operates. Some of the main partner Universities, to which it also provides treasury services, are: University of Parma, University of Bologna, University of Florence, Ca’ Foscari University of Venice, IUAV University of Venice, University of Verona, University of Brescia, University of Trieste, Federico II University of Naples, University of Catania and University of Palermo.

The partnership between academia and the financial world facilitates the promotion of research and innovation and talent enhancement. In this setting, the GBCAI operates to the benefit of the affected Communities, consisting of students, teachers, technical and administration personnel, a connected ecosystem of the respective regions.

Other inclusion and cohesion initiatives

The other projects to the benefits of the Communities that fall within the *Projet Sociétal* affect, each time, the various Italian regions where the CAI Group operates. Amongst there, worth mentioning are: cooperation arrangements with the Universities to the benefit of the academia population, cooperation schemes with the third sector by financing or providing support to nonprofit associations, financial education projects, corporate volunteer work and skills-based volunteering, and other social actions mentioned also hereinafter.

MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES: POLICIES AND ACTIONS RELATED TO AFFECTED COMMUNITIES

The policies and actions implemented to the benefit of the Communities in the various regions are outlined below, with special regard to economic, social and cultural rights, housing, food availability, political and civil rights, freedom of expression and association (ESRS S3 DP2).

Policy on Human Rights

S3-1
DP16
DP17

Having adopted the *UNI Global Union World Agreement*, the Crédit Agricole S.A. Group has asserted its commitment to respect internationally acknowledged human rights in all the markets where it operates, including Italy.

In its *Charte éthique* the CA Group has undertaken operate anywhere in the world ensuring full respect for fundamental human rights and social rights.

The Code of Conduct or *Code de conduite* of the CA Group establishes that, in all relations between and with its own workers or stakeholders, respect for all fundamental human rights and social rights shall be utterly ensured.

For more information on the commitments to human rights at the CA Group level in all the international markets where it operates, including Italy, please see the *Rapport de durabilité* of Crédit Agricole S.A.

The Crédit Agricole Italia Group fulfils its commitments to Human Rights and Social Rights. In this context, the Board of Directors has adopted the *Code of Ethics*, which sets out the values and principles informing the relationships with customers and with all stakeholders.

To ensure compliance with the principles of the *Code of Ethics*, the CAI Group has adopted the *Code of Conduct*, which guides people's conduct in the interest of customers and of stakeholders in order to preserve the undertaking's reputation.

Each director, member of the Board of Auditors, employee and contract worker of the CAI Group is called upon to adopt behaviours that are consistent with the ethical values and to comply with the rules set out in the Code of Ethics and with the rules and standards indirectly referred to therein.

For more information, please see S1-1 DP20 DP21 DP24.

S3-4
DP36

No non-compliance instances on businesses and human rights involving the affected Communities were identified. No severe human rights incidents or issues regarding the affected Communities were identified.

Policies and actions of the Foundations

S3-1
MDR-P
DP14

Italian Law 218/1990, known as the "Amato Law" reformed the Italian banking system restructuring the capital of state banks, whereby the "Casse di risparmio" savings banks were, on the one hand, converted into joint-stock companies, and, on the other hand, set up Foundations to which all their non-core social activities were transferred.

Since then, in Italy, banking Foundations have been operating at an intermediate level between governmental bodies and the Communities, taking up the role as catalysts of social actions in favour of the regions, vulnerable persons and disadvantaged area.

With the separation between business activities (lying with the Bank) and social ones (lying with the Foundations) the reform has created a system in which the Bank has a positive impact on the Communities "by operation of law" through the work of its shareholder Foundations, which receive dividends and use them to fund projects with high social value.

The Foundations operate to the benefit of the Communities in accordance with their Articles of Association, carrying out assessments and listening projects to gain insight for the design of their action plans, which are set out in multi-year policy papers.

Fondazione Cariparma works to the benefit of the Communities of the city of Parma and its Province, in accordance with its *2025 Policy Paper*. Strategic priorities are subdivided into three closely intertwined macro-areas: reduction of inequalities, empowerment of people and institutions, assistance in the local area transformation.

S3-4
MDR-A
DP31

The action plans enhance human and social capital with new skills and capacity building actions, generate awareness and engagement through local governance models fostering debate and drive innovation through new ideas and services. The Foundation uses various channels to listen to the Communities, including consultations with local stakeholders, surveys, sector studies, the analysis of demographic and social-economic data and the cooperation with CAI.

The Foundation performs its mission through various approaches, including: calls for proposals, direct actions, contributions to third parties, system actions for the implementation of joint projects.

Fondazione Carispezia has set its strategic priorities in its *2023-2025 Policy Paper*. Its actions focus on welfare and social assistance, volunteer work and charity, art and culture with special regard to the promotion of the local identity, public health, education and training, with special regard to youths.

Having regard to donations and grants, the Foundation deploys a structured set of tools, including directly managed projects and projects in synergy with key actions in the Community, including CAI. Its action approaches are many and diverse and calibrated on the various initiatives, such as calls for proposals, both topical or pooled, besides support to the local networks and government bodies in the scope of Italy's Recovery and Resilience Plan. One of the initiatives generating impacts on the local Community is the one substantiating the Foundation's commitment to addressing the social housing issue.

As a private and independent entity performing a social value aggregation role, in 2024 **Fondazione di Piacenza e Vigevano** focused on some topics set as priorities by its *2024-2026 Direction Lines*: social inclusion, to mitigate the marginalization of vulnerable groups, the design of a participatory engagement model and the ability to create networks and achieve shared goals, investment in innovation and development.

Some of the highest impact approaches are: the regeneration of architectures, such as student accommodation and social and rehabilitation facilities, actions in the social and social-healthcare scopes (e.g. food banks, palliative care), support to widespread cultural growth as a wellbeing factor for the Community, through initiatives such as the Contemporary Thought Festival and the XNL cultural centre, support to the right to practise sports for its contribution to growth and integration, with the Social Fund for Sports and initiatives aimed at engaging youths in the caring for the Community (YouthBank). In 2024, a core topic was also the fight against energy poverty, with projects to provide financial aid to households and to promote energy saving, energy efficiency enhancement and energy self-reliance (Renewable Energy Communities - RECs).

S3-4
MDR-A
DP31

Policies and actions deployed through the Regional Committees

After the integration of the regional banks into the Crédit Agricole Italia Banking Group, in their respective regions the Regional Committees have been set up to strengthen and develop the relationships with the local stakeholders and Communities. The Regional Committees work within a framework of governance and policies adopted by the Board of Directors, listen to the Communities and promote projects aimed at generating economic and social value for the regions. To these ends, the Committees include external members chosen from amongst persons who represent the region, entrepreneurs, representatives of associations and of academia.

The rules governing the operation of the Committees are laid down in specific policies, which also establish a specific endowment for donations to be made after completing an institutional assessment process. The rules and policies are available on the corporate Intranet.

To date the Regional Committees in operation are: Sicily RC, Northeast Italy RC, Romagna-Marche RC, Alta Lombardia RC, Liguria RC, Tuscany RC, and the recently established Campania RC.

The Committees are supported in their work with economic-statistical analyses of the Regions, thanks to which internal discussion is stimulated and fuelled and inputs for projects are given. The Committees develop projects for the regions over 9 action scopes: innovation, sustainability and ESG, talents, foreign operations, demographics, supply chains of ecosystems, regional approach, strategic inputs, growth in size.

Through the Committees, sustainable development and innovation projects were started in several regions, thanks also to the synergies with the network of Le Village by CA, in close cooperation with Institutions, Trade Associations, Universities and Research Centers, talents, startups and local businesses. The main ESG-related initiatives and actions are listed below.

Since 2023, the **Alta Lombardia Regional Committee** has been focusing on the "*Montagna 4.0 FutureAlps*" project designed to drive the evolution of the mountain area engaging youths, through training actions targeting upper secondary school students across the Alps on sustainable and high-quality business and tourism. Tourism is addressed covering many environmental aspects, such as the management of the agricultural and forestry heritage and water resources, energy production from local renewable sources, sustainable construction and management of real estate assets and infrastructures, energy efficiency and smart integration of plants and grids, integration of mobility services and the development of a sustainable farm model.

S3-4
MDR-A
DP31

The **Northeast Italy Regional Committee** implemented the "The Wood Supply Chain in Northeast Italy in the ecological transition" project, which comprises joint actions by Enterprises, Institutions, Trade Associations, Universities and ITS Foundations involving Le Village by CA Triveneto. The initiative covers economic, school and institutional scopes on environmental topics (forestry policies, wood-based bioeconomy, carbon footprint), social topics (education, human resources management) and innovation topics, to design sustainability in procurement in the Furniture Wood and Energy Wood supply chains.

In 2020, the **Liguria Regional Committee** launched its "Nowtilus" project, in cooperation with Fondazione Carispezia, Wylab and Le Village Milano, to create a value-added ecosystem consisting of various stakeholders, such as large corporates as sponsors, Startups, Universities and Research Centers and regional Institutions. The programme, which received 130 applications for participation and assisted 35 candidate startups

in training schemes, evolved within the network of accelerators of Cassa Depositi e Prestiti joining the “Faros” programme, the first Italian accelerator of startups operating in the blue economy and set up to promote an innovative and sustainable sea economy. “Faros”, being implemented in synergy with Cassa Depositi e Prestiti and Duferco, is one of the leading open innovation accelerators and has selected important startups operating in sustainability scopes associated with the sea economy, port innovation and sustainable navigation. The project, being implemented in cooperation with, amongst others, the Port Network Authority of the Ionian Sea, the Port Network Authority of the Eastern Ligurian Sea – La Spezia and Marina di Carrara Ports, Fondazione Carispezia, Centro Studi La Spezia, Wylab, continues with the calls for startups on the La Spezia HUB di La Spezia. Some of the sustainability matters addressed by the startups are: reduction in CO₂ emissions, CO₂ deep-sea storage, recovery of hydrocarbon leaks, electric boats, zero-emission propulsion ships, renewable energy production from marine sources, circular economy for material recycling and reutilisation, improvement in working and safety conditions.

The **Tuscany Regional Committee** implemented the “Innesti” (“Grafts”) project, which aims at connecting the products and players of excellence in the Tuscany agri-food supply chain with innovative startups through synergies between the Navacchio Technology Pole, Le Village by CA Parma and corporates that are customers of Crédit Agricole Italia. The ESG criteria are core in scouting and developing ideas by the selected startups, to drive sustainable development in the agrifoodtech sector. Some of the sustainability matters at the core of the startups’ activities are: carbon footprint reduction, adapting crops to climate change, dissemination of organic farming and biodiversity protection, traceability and supply chain certification with blockchain validation, animal welfare, reuse of solid and liquid waste.

The **Romagna-Marche Regional Committee** implemented the “Romagna Crea Impresa” (“Romagna creates business”) project, which comprises a Startup Contest to enhance creativity and entrepreneurship involving large corporates based in the region to promote ideas in their “early stages” on various scopes, such as agritech with a focus on sustainability, including the integration of last generation technologies to adapt to climate change and to reduce environmental impacts.

In 2024, the **Sicily Regional Committee** promoted and worked on the opening of Le Village by CA Sicilia, which pursues to goal of driving and stimulating the growth of enterprises through innovation and cooperation, enhancing the economic, social and cultural specificities of the region.

Policies and actions deployed through Le Village by CA

S3-1
MDR-P
DP14

Le Village by CA are the members of an open ecosystem that drives the growth of startups and accelerates innovation of enterprises, thanks to the synergies and connections amongst actors of the regions, such as Universities, Associations, Foundations, Institutions, youths, investors, corporates and the Crédit Agricole Group in its capacity as an international player.

Le Village by CA are companies whose share capital is held by CAI, which owns the majority stake, the product companies of Crédit Agricole in Italy and the institutions and enterprises of the regions, which have important responsibilities and powers for representing the Communities and the local economic fabric. As they represent the regions, the shareholders of Le Village by CA play a fundamental role to interpret the regions’ needs and to seize the opportunities for innovation, communication and development. In its turn, as the Parent Company, CAI is responsible for enhancing the Italian network of Le Village by CA in order to ensure that connections and opportunities are given to the startups and partner firms nationwide, exercising management and coordination activities.

Le Village by CA support their startups and partner firms driving their “acceleration” stage, with the following services:

- **Fundraising**, support in raising funds for the startups and in investing for the corporates interested therein;
- **Corporate innovation**, consisting in the organization of vertical workshops and work groups in order for the startups and corporates to meet, scouting of innovative startups and technologies, assistance in cooperation between the startups and partner corporates.

Le Village by CA in Italy operate under a framework of governance and policies set by resolutions adopted by CAI Board of Directors, with formalized internal regulations and control processes. These policies have implemented a stronger management coordination of *Le Village by CA* through the activation of specific drivers, including: shared management rules, service agreements with CAI and CAGS to the benefit of Le Village, adoption of shared policies ensuring harmonized management of operations.

As done in the *Le Village by CA* system in France, the policies guiding project development put sustainability, innovation, cross-cutting cooperation, proximity to the regions, and access to progress for all at the centre. This is why, with the “cooperate to innovate” slogan, an ecosystem is in operation involving startups, partner corporates, enablers, academia and research centers.

The related documentation is available on the corporate Intranet.

One of the goals pursued by the national programme of Le Village by CA for the startups and partner corporates is to generate new business, fundraising and training opportunities. Having regard to the business, work groups (VLAB) have been set up addressing vertical topical scopes that are chosen based on the partner corporates' needs, such as: Artificial Intelligence, Innovative HR approaches, circular economy, sustainability and impacts on the regions. On these topics, exchanges of views started amongst the over 40 corporates involved, the main scopes of interest were identified and a Nationwide Call4Startup was launched, receiving over 80 applications, which facilitated the start of over 250 matches between partner corporates and accelerated startups.

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As at December 2024, the startups focusing on sustainability matters in the innovation ecosystem of Le Village by CA in Italy were 174, and specifically 33 at Le Village Milano, 55 at Le Village Parma, 52 at Le Village Triveneto, 14 at Le Village delle Alpi, 20 at Le Village Sicilia. Some of the matters at the core of the projects of those startups are software for ESG measurement and reporting, management of ESG factors on the value chain, blockchain systems for ESG transparency on the supply chain, circular economy, recycling and reuse of manufacturing waste, reduction in environmental impacts, processing of by-products, overcoming digital and accessibility barriers, sustainable mobility.

Policies and actions implemented through the CrowdForLife crowdfunding portal

CrowdForLife is the donation crowdfunding portal of the Crédit Agricole Italia Banking Group, which supports and promotes fundraising for the implementation of inclusion and cohesion projects. True to the Group's proximity vocation, the platform gives a tangible response to the needs expressed by, for example, Third Sector entities and government bodies operating within the Communities on matters such as social aggregation, education, research and healthcare and the environment.

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The proposal and selection of projects and the fundraising management are carried out within a formalized institutional framework with internal rules and under the coordination of the ESG and Sustainability Function. The selection of the most significant projects also comprises the assessment by a special Commission to ensure consistency with the inclusion and cohesion objectives. The rules can be found on the corporate Intranet and on the CrowdForLife website.

CrowdForLife is an effective channel to listen to the needs of the regions and can create a long-lasting relationship of trust that goes on also after the end of the fundraising event.

The portal enables direct engagement of stakeholders as private or corporate donors, employees, Foundations, Universities, customers. In 2024 CrowdForLife hosted fundraising campaigns for projects having the following main goals: social inclusion by 44%, education by 25%, healthcare by 19%, the environment by 12%. Amongst these, there were 4 fundraising campaigns selected within "Crowd For Innovation - Crédit Agricole Italia and UniBS, together for research", a crowdfunding initiative promoted by the University of Brescia in cooperation with Crédit Agricole Italia. Since its go-live, on CrowdForLife funds have been raised for over 3.4mIn Euros to the benefit of 96 projects (data as at 31 December 2024).

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Policies and actions implemented with the Municipality of Parma

Parma is one of the 9 Italian cities that were selected by the European Commission for *The 100 Climate-Neutral and Smart Cities Mission*, a project involving important cities throughout Europe. The mission aims at having these cities achieve carbon neutrality by 2030, deploying a plan that comprises structured actions on urban planning, buildings, infrastructures and mobility. The scopes with the largest carbon footprint in the **Municipality of Parma** are buildings (59% of total CO₂ emissions), mobility services (21% of total emissions), agriculture (14% of total emissions including the Parmigiano Reggiano supply chain).

S3-1
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The project policies are contained in the *Climate City Contract*, signed by da Crédit Agricole Italia together with the main stakeholders in Parma, including the University, Associations, Cooperatives and Large Corporates. The Climate Contract is the governance basis for the implementation of the path to carbon neutrality, to which the GBCAI contributes with a project plan coordinated by the ESG and Sustainability Function, providing resources and expertise in order to:

- Enhance the energy efficiency of buildings, making available methods and tools to measure energy performances, consulting services for the design of improvement solutions, mortgage loans to buy or build "green" properties, loans for building renovation;
- Decarbonize the city mobility system, making available bespoke financial solutions for the improvement of infrastructures and electric transport;
- Assist enterprises in their energy transition, offering loans designed for transition and climate change adaptation projects;
- Support the evolution in farming models and the transition of the agri-food supply chains to reduce their carbon footprint.

The Parma Climate Neutral 2030 project is the substantiation at a local level of a European ambition, a lab where new solutions to drive and support the building of low-carbon economies can be tested in order to be industrialized and replicated progressively on a large scale after this testing stage.

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Amongst the actions carried out within the Parma Climate Neutral 2030 project, CAI started the Home Path and the Agri Path and launched solutions for the energy transition of corporates. Furthermore, the CAI Group has put the Le Village by CA di Parma at the service of the project to carry out research in the scope of the European Mission. Meetings with the Trade Associations were also held on the transition of SMEs.

Policies and actions implemented with Universities

S3-1
MDR-P
DP14

The cooperation between academia and the financial system drives research and innovation, enhancing talents and generating benefits for the regions. From this perspective, the GBCAI has always been committed to establishing and developing partnerships with the Italian **Universities** based in the regions where it operates. Its business policies materialize in the agreements signed with Universities for treasury services and payment services intended for the Universities' students and personnel. Based on those policies and on institutionalized relationships, the GBCAI promotes several actions with social purposes and to drive sustainable development.

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DP31

The GBCAI has established strong relationships with 30 Italian Universities, creating a stable and recognizable network that facilitates cooperation with academia for the following actions:

- Development of projects with Le Village by CA and with the Regional Committees;
- Crowdfunding initiatives to support innovative projects;
- Financial education to the benefit of students;
- Employer branding events;
- The GBCAI's participation in University Job Fairs to find targeted candidates;
- Project work and challenge experiences to introduce students to the world of work;
- Professional orientation events;
- Testimonies given by people from the Bank on sustainability matters to raise the students' awareness.

Policies and actions deployed through donations

S3-1
MDR-P
DP14

CAI generates positive impacts on the Communities through **donations** or so-called charity actions. These actions comply with policies laid down in the Bank's Articles of Association, under which the Bank shall and may support social, solidarity and cultural initiatives, allocating part of its retained net profit to a specific provision set aside for this purpose.

The management of donations is governed by the Group's internal regulations approved by the Board of Directors, which require assessment and direction by a specific body, namely the Charity Committee. Every year the Committee issues the guidelines for donations and performs the related monitoring in order to ensure that tangible benefits be given to organizations based in the regions, with regular reporting to the Board of Directors. The related documentation is available on the corporate Intranet.

The core policy aims at implementing a structured action plan to establish deep and long-lasting relationships with the stakeholders in all the regions, identifying qualified and recognized partnerships, and therefore with capillary distribution of charity money and the systematic action by the Regional Committees and the Regional Departments.

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In 2024 donations were by 67% to *social* scopes, to the benefit of: Local Communities; vulnerable groups, such as persons with disabilities, elderly people, minorities, violence victims; training programmes for adolescents and youths, fight against educational poverty. By 22% to the *cultural* scope, supporting events to enhance the art heritage of the regions. By 11% to scientific research in the *healthcare* field. Again in the healthcare scope, the GBCAI's *payroll giving* initiative continues, which is a fundraising mechanism to provide support to children's hospital facilities.

Commitment to NGOs

S3-1
MDR-P
DP14

The *Stakeholder Engagement Policy* approved by the BoD fosters open and constructive dialogue with **Non-governmental Organizations**, which operate responsibly to the benefit of the Community with an approach focused on ESG material topics. Listening to the NGOs, coordinated by the ESG and Sustainability Function, the Group can understand the expectations and sensitive matters expressed each time by the stakeholders, especially customers and direct counterparties.

An increasingly important matter is the link between the financial system and the corporations involved in manufacturing and sale of weapons. In this scope, in 2024 Crédit Agricole Italia held an open dialogue with the NGO Fondazione Finanza Etica (FFE), a Cultural Foundation of the Banca Etica Group, which promoted the “Zero Weapons Rating” survey aimed at measuring the involvement of the leading Italian banks with the military sector with the assignment of a rating.

After the end of the assessment and exchange process, in the rating system adopted by the FFE, CAI ranked in the most virtuous part of the “modest involvement” range. The guidelines for operations in the arms sector for the entities of the Crédit Agricole S.A. Group are given in the *Politique sectorielle RSE- Industrie de l’armement et commerce des armes*, published by CAsa. The GBCAI has implemented a process to assess transactions associated with the weapons sector, designed to ensure compliance with the obligations under Italian Law 185/90, applying its Code of Ethics, which attaches strong importance in terms of values to choices about lending to the weapons supply chain, however bearing in mind the importance of the national defence system. In general, a mechanism has been designed for enhanced assessment of loan applications that show material aspects in terms of sustainability, with special regard to environmental, social and ethical profiles, including the weapons sector (for more exhaustive information, please see E1-2 MDR-P DP25).

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DP31

Products and services designed to deliver a specific social benefit

The GBCAI has a positive impact on the Communities thanks an offering designed to deliver social benefits, aimed at giving vulnerable groups access to banking and financial services, providing support to businesses engaged in social matters and to individuals and businesses facing emergency situations. Amongst the deployed actions, worth mentioning are social housing loans, high social impact loans, such as loans to non-profit organizations and religious institutions, loans for the construction of healthcare and welfare facilities, the amounts earmarked for the regions hit by extreme weather events. For more exhaustive information on the accessibility of the GBCAI's services, please see section S4.

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Other inclusion and cohesion actions

In the reporting period, many inclusion and cohesion projects were implemented to the benefit of the regions and Communities, through various channels, also donations, within the Regional Committees' activities, through crowdfunding and volunteer work. Some of the initiatives directly or indirectly associated with the aspects mentioned in S3 DP2 are listed below.

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DP31

Education and training projects *Connessioni Digitali* (Digital Connections) to fight digital educational poverty of students living in disadvantaged areas in cooperation with *Save the Children* with the goal - for the 2024-27 three-year period - of fostering the development of skills of 4,600 teenagers between 12 and 18 years old, reaching out to 90 lower and upper secondary schools: own workers of the GBCAI and of the Entities of the CA Group in Italy participated as volunteers in the project, making their skills available to the students involved; projects in cooperation with *Foundation for Financial and Savings Education (FEduF)* designed for primary and lower and upper secondary schools; Webinar *Contiamo Pari - Abbasso gli stereotipi* (Equal in count. Down with stereotypes) for primary and lower secondary school students to stimulate reflection on gender equality and fostering knowledge in order to overcome biases; cycle of classes *Let us support the Future* for upper secondary school students aimed at disseminating notions on mindful management of money and security in digital payments; *Civicamente* project *Towards a Sustainable Future* circulated nationwide on the *Digital Education* platform to introduce students to the topics of digital payments and ESG values; project *Génération Action - young generations headed to 2030*, a two-year initiative in cooperation with *Elis* (Consortium of enterprises working for social, work and educational inclusion) on fight against inequality, orientation on the jobs of the future and support in entering the world of work, which, in its two-year duration, will involve over 2,000 students in lower and upper secondary school; project “100 Youths”, again in cooperation with *Elis*, in the 2024-2025 two-year period, to give the opportunity to 100 new graduates from disadvantaged backgrounds in five big Italian cities (Catania, Naples, Rome, Milan, Turin) to approach the world of work through three-month internships aimed at developing new knowledge and potential, besides offering orientation on future vocational choices; award of scholarships for *PoliMODA* to young talents, promoted by the Bank's Tuscany Regional Committee; project *Energy for Youths* promoted by the Bank's Liguria Regional Committee to the benefit of university students introducing them to Liguria's top manufacturing players.

Many of the aforementioned initiatives aim at transferring information and skills on financial education to youths.

Food availability: the *New Life* circular economy project to the recovery and reuse of food surplus, such as meals not eaten at the GBCAI's corporate restaurants, in cooperation with Caritas of Parma and Rete Milano; support to the *Longoni Foundation's soup kitchen* by the Alta Lombardia Regional Committee; corporate volunteer work at the *Opera San Francesco per i Poveri* and at the *Banco Alimentare* food bank of Lombardy.

Housing security: the *New Life Urban Regeneration* project under which some non-operating properties

owned by the GBCAI are given in gratuitous loan for use to nonprofit associations and entities based in the regions; the *VITEdaVIVERE* project to make accommodation available to persons with neurodevelopmental disorders supported by the Northeast Italy Regional Committee; the *Casa di Valle co-housing project to close the circle* of Porte Aperte and the inclusive housing project of Villa Lorenzi supported by the Tuscany Regional Committee.

Social inclusion: the *Polo Educativo a Casoria* project, *after-school activities* for children in Scampia, *Social tailor and dressmaker shop* in Scampia for social inclusion in peripheral and disadvantaged areas, promoted by the Campania Regional Committee; the project with *Caritas Diocesana Piacenza-Bobbio* for the fight against energy poverty contributing to a fund set up by the main entities in the regions, including Fondazione di Piacenza e Vigevano; the *Casa di Giordy* project to provide shelter to women who are victims of violence supported by the Sicily Regional Committee; support to the “*Progetto Violenza 2024*” initiative of Fondazione Onda focusing on issues such as violence and discrimination. On CrowdForLife the following went live: the fundraising campaign of Unicoop Cooperativa Sociale to upgrade their facilities, facilitating the relationship between the children in their daycare and their resident elderly people; the fundraising campaign of Fondazione Aquilone Onlus to deploy activities fostering proximity and social life for elderly people.

The New Life circular economy permanent project organized by the GBCAI for recycling and reuse, urban regeneration and waste reduction (the “three Rs”, i.e. Reduce, Reuse, Recycle), engaging local governments, institutions, citizens, customers and own workforce. In 2024 with *New Life* the following initiatives were implemented: *Giocattolo Sospeso* (pending toy) for the Christmas Holidays and in cooperation with the Italian Red Cross; donation to associations of goods owned by the GBCAI in excellent conditions, such as furniture and fittings, donation of 60 laptops to foster financial education and female entrepreneurship to the “*EFFE Summer Camp*” project of the Milano-Bicocca University; donation of office furniture to the Carabinieri Station in Catania; urban regeneration with non-core some properties given in gratuitous loan for use to organizations engaged in assistance and education.

Health and healthcare: the project of *Fondazione IEO-Monzino* of Milano with funding for scientific research; *Payroll giving*, fundraising initiative that involves 95% of the GBCAI’s own workforce donating cents in their paychecks and supplemented by the GBCAI to the benefit of children’s hospital facilities: specifically, support was given to Fondo di Gio for UniSapienza Roma to purchase an instrument for the study of brain tumours in infants; Fondazione Stella Maris of Pisa to strengthen the Genomics Center for DNA studies; Casa del Bambino Children’s Hospice in Catania to purchase an electroencephalogram machine; Associazione Spia for the Children’s Hospital in Palermo to build a recreational therapy camp; donation of furniture to the Regina Margherita Hospital of Turin. Thanks to the action of the Romagna-Marche Regional Committees, the Children’s Hematology Oncology Center of Rimini, Italian RED Cross Center of Lugo, AVIS Cesena; through the Tuscany Regional Committee the project for neurological research of the Meyer Hospital of Florence was supported. On CrowdForLife the following were launched: the EASY-BRAIN APS fundraising, to build a workshop for brothers and sisters of persons with disabilities; the fundraising initiative of Fondazione AIEF to support adolescents affected by psychiatric diseases.

Cultural rights: the “*Musica senza barriere*” (Music without barriers) project promoted by the Romagna-Marche Regional Committee and created by the Luigi Cherubini Youth Orchestra to take music to care and recovery places; “*Bruno Munari*” and “*Surrealism and Italy*” art exhibitions with Fondazione Magnani Rocca; project in cooperation with *Fondazione Nuovi Mecenati* supporting 40 initiatives for young French artists in Italy; Edit Napoli International Design Fair; Caravaggio exhibition event in Salerno; the Impressionists Exhibition in Fano; Biennale del Disegno of Rimini; support to important cultural initiatives, such as the *Festival della Mente* in Sarzana devised by Fondazione Carispezia with support provided by the Liguria Regional Committee; the Group confirmed its commitment as the Cultural Partner of *Teatro Regio di Parma*; support to the “*Nidi di Musica*” project in cooperation with *Fondazione Arturo Toscanini*; continuation of the support to *Pordenonelegge* and the partnership with *Associazione Osservatorio Permanente Giovani Editori*.

Sharing of Crédit Agricole Italia’s art heritage:

- Publication on the GBCAI’s website of a large section dedicated to Crédit Agricole Italia’s corporate art heritage, subdivided into areas: Digital Gallery, Foundations and Partners, Collections, News and Events, with an overview of the cooperation arrangements in force with local governments in the regions;
- “From Arturo Martini to Andy Warhol” exhibition at the Crédit Agricole Gallery, Palazzo delle Stelline in Milan, which was opened to the public with no entrance fee and displayed the painting, sculpture and design works by some of the most innovative, famous and significant 20th century artists from Crédit Agricole Italia’s collections, in order to offer visitors a “*Grand Tour*” of the “Short Century”.

Support to sports: a partnership in which CAI is the title sponsor of all the *Great Cycling Classics* organized by RCS, platinum partner of the *Ride The Dreamland* cycling event and Sleeve Sponsor and Official Bank of the *Parma Calcio* football club; support to some running events, such as *Placencia Half Marathon 2024* and *Run For Inclusion*.

Corporate Volunteer Work: thanks to the engagement of hundreds of employees of the GBCAI and of the Entities of the CA Group in Italy who participated in voluntary work initiatives, projects were implemented to the benefit of the Communities in social, environmental and cultural scopes. Some of the main ones were: with *Fondazione Francesca Rava - NPH Italia ETS "Palla al Centro"* for the wellbeing of minors in the criminal justice system through initiatives aimed at their rehabilitation/reintegration into society; with *U.S. Primavera Rugby* initiative for youths affected by autistic spectrum disorders; with *Legambiente* a project, implemented for the seventh time, consisting of cleaning and regeneration of parks, beaches, woodland areas (Cittadella Park in Parma, Lambro Park in Milano, Playa of Catania at the Oasi del fiume Simeto wildlife reserve, Morbegno woodland area, social vegetable gardens at the Giardini Paolo Pini in Milan); with *Venice Lagoon Plastic Free* for monitoring and removal of marine waste at the Certosa Isle, a project associated with the Ghost Boats 2.0 fundraising campaign on CrowdForLife.

Actions in environmental and economic scopes: sponsorships associated with the *Green Week*; continuing with the cooperation with Fiere di Parma; partnership with Fiere di Cesena; initiatives and projects in the Agri-Food scope confirming the agreements with the main agriculture trade associations; participation in initiatives such as the Organic Festival of FederBio, Next Generation - Food Talent Camp, First conference on buffalo mozzarella, Wine and Independent Winemakers Market, Italian Biogas Consortium.

The Green Life for the Community

The GBCAI's *headquarters* in Parma is the place of work of over 1,400 people and the centre for environmental and cultural projects for the employees' wellbeing and to the benefit of the local Community.

Open in 2018, Green Life has a large park of 70 thousand square metres and has been designed in accordance with the best bioclimatic architecture principles to reduce heat dissipation and achieve the highest possible energy saving. The building puts people at the centre, thanks to the excellent acoustic, hygrothermal and lighting engineering comfort, with technologies designed to reduce waste of resources and materials to a minimum. Green Life obtained the *LEED Platinum* international certification, giving authoritative evidence of its architectural sustainability.

Its large outdoor green area features high biodiversity content, is irrigated with groundwater from a well and can reduce urban heat in summer. Under the "*Biodiversity Oasis*" programme, in order to enhance the outdoor areas, projects were implemented including "*A vegetable garden at Green Life*" and "*Biodiversity Tech Oasis*" which included the installation of beehives with honeybees, houses for butterflies, mason bees, ladybugs and with nectar-rich plants. Furthermore, a permanent exhibition has been installed of 12 sculptures by three contemporary artists - Guido Lodigiani, Sergio Fistolera and Takis - positioned outdoors in the park, giving an accessible and emotional artistic and narrative experience.

The Environmental Management System

The GBCAI has adopted an "Environmental Management System" (EMS), compliant with the UNI EN ISO 14001:2015 and UNI EN ISO 14004:2026 standards, to reduce waste and environmental impacts. The implementation of the actions under the EMS, which is applied to all the GBCAI's facilities in all the regions where it operates, generates benefits for the local Communities, especially in terms of: reduction in GHG emissions, management of municipal and special waste, management of hazardous substances, such as batteries, management of water resources, responsible procurement of ESG-compliant products to be used at premises opened to the public.

Resources to manage material impacts

Having regard to the aforementioned actions, it is pointed out that, in order to ensure that material impacts be properly managed, the CAI Group assigns the responsibility for the management of the projects being implemented to various teams. It should be noted that, in most cases, the teams interact in coordination and synergy with one another to achieve the set objective. Specifically, the GBCAI attaches strategic priority to projects generating positive impacts on the regions and to the benefit of the Communities. This is why, in the Medium-Term Plan, financial resources are allocated, within the annual budgets, to donations, also as endowments to the Regional Committees, capital of Le Village by CA, schemes for cooperation with Local Governments, Institutions, Associations and Universities.

Furthermore, the GBCAI has assigned human resources and corporate functions to the implementation and coordination of social, cultural and environmental projects as described above, including: the ESG and Sustainability Function, the D&I and Change Management Function, SCO and Le Village Coordination Function, the Relations with Regions and Art Heritage Function and the Events and Institutional Relations Function.

S3-4
DP38

PROCESSES FOR ENGAGING WITH AFFECTED COMMUNITIES

The engagement processes

S3-2
DP21
DP22

The CAI Group fosters the engagement of the Communities with structured processes to share strategies and objectives, focusing on inclusion and cohesion principles to evolve the regions' economic and social model. The engagement of stakeholders in the regions is fundamental in order to understand their points of view and catch inputs substantiating the adopted policies and plans, as well as inputs for improvement or evolution.

To achieve Crédit Agricole's mission as a Customer-focused Universal Bank, it is essential that permanent engagement and cooperation processes be in place, precisely because the positive impacts generated for the Community are the starting point to build a sustainable social and economic system.

The CAI Group implements structured listening to and dialogue with the Communities through the systems or channels listed below and exhaustively described in S3-1 MDR-P DP14 and S3-4 MDR-A DP31:

- Synergy with the Foundations, which implement their own processes to engage and listen to the Communities;
- Action of the Regional Committees;
- Action by the network of Le Village by CA;
- Action of the Charity Committee;
- Dialogue with NGOs
- Interactions within the Parma Climate Neutral 2030 project;
- System to collect applications on the CrowdForLife crowdfunding portal.

In addition to the foregoing engagement systems, the CAI Group ensures constant listening to and interaction with customers, members of the public, corporates, associations, local governments, institutions and, in general, counterparties from the regions through the commercial network structures (branches, regional departments, corporate banking markets) and functions in charge of the dialogue with the regions.

Giving further evidence of the importance attached to the listening process, the *Stakeholder Engagement Policy* has been adopted, which extensively addresses the categories representing the Communities and the regions. For more exhaustive information on the process to listen to stakeholders, please see section ESR52 SBM-2 DP45.

In 2024, within the stakeholder engagement process coordinated by the ESG and Sustainability Function, interviews and exchanges of views were held with representatives of Foundations, Universities, partner corporates of Le Village by CA, external members of the Regional Committees and local governments. The outcomes are given in the Stakeholder Engagement Report, which was submitted to CAI Board of Directors, and are outlined below:

- Full acknowledgement by the stakeholders of the GBCAI's commitment to the benefit of the regions;
- Sharing the project action lines and confirmation of the social usefulness for the regions;
- Confirmation of the importance of the support in social scopes (caregivers, elderly people, minorities, vulnerable groups);
- Confirmation of the importance of the actions to the benefit of youths, in terms of education, awareness raising, recovery, rehabilitation, assistance, reduction of inequalities;
- Focus on energy poverty and assistance in the environmental transition, with equitable access to renewable energy resources;
- Strengthening of the public-private partnership;
- Invitation to continue with the projects with an ESG-integrated approach.

Channels for affected Communities to raise concerns and needs

The Communities can raise concerns and needs within the structured processes to listen to the regions described in S3-2 DP21. In addition to the foregoing, complaints or grievances can be formally lodged, as described in section S4-3.

Based on the Double Materiality Assessment, no negative impacts were found and, therefore, there was no need to design remediation processes.

The Communities' awareness of the channels and systems to raise concerns is ensured through the section of the GBCAI's website where complaints and grievances can be lodged, as well as the contact methods set out in S4-3.

To apply for support and to post fundraising campaigns for projects, including social ones, on the CrowdForLife website there are forms to be used for those purposes.

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DP27
DP28

METRICS AND TARGETS

Objectives in the management of material impacts

The extent of the impacts on the Communities is not yet measured, as there is not yet any acknowledged market standard approach, therefore, the CAI Group has chosen, for the time being, not to report quantitative objectives. Nevertheless, the CAI Group monitors the positive impacts generated to the benefit of the affected Communities, which are exhaustively reported in sections S3-1 MDR-P DP14 e S3-4 MDR-A DP31: that activity is also necessary to understand the results achieved and supports the design of the future strategy and planning.

Amongst the monitoring systems worth mentioning are the stakeholder engagement process, reported in sections S3-2 and ERS2 SBM-2 DP45, and other examples such as: constant exchange of views with the assisted stakeholders, communities and regions; surveys on the liking of partner corporates and startups, by the network of Le Village by CA; listening in classrooms within the activities with Universities; statistics on logins to the section of the GBCAI's website on the Art Heritage; number of visitors at art exhibitions and cultural initiatives produced and organized by CAI; reporting on fundraising campaigns launched on the CrowdForLife portal.

S3-5
MDR-T
DP81

SOCIAL RESPONSIBILITY

CUSTOMER CARE

ESRS S4. CONSUMERS AND END-USERS



STRATEGY

The Crédit Agricole Group's *Projet Client*

S4
ESRS2
SBM-1

The Crédit Agricole Group has adopted its *Projet du Groupe* Medium-Term Plan to fulfil its *Raison d'être* "Working every day in the interest of our customers and society" in each and every market where it operates worldwide.

The *Projet du Groupe* expresses the ambitions of the CA Group, which operates based on a *Customer-focused universal banking* model, to create social usefulness, assist the Communities in large transformations and to further strengthen its role as a reliable partner of choice for its customers in sustainable and inclusive development.

The *Projet du Groupe* rests on three pillars: the Customer Project or *Projet Client* to serve customers aiming at relational excellence, the Social Project or *Projet Sociétal* to work in the interest of the collectivity being committed to sustainability, and the People Project or *Projet Humain* to act with individual responsibility being close to customers in a relationship of trust.

The *Projet Client* sets the priorities of the CA Group to take care of the interest of all customers, individuals and corporations, as a reliable partner assisting them in every project and every phase in their life. The CA Group's strength, its diverse expertise and wide-ranging *métiers* and long experience are the basis on which customers can be provided with all solutions to their daily needs, so that they can achieve their long-term plans and guard off uncertainties.

The Group is fully committed to pursue and protect its customers' interests in everything it does. It advises its customers with transparency and loyalty, expresses human responsibility at the core of its model, is committed to making the best technological solutions available to its customers, while ensuring that they have constant access to teams always ready to assist them.

The strategic axes of the Customer Project in Italy

S4
ESRS2
SBM-1
S4
DP9
DP13
ESRS2
SBM-3

True to the *Raison d'être* and the inspiration drawn from the *Projet du Groupe*, the Crédit Agricole Italia Banking Group has set its Medium-Term Plan in Italy, putting the *Projet Client* at the core of its growth strategy. Consistently with the foregoing, the GBCAI has set its development policies on some axes:

- Technological transformation towards a digital bank, driven by advanced use of data and artificial intelligence, ensuring an excellent and distinctive customer experience;
- Evolution in the omnichannel digital service model, ensuring that the account managers' time be dedicated to the relationship with the customers, "a bank that is 100% human and 100% digital";
- Implementation of new models on the "core" banking services, especially the evolution of the lending model, to ensure always short time to response;
- Native embedding of ESG factors in the commercial offering to provide customers with sustainable solutions and solutions fit to support transition.

Furthermore, to care for and protect customers, the GBCAI:

- Tailor-makes solutions for specific categories of customers, including vulnerable or financially disadvantaged persons, with an accessible range of services, pursuing inclusion and cohesion in accordance with the *Projet Sociétal*;
- Ensures respect for human and social rights, with "zero tolerance" policies on any and all conducts contrary to ethics;

- Applies responsible commercial practices, thanks to transparency and product governance policies, with an incentive scheme that takes customer satisfaction into account;
- Ensures customers' personal safety at the Bank's premises;
- Ensures protection and lawful processing of the customers' personal data;
- Fights cybercrime and ensures cybersecurity safeguards to protect the customers and their data.

The GBCAI's strategy rests on the idea of providing all customers with high-quality banking and financial services, through innovative technologies and always with relational closeness that ensures transparency, reliability and accessibility. The impacts, risks and opportunities are strictly intertwined with this strategy that put customers at the centre and that is implemented with a series of projects and actions to maintain the promises made in the *Projet Client*.

THE BUSINESS MODEL AND CUSTOMERS' INTERESTS

To obtain evidence of the good implementation of the strategy and to monitor the effectiveness of the actions deployed, the GBCAI carries out structured activities to listen to customers and to survey their satisfaction so that it can respond to any and all needs of the Communities. Thanks to these dialogue and monitoring actions, the GBCAI can survey for confirmation on the adopted business model and obtain important inputs for future evolutions.

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The GBCAI considers its customers as a fundamental category of stakeholders and attaches very high importance to the dialogue aimed at getting their views, expectations and needs. The statements contained in the *Code of Ethics* give evidence that, for the GBCAI, the view and opinions of its customers are core: *"We want to be a partner of preference for our Customers, to serve and assist them at any time, making their life easier, implement their projects, providing them with advice in making the most important decisions and to propose solutions that are fit to meet their requirements. Special attention is put on customer satisfactions, with the deployment of monitoring schemes, surveys and measurement indices. We are committed to ensuring the appropriate follow-up and prompt response to any grievances reported and complaints lodged by Customers, pursuing continuous improvement in the services we provide and in our internal organization."* GBCAI organizes and manages the listening to and exchange of views with its customers through dialogue processes and tools, including:

- **Customer Recommendation Index - CRI:** the objective of the survey was to assess the Bank's attractiveness potential, measuring the recommendation level of Crédit Agricole Italia benchmarked against that of its direct competitors;
- **Complaints and Grievances:** they give the opportunity to review and fine-tune operational processes, procedures and systems, thus contributing to maintaining and improving the relationship of trust with customers;
- **Reviews on Google and social networks:** to assess what customers perceive through digital channels;
- **Targeted interviews:** interaction approach used for corporate customers, associations and institutions, consisting in targeted interviews conducted as dialogue and with the purpose of exchanging views on sustainability matters.

The aforementioned listening processes give evidence that is thoroughly analyzed to obtain useful indications and insight that orient the implementation of corporate policies, are embedded into the action plans aimed at being excellent in the relationships with customers and at progressive evolution of the business model and strategy.

FRAMEWORK OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment was carried out on the possible impacts, risks and opportunities concerning the relationship with customers. Based on the DMA, the positive impacts, risks and opportunities that were found material were those that:

- Are strictly connected to the corporate strategy in the logic expressed by the Group's *Raison d'être* and *Medium-Term Plan*;
- Orient the business model and strategy in the logic of the *People Project* and of the above-described axes, implemented through policies and actions which evolve based on the inputs from listening to its own workers and on the outcomes of the Double Materiality Assessment.

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The impacts, risks and opportunities that have been found material through the Double Materiality Assessment are outlined below.

IRO	Type	Value Chain	Policy
Positive impact associated with the suitability of the products and services to the customer's needs and financial situation (banking inclusion, product governance) to generate social inclusion and cohesion.	Positive impact	Downstream: Customers	• Policy on the approval of New Activities and New Products (New Activities and New Products - NAP - Committee) • Product Oversight and Governance (POG) Policy
Positive impact on the Communities thanks to social factors embedded in the policies and products/services.	Positive impact	Downstream: Communities and Regions	• ESG Governance Policy
Negative impact on some categories of customers due to lack of transparency or legibility of the offers.	Negative impact	Downstream: Customers (Natural Persons)	
Financial opportunity resulting from the extension of the offering of innovative services giving access to new markets.	Opportunities	Downstream: Customers (The whole portfolio)	• Accessibility Policy • ESG Governance Policy
Regulatory risk associated with insufficient suitability of the products and services to the customer's needs and situation (banking inclusion, product governance).	Risk	Downstream: Customers (Natural Persons)	• Policy on the approval of New Activities and New Products (New Activities and New Products - NAP - Committee) • Product Oversight and Governance (POG) Policy
Reputational risk in case of misleading communication related to environmental and social matters.	Risk	Downstream: Customers	
Negative impact on customers in case of cyberattack or damages to the ICT systems suffered by the Group.	Negative impact	Downstream: Customers	• General Policy on Information System Security
Financial risk for the Group resulting from its inability to provide essential services to customers due to failure or troubles affecting its ICT systems.	Risk	Downstream: Customers	• General Policy on Information System Security
Reputational risk in case of personal data breach, theft or improper use.	Risk	Downstream: Customers Upstream: Suppliers Own: Employees	• Privacy Policy
Regulatory risk associated with non-compliance with the applicable legislation and regulations on personal data protection.	Risk	Upstream: Suppliers Own: Employees Downstream: Customers	• Privacy Policy
Financial opportunity resulting from the strengthening of the Group's image and reputation thanks to its strong commitment in its position on ESG and sustainability matters.	Opportunities	Downstream: Customers (the whole portfolio)	• ESG Governance Policy

The materiality of impacts risks and opportunities was assessed considering all the customers of the Crédit Agricole Italia Group. The potential positive and negative impacts considered regard all the customers. The GBCAI aims at generating positive impacts for all its customers; therefore, the assessment considered all the counterparties. Likewise, there are risks and potential negative impacts, such as those associated with cyber-attacks, which, by their very nature, affect all customers without distinction.

Furthermore, based on the CAI Group's business model, some categories of impacted customers have been identified and specific initiatives and actions were started on them:

- Disadvantaged social groups;
- Customers belonging to categories with special needs identified at the relevant time;
- Customers with disabilities;
- Customers belonging to lower development regions;
- Customers hit by natural catastrophes.

Nonetheless, the GBCAI has identified the risk of financial exclusion of vulnerable customers and considered the extent of the potentially affected group, deploying a strategy that provides for proposing basic offerings and cross-cutting assistance and protection services.

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CUSTOMER ENGAGEMENT PROCESSES

The GBCAI fosters customer engagement with structured processes to verify that the actions laid down in the strategic plans are effectively implemented and that the relationship level is consistent with the Group's ambitions. The engagement of customer stakeholders or of those who can represent the needs of some categories of customers is essential to understand the points of view and catch any indications or inputs confirming the adopted policies and plans, as well as inputs for their improvement.

The GBCAI implements structured listening and dialogue with its customers through the stakeholder engagement process, which is governed by the *Stakeholder Engagement Policy* and exhaustively described in section ESRS2 SBM-2.

Some of the main listening forms and channels adopted within the engagement of and dialogue with customers are:

- Customer Recommendation Index - CRI;
- Constant listening to and interaction through the people working at the GBCAI's commercial network structures, including own workers at branches, regional departments, corporate bankers, private bankers and financial advisors;
- Structured management of Complaints and Grievances;
- Processing and analysis of Reviews and Views on social networks and Internet channels;
- Instant feedback and scoring expressed on the Internet Banking App channel;
- Questionnaire on sustainability matters published and accessible on the CAI Group's website;
- Interaction with institutions or organizations that can represent the needs of customers belonging to vulnerable or disadvantaged groups.

Specifically, as regards the *Customer Recommendation Index*, in 2024 GBCAI ranked no. 1 amongst banks in the survey by BVA DOXA, a leading market survey firm, based on the *Strategic CRI* survey, as represented in the "Certification of the investigation process used in and the results from the 'Strategic CRI' 2024" survey. Having regard to the *Stakeholder Engagement* process, in 2024 interviews and exchanges of views were held with representatives of corporates, with institutions or organizations representing the interests of groups of customers (Foundations, associations based in the regions). The outcomes are given in the *Stakeholder Engagement Report*, which was submitted to CAI ESG Committee and Board of Directors, and are outlined below:

- Acknowledgement by the interviewed stakeholders of the GBCAI's commitment and dedication in the relationship with customers;
- Sharing of the project action lines on sustainability matters;
- Invitation to continue with the actions to assist corporates in their environmental, social and governance transition, in order for sustainability to actually be a strategic driver of the corporate's ability to create value and improve its positioning;
- Invitation to deploy more and more resources to provide specialist advisory services on sustainability matters;
- Full sharing and invitation to continue with the actions generating positive social impacts.

Having regard to special categories of customers, the GBCAI makes sure to catch their expectations and needs thanks to forms of dialogue that also include interaction with associations, nonprofit organizations or intermediate bodies that can represent the interests of vulnerable groups or special categories of customers.

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To guide better reading of the social matters, in the *stakeholder engagement* process the GBCAI has included also Third Sector organizations working in field of disabilities and representatives of the Universities and of the Foundations. In this regard, please see also section S3.

RESPECT FOR HUMAN RIGHTS

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The CAI Group has adopted Policies that define the scopes, objectives and directions on material sustainability matters, to implement its strategy and especially the *Customer Project*. The policies on accessibility and ESG scopes are validated by the ESG and Sustainability Managerial Committee and are approved by the Board of Directors of CAI. These policies go alongside the policies on transparency, fairness of conduct and commercial practices, personal data protection, cybersecurity controls and safeguards, which are also adopted by the Board of Directors within the compliance and ICT governance regulatory framework.

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Having adopted the *UNI Global Union World Agreement*, the Crédit Agricole S.A. Group has asserted its commitment to respect internationally acknowledged human rights in all the markers where it operates, including Italy. In its *Charte éthique* the Crédit Agricole Group has undertaken operate anywhere in the world ensuring full respect for fundamental human rights and social rights. The Code of Conduct or *Code de conduite* of Crédit Agricole S.A. establishes that, in all relations between and with its own workers or stakeholders, respect for all fundamental human rights and social rights shall be utterly ensured.

For more information on the commitments to human rights at the CA Group level in all the international markets where it operates, please see the *Rapport de durabilité* of Crédit Agricole S.A., which makes reference to and requires compliance with:

- The United Nations Guiding Principles on Business and Human Rights (UNGPs);
- The ILO Declaration on Fundamental Principles and Rights at Work;
- The OECD Guidelines for multinational enterprises;
- The Tripartite declaration of principles concerning multinational enterprises and social policy (MNE Declaration).

The GBCAI fulfils its commitments to Human Rights and Social Rights implementing the CA Group's policies in Italy. In this context, the Board of Directors has adopted the *Code of Ethics*, which expresses the principles of the *Charte éthique*, setting out the values and principles informing the relationships with customers and with all stakeholders. The principles and values expressed by the *Code of Ethics* inspire the internal ethical rules that set the conduct guidelines and the confidentiality and professional standards which the corporate officers and employees of the Entities of the Crédit Agricole Italia Banking Group shall comply with.

The set of these principles and provisions is fundamental to preserve the GBCAI's reputation that rests on trust and reliability, promote its good corporate image and ensure the creation of sustainable value in the long term.

Each and every corporate officer and own worker of the CAI Group is called upon and required to adopt behaviours and conducts that are consistent and compliant with the ethical values, which are made known to all own workers at the beginning of the work relationship, as well as to the corporate officers upon their appointment. The *Code of Ethics* can be accessed by all stakeholders as it is published on Crédit Agricole Italia's website and on its corporate Intranet. Every update is made known and disseminated throughout the organization. Furthermore, the values, principles and rules are the subject-matter of training, with special focus on new hires.

The GBCAI has specific channels in place in order for its employees and third parties to be able to raise concerns or report any violations of their rights and fundamental freedoms, as more exhaustively described in section G1, and the outcomes are used to monitor and, where necessary, to deploy remediation actions on any violations.

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Therefore, the GBCAI adopts and complies with the overall framework of policies of the Crédit Agricole Group on respect for the United Nations Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organization Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines. At the GBCAI there have never been any incidents regarding violations of the principles of the United Nations Global Compact and the OECD Guidelines for multinational enterprises.

Having specific regard to the accessibility of products and services, as an important aspect of human rights, the GBCAI has adopted policies that implement and are compliant with the EU and Italian legislation and regulatory framework, which includes: Italian Law no. 4/2004 "Provisions to facilitate access by disabled persons to IT tools", the Guidelines on accessibility of IT tools adopted by AgID, Italian Legislative Decree 82/2022 "Implementation of Directive ("EU" European Union) 2019/882 on the accessibility requirements for products and services" which will be applicable as of 28 June 2025.

Having regard to customers protection, the obligations laid down by the applicable legislation and regulations are subdivided into four pillars (Quality Offering, Transparency, Loyalty and Listening to Customers) and come from international EU directives and regulations (for example: MiFID 2, IDD, PSD2, CCD2), national laws and regulations (for example: Supervisory Provisions for Banks issued by the Bank of Italy, the Italian Consolidated Law on Banking, the Italian Consolidated Finance Law, Transparency Provisions, IVASS Regulations and Orders).

The Crédit Agricole Italia Group has not found any severe problems or incidents on human rights concerning its customers.

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MANAGEMENT OF IMPACTS, RISKS AND OPPORTUNITIES: POLICIES AND ACTIONS RELATED TO CUSTOMERS

Policies on the customer protection in the provision of banking and financial services

Within the *Customer Project*, the GBCAI has adopted policies to protect its customers and take care of their interests through a transparent and loyal relationship, providing services and advice centred on the counterparty's needs and satisfaction. The customer protection system rests on four pillars:

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- Quality offering and product governance;
- Loyalty in the relationship and advice diversification based on the customer's needs;
- Transparency of information in order to ensure accessibility of the services and enable the customer to make always informed decisions;
- Constant listening to customers pursuing continuous improvement in processes.

The GBCAI has adopted an internal normative framework comprising policies and operational regulations on Product Oversight and Governance, transparency in banking, provision of investment services and insurance distribution. The rules, actions and systems for customer protection apply downstream the value chain, in particular to "Lending", "Investment" and "Insurance" products.

Given the importance of customer protection, the GBCAI has set a governance system, approved by the Board of Directors, to ensure the effectiveness of the customer protection framework. Specifically, the system comprises:

- A clear product approval process, known as NAP – New Activities and New Products, governed by the *NAP Policy*;
- A framework on product governance systems and procedures;
- A system of internal controls to verify proper operation of the tools and proper conducts and behaviours, comprising first-line controls by front-line own workers, and the higher ranking and specialist controls and oversight by the Compliance and Internal Audit Functions;
- Initiatives for awareness enhancement and internal training;
- A system of reporting to the corporate governance bodies on the activities of the NAP Committee and on the outcomes of the internal controls, with the approval of the annual reports required by the supervisory regulations on transparency in banking and complaints, investment services and insurance distribution.

Main actions

Product governance

The product governance framework comprises a set of procedures and internal controls aimed at ensuring the offering quality, the appropriateness of the services for the customers' needs and the exchange of information between the manufacturers and distributors to set every contractual element and the features of the services in order to manage the risks associated with distribution.

Product governance also provides for a product approval stage for the offering validation. No new products, activities or services may be launched without the NAP Committee's authorization, at the end of an assessment and validation process that requires the correct identification of the target customers (positive target market) excluding all customers whose needs, characteristics and goals are not compatible with the offering (negative target market).

Approval is given solely if all the necessary conditions for distribution are met, both in terms of compliance with the applicable legislation and regulations, and in terms of operational requirements, with opinions giv-

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en by the relevant specialist functions. Therefore, the NAP Committee's decision is based on inputs from the assessments of potential risks and impacts (for example: customer protection, corruption, conflict of interests, international sanctions, anti-money-laundering, fraud, ESG, personal data protection, taxation and accounting profiles).

A review is regularly carried out on the distribution of products and services, on complaints, on any developments in the applicable legislation and regulations and on the recommendations given by the Supervisory Authorities and, where necessary, changes in the offering or in the distribution strategies are assessed.

Greenwashing

Having specific regard to *greenwashing*, the GBCAI has adopted a system of safeguards and internal controls. According to the EBA (*Final Report, Greenwashing monitoring and supervision*), *greenwashing* is a practice whereby sustainability-related statements, declarations, actions, or communications do not clearly and fairly reflect the underlying sustainability profile of an entity, a financial product, or financial services. The GBCAI has adopted the Guidelines in order to identify the main reference standards and the latest stances regarding *green claims*, advertising, financial and non-financial communications and loans that have ESG features. Those guidelines also implement the instructions given by the Parent Company Crédit Agricole S.A. concerning proper use of the ESG terminology.

To mitigate the risk of *greenwashing* specific rules have been set in the product governance scope, in order to ensure that communications to customers and to the outside are fair and clear, as regards both investment services and loans, as well as oversight of advertising and marketing communications.

Transparency in banking

The Italian national legislation and the provisions issued by the Bank of Italy are quite detailed as regards transparency in banking and payment services. The GBCAI has adopted a framework, tools and internal procedures to ensure compliance with the rules on advertisement, pre-contractual information, off-premises distribution, contractual phase, periodic communications to customers, distance communication techniques and use of the digital channel. In 2024, specific actions were carried out on home loans, personal loans, revolving credit facilities and unauthorised payment transactions.

Savings protection

The Italian applicable legislation and the provisions issued by CONSOB are very detailed as regards the provision of financial services and the protection of savers. The GBCAI has adopted a framework, tools and internal procedures to ensure compliance with the rules on product governance, the provision of investment services and financial advisory services, customer profiling, investment portfolio analysis, appropriateness of the recommendations given and reporting.

The protection of savings is a core commitment for the GBCAI, linked to its ethical principles and to the objective of maintaining relationships of trust and transparency with its customers. Having specific regard to sustainability matters, the GBCAI has started the following actions:

- Evolution in the dialogue with the customers to ensure precise profiling and to understand sustainability preferences;
- Assessment of the investment portfolio from an ESG perspective, verifying that it is taxonomy-aligned and taking into account the *Principal Adverse Impacts*;
- Setting commercial directions that are consistent and compliant with the values and principles laid down by the Code of Ethics, verifying the suitability of the advisors who interact with the customers, and permanent training programmes;
- “In Spiccioli – financial education fundamentals” project, with podcasts intended for youths and made in partnership with Amundi: the project was awarded the “Premio dei Premi” National Prize for Innovation.

Policies for customer protection against frauds

In a scenario featuring strong technological innovation, the risk of fraudulent activities to the detriment of GBCAI's customers or entities may generate material financial and reputational impacts. Therefore, the GBCAI has adopted its *Policy on the Fight against Fraud*, which lays down the principles for the prevention and control of fraud phenomena. The action to implement fraud prevention systems goes alongside the progressive strengthening of the control arrangements.

Actions

In 2024 the overall framework for the fight against frauds was strengthened by setting up a Fraud Oversight Interfunctional Panel, a collective body which meets on a quarterly basis, is chaired by the Fraud Prevention Function and consists of the other functions having responsibility on this matter. Its task is to map the cases and priorities, monitor the progress in the control actions, strengthen the sharing of information in order to ensure full-view governance of these phenomena.

In 2024 the actions to fight frauds especially focused on the prevention of attacks against customers through the use of social engineering techniques. In order to enhance the prevention and identification of internal fraud events, an intelligence system on transactions working with a risk-based approach started to be designed.

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Policies for cybersecurity and fight against cybercrime

The financial system is facing growing threats from cybercrime, which takes place with attacks against the information systems of banks and financial Intermediaries, as well as of their outsourcers and contractors. At the banking system level, cyberattacks are on an increasing trend, associated with higher use of digital channels by customers.

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Being fully aware of the challenges regarding digital security, the GBCAI holds the prevention of cybersecurity threat as a priority in the management of operational risks and has set its cybersecurity strategy to handle this matter. To this end, the GBCAI has adopted a *General Policy on Information System Security*, which is compliant with the *Digital Operational Resilience Act (DORA)*, and regularly makes investments in systems and resources to mitigate the risks and manage threats. The mitigation solutions reduce the probability of occurrence and ensure appropriate response to manage risk events. This risk is assessed and managed considering the whole value chain of companies and partners providing ICT services.

The governance of security and management of ICT risk of the Crédit Agricole Italia Group is based on the criteria listed below:

- Formalization of the roles and responsibilities in the ICT security scope;
- Implementation of the principle of separation of duties with responsibilities assigned to different persons;
- Assessment of the ICT risk analysis carried out on a regular basis or in case of significant changes, based on which the security measures are set.
- Central role of the Chief Information Security Officer (CISO) and of the ICT Security Function.

Implementing the General Policy on Information System Security, approved by the BoD, the GBCAI has adopted a regulatory framework, in accordance with the instructions given by Crédit Agricole s.a., aimed at ensuring the security of the information at the basis of the relationship with customers and continuity of service. The framework is structured on three levels:

- General Policy on Information System Security, which sets out the general principles for information protection, roles and responsibilities and the corporate functions involved;
- Theme-associated Domain Rules, in which the security requirements and measures are set by theme area (for example: management of identities and logical access; data protection; management of security tests and vulnerabilities);
- Operating Standards, Procedures and Manuals, setting out operational processes and technical profiles.

In fighting cybercrime, the ICT risk analysis and assessment process is key and, amongst others, includes the activities listed below, which the GBCAI implements in accordance with the approach set at the Crédit Agricole Group level:

- the definition of the risk taxonomy of the information system (e.g. ICT availability and continuity risk, ICT data integrity risk; outsourcing risk);
- A Risk Self-Assessment exercise on the processes impacted by ICT risk;
- The collection and analysis of IT incidents and of the related operational losses;
- Continuous application of the overall framework of permanent controls.

Actions

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The GBCAI has designed ICT security action plans, which are progressively implemented deploying initiatives and actions aimed at cybersecurity, including:

- Rigorous management of access to data with authentication systems, secure devices, separation of the various IT environments, data classification and protection based on sensitivity, and encryption systems;
- Thorough management of security profiles in outsourcing arrangements, with assessment beforehand, formalized in contractual clauses and overseen for the entire outsourcing term, with full exercise of audit and security rights;
- Security for customers using the App on mobile devices (for example management of access from several devices and fraudulent use of customers' credentials);
- Detection and response devices to identify security risks, especially data exfiltration attempts;
- Measures to prevent viruses and malware based on advanced systems and security solution to protect the networks from external attacks;
- ICT risk analysis embedded in the project development stages or in the acquisition of IT assets;
- Business Continuity Plan focusing on system resilience, implementing tested solutions to handle IT systems unavailability scenarios, irrespective of the logical or physical cause;
- Raising employees' awareness of ICT threats (guides, training, targeted actions and theme-specific drills);
- Activities to raise customers' awareness, especially about phishing techniques, as well as notifications and warnings on contract software solutions (home banking and App on mobile devices);
- Regular security testing and vulnerability management (*Vulnerability Assessment* scans, *Penetration Testing* exercises);
- Structured control system based on the three lines of defence (line controls and specialist controls performed by the Compliance and Risk Management and Permanent Controls Functions, and third-levels controls performed by the Internal Audit Function), on the CISO's action, on the work of independent auditors and on security testing.

In 2024 a series of threats to the Group's ICT systems were detected and promptly foiled, including:

- 4.3 of spam e-mails blocked;
- 1,063 malware threats blocked on various endpoints (PCs, ATMs and Totems);
- 32 incidents blocked protecting the network;
- 1,156 incidents of attempted *Distributed Denial of Service*;
- Attempted frauds and scams against customers were foiled on digital channels for 18.9 million € in 2024, accounting for 94.4% over attempted frauds and scams for 20 million €.

Some of the awareness initiatives deployed in 2024 are:

- Communication to customers aimed at raising awareness and participation in the "I Navigati" Information Campaign, promoted by the CERT Fin (public-private cooperative engaged in enhancing cyber resilience of the Italian financial sector);
- 9 awareness programmes for the CAI Group's own workforce on cybersecurity;
- 6 *fake phishing* campaigns.

Policies for personal data protection

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The Crédit Agricole Italia Banking Group has adopted a framework overseen by the Data Protection team, part of the Compliance Function, together with the Data Protection Officer (DPO). Some of the main scopes are:

- The governance system on personal data protection, which comprises controls by design, data breach record, data lifecycle management, use of cloud IT services;
- Regulatory framework including the policy on personal data protection;
- Training and raising the awareness of own workers with specific focuses on correct behaviours;
- Controls aimed at verifying compliance with the internal rules.

Actions

The plan to strengthen personal data protection is closely linked to the cybersecurity actions, to which reference is made.

The controls performed in 2024 on personal data protection to verify compliance with the GDPR-General Data Protection Regulation did not show any significant noncompliance. The Compliance Function monitors the number of requests to exercise the data subject rights under the GDPR (access, rectification, erasure, restriction, objection and portability) received by the Entities of the CAI Group. In 2024, 149 requests were received.

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Policies for customers' safety at branches

The safety of the premises where its people work and its customers go is a priority for the GBCAI. To this end, policies have been approved by the BoD and adopted covering the scopes of physical security and health and safety at work, which generate positive impacts also on the customers entering the Group's premises. The policies adopted by the GBCAI on safety include measures on risk prevention, maintenance, training of own workers and incident management. Specifically:

- Devices and tools designed to manage technical, physical, chemical and environmental risks having accidental origin to people and assets (accidental fires, operational risks).
- Measures to prevent acts aimed at harming or damaging people and assets (intrusions, thefts, robberies);
- Management of emergencies and risks associated with extraordinary exogenous events (floods, landslides, earthquakes);
- Identification of regional physical security owners;
- Identification of persons in charge of emergency management at complex sites;
- Periodic assessment of physical security standards at branches to ensure customers' safety.

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Actions

On a regular basis, the GBCAI analyzes the Italian scenario and the banking system data concerning thefts and robberies, as well as the events suffered and trends therein. Based on this analysis, improvement actions are scheduled, while always maintaining high attention levels on customers' safety. Some of the measures on which investments were made in 2024 are the ATM technological evolution with cash damage deterrents, setting up cashless areas with cutting-edge protection levels, advanced systems for opening of safes, armed security guards. Furthermore, in 2024 the intervention procedures and tools of the *Security Control Room* were updated; the Security Control Room is the entry point for emergency and contingency management (e.g. alarm events, unauthorised access, no data connection service and/or power outage, catastrophe events).

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Policies on accessibility for all customers to banking and financial services

Within the *Projet Sociétal*, the GBCAI holds social inclusion and cohesion, identity enhancement and equal opportunity as some of its core values. Putting the relationship with customers at the centre, implementing these principles, the GBCAI has adopted its *Policy on accessibility of products and services*, to ensure that all customers have access to banking products and services, leaving no one out. The policy, adopted by the Board of Directors and applied to the Crédit Agricole Italia Banking Group after being assessed by the ESG and Sustainability Managerial Committee, considers the diverse needs of customers, who are classified based on social-economic and individual characteristics.

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The GBCAI implements the strategy for accessibility of products and services focusing on the most vulnerable customers, such as persons experiencing financial difficulties, young people, households, persons with disabilities, very small or financially fragile enterprises.

With this approach, the GBCAI supports initiatives to extend access to banking systems and to credit for those who are generally excluded therefrom, also joining industry initiatives and offering basic products in accordance with the applicable legislation and regulations, such as the Basic Current Account. Please, see the information given hereinafter on services designed based on the specific needs of the various customer groups.

Alongside the evolution in the Italian national legislation, the GBCAI is implementing the “Accessibility of products and services for consumers”, aimed at fostering economic, social and digital inclusion, ensuring that also persons with disabilities can fully use banking services, both through digital channels (e.g. websites, Apps and homebanking), and physical ones (e.g. ATMs, branches).

Specifically, to optimize use by persons with disabilities, the main actions listed below were carried out:

- Evolution of the CAI Group’s websites;
- Upgrading of the digital channels (APP/Mobile banking) in order to ensure interactivity with assistive technologies;
- Mapping of any architectural barriers at branches and ATMs and start of their removal to eliminate difficulties for those with motor disabilities;
- Actions to ensure usability of the contractual and periodic documentation on banking products and services.

Policies on embedding ESG factors into the system to offer products and services to customers

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Sustainable development is at the core of the GBCAI’s strategy, as, in accordance with its customer-focused universal bank model, it is at the service of its customers and is committed to serving the economies of the regions where it operates and to providing assistance in the big environmental and social transformations. To that effect, the *Projet Sociétal*, which expresses the GBCAI’s sustainability strategy, provides for actions aimed at supporting the transition to a low environmental impact economy and at strengthening social inclusion and cohesion. The *Projet Sociétal* provides for extensive actions, in order to integrate ESG factors in its work processes, to ensure that climate-related risks are managed, to comply with the Regulator’s requests and, at the same time, to guide the evolution of the Bank’s business model in order to boost sustainability-related business.

The ESG governance set by the GBCAI puts sustainability matters amongst the drivers to develop the commercial offering system and to guide the organization of the business structures and processes. That policy, approved by the BoD, lays down the principles of positioning on material sustainability matters, including:

- ESG governance for corporate bodies;
- The ESG organizational model for the executive structures;
- The organization of and the coordination responsibilities vested in the ESG and Sustainability Function;
- The approach to embedding ESG factors into the business and relationships with customers.

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Implementing the *ESG Governance Policy* and to put in action the strategies of the *Projet Sociétal*, every year CAI’s Board of Directors adopts the Sustainability Plan. For 2024 the Sustainability Plan was implemented on four scopes of work:

- Policies on strategic positioning on sustainability matters;
- Development and establishment on the market of a commercial offering of innovative products and services having environmental or social content and designed to assist customers - individuals, households and businesses - in their transition to sustainability;
- Transformation project streams to evolve the work processes and to embed ESG factors into workflows and IT systems;
- Other ongoing ESG initiatives, to ensure higher and higher integration of sustainability as an embedded element into *business-as-usual*.

To raise customers' awareness about sustainability matters and especially about the energy and social transition, the GBCAI started targeted external communication actions, press relations and activities in the regions, including:

- Meetings with Small Medium Enterprises to address the developments in the applicable legislation and regulations on ESG matters and to present solutions for the transition;
- Initiatives in the regions organized with the network of Le Village by CA, to combine ESG and innovation matters;
- Conventions, specific-theme events and other initiatives in the regions (Green Week in Parma; Cycling Passion, Great Cycling Classics; Fiere Startup District, Vinitaly Verona; France Alumni Day, Partnership with France-Italy ICC).

Solutions to meet customers' needs

The Bank is committed to giving tangible response to society's interests and to promoting local development and of the development of Italy as a whole, through a set of diversified solutions fit to meet the needs of different types of customers with their own distinctive features.

To that effect, the GBCAI is focused also on vulnerable customers, such as people experiencing financial difficulties, very small enterprises, enterprises based in disadvantaged regions or financially fragile.

The GBCAI supports initiatives to extend access to banking systems and to credit for those who are generally excluded therefrom, also joining industry initiatives and offering basic products in accordance with the applicable legislation and regulations, such as the Basic Current Account.

Furthermore, its offering system includes a range of services designed for customers with specific needs, in order to ensure social inclusion and cohesion embedding special needs into the product design, for example special needs of young people, households, women, persons with disabilities.

Initiatives for Individuals

Some of the initiatives deployed to meet the needs of special groups of customers are listed below:

- Closeness to customers that are financially vulnerable, with an offering including moratoria and allocated amounts, insurance coverage, products at subsidized conditions;
- Support to the financial inclusion of unbanked persons, with special regard to socially disadvantaged groups;
- Suspension of repayment of the principal portion of instalments on home loans and other loans for financially disadvantaged persons, including women who are victims of violence supporting them also in entering the related protection schemes;
- Initiatives to provide financial support to businesses and individuals hit by natural catastrophes or extreme weather events;
- Offering designed for persons with disabilities through specific services and methods (documents written in Braille for the visually impaired);
- Support to minors in their first access to financial services;
- Services designed for young people, with an offering at subsidized conditions to support their education and partnerships with Universities and local public transport companies to promote sustainable mobility; subsidized conditions and rewards for the most deserving students;
- Services to assess the energy performances of buildings and subsidized loans for energy efficiency upgrading;
- Mortgage loans at subsidized conditions for the purchase or construction of properties with high energy performances.

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Initiatives for the Third Sector

The Third Sector plays a key role in the sustainable development of the economic and social system. This is why the GBCAI is committed to supporting and promoting the world of Associations, Foundations, Volunteer Organizations and Cooperatives through partnerships and bespoke offering, including:

- Assistance in the digitalization process making available – free of charge in its basic version – *Yapla*, the all-in-one payment and management platform designed for nonprofit organizations and developed with the support of *La Fabrique by CA*;
- Possibility to apply for fundraising projects on the crowdfunding platform, with assistance by the relevant structures of the GBCAI;
- Current accounts with reserved conditions and services;
- Financing of receivables for 5 per thousand donations.

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For more information, please see section S3 Affected Communities.

Initiatives for businesses

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The Bank is committed to supporting the development and growth projects of all businesses, from large corporates to SMEs, micro-enterprises and startups, through a relational and regional model, based on specialist advisory services, innovation, sustainability and digital evolution. Some of the initiatives and solutions are:

- Loans to improve the business's ESG positioning, with assistance in the assessment and design of a plan of action in the environmental, social and governance scopes;
- Loans intended for the environmental and social transition, supporting projects with ESG KPIs;
- Loans originated in response to specific needs, such as generational turnover, digital transformation of production processes, energy transition (e.g. energy production from renewable sources), transition on governance and social aspects (e.g. obtainment of certifications);
- Insurance coverage protecting businesses, especially from climate-related and environmental damages;
- Assistance to Renewable Energy Communities;
- Support and advisory services to businesses on ESG matters and on Italy's Recovery and Resilience Plan, through amounts allocated for that purpose and partnerships (for example, the Allocated Amount for Transition 5.0);
- Support to access to credit, also through loans backed by state guarantees (e.g. Central Guarantee Fund, SACE), moratoria and instalment payment suspension options to support businesses in the most difficult stages, also caused by exogenous emergencies;
- Agreements with financial institutions to develop products tailor-made for SMEs (e.g. amount allocated to loans for capital equipment, EIB guarantee);
- Strengthening the relationships with Guarantee Consortia and with *Finanziarie Regionali* (statutory corporations of Regional Governments in charge of economic and financial activities) to access the subsidies under regional calls for proposals;
- Initiatives in favour of less developed regions and allocated amount to support businesses hit by natural catastrophes;
- Support to self-entrepreneurship, also of youths, to the innovative startups resident of Le Village;
- Support to women entrepreneurship, with products bespoke for SMEs held by women to a prevailing extent and self-employed women.

Initiatives for the agri-food sector

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In the GBCA's offering system, support to the agricultural and agri-food sector is core, because of both its vocations to be close to the regions and because of the importance of this sector in the sustainable transformation of the economic system. The GBCAI is committed to enhancing regional producers and, at the same time, to paying a key role in supporting supply chains. Some of the initiatives and solutions are:

- Assistance to farms in their sustainable development through bespoke services and loans;
- Advisory services on transition, also through the "Percorsi Agri" platform, whereby an assessment can be made with production of a report on the farm's ESG position;
- Actions as an "Authorized Bank" for Supply Chain contracts within the V Call for Proposals under Italy's Recovery and Resilience Plan;
- Allocated amounts to finance agriculture and sustainable development projects.
- Financial support and assistance to young farmers to enhance new production techniques and models;
- Line of loans designed to support and assist customers in their transition to organic farming;
- Partnerships with trade associations to ensure capillary coverage of the regions to support businesses;
- Presentation of the second "Agricoltura tra Sostenibilità e Innovazione" (Agriculture between Sustainability and Innovation) white book, in partnership with Bocconi University Agri Lab.

PROCESSES FOR CUSTOMERS TO RAISE CONCERNS

Customers can raise concerns through the channels made available by the GBCAI to lodge grievances or complaints. For the GBCAI grievances and complaints are an important element in the *customer experience* path and their proper management is not intended only to ensure compliance with the regulatory requirements but also to have the opportunity for exchanging views with the customer and for improvement of the Bank. This is why the management of any concerns raised by customers is very material for the GBCAI, as it gives the opportunity to collect the wealth of information conveyed by customers on the quality of processes, on their perception of own workers' behaviour and on their satisfaction with the services received. To these ends, the GBCAI has adopted a *Complaint Management Policy* and the related internal rules.

To inform customers of their rights to lodge complaints, the GBCAI makes available an exhaustive set of information, through the commercial network and on its website, which includes:

- Information on lodging complaints, time to response and the alternative dispute resolution schemes;
- Practical guide and other documents concerning the case referral to the Banking and Financial Ombudsman;
- Guide to the Financial Dispute Arbitrator;
- Body for alternative resolution of banking disputes – Mediation procedure regulation;
- Body for alternative resolution of banking disputes – Arbitration procedure regulation;
- Reporting on complaints.

Complaint management is the responsibility of the Complaint Structure, which operates with an approach oriented to Customer Satisfaction and to continuous improvement of processes and tools, activating exchange processes with the other corporate functions to provide important inputs on the evolution of business models.

Customers may opt to raise objections or concerns also orally, with various methods and through different channels: Customer Service, social networks, points of contact at branches, online reviews. Even though those events do not necessarily end up with written complaints, they trigger a process to collect information on the reasons for grievance, in order to carry out analyses and keeping customer satisfaction always under control.

Customers may opt to express grievances or requests contacting the Customer Service at the toll-free number.

If the dialogue with the Bank's own workers fails to solve the reasons for dissatisfaction, the customer may lodge a complaint using the form that can be found on the Internet, via e-mail, certified e-mail, by mail (also by registered letter), delivery by hand at any branch, as exhaustively described on the website.

If the GBCAI's entity gives no reply or if the reply is deemed not exhaustive, Customers may file a petition with the Banking and Financial Ombudsman (Italian acronym: ABF) or with the Financial Dispute Arbitrator (Italian acronym A.C.F.). Furthermore, Customers are entitled to lodge a complaint (Claim) with the competent Supervisory Authority (the Bank of Italy, CONSOB or IVASS) to report any misconduct perpetrated by the intermediary.

At GBCAI complaint management is closely monitored and the performance levels are measured with specific Key Performance Indicators (KPIs), in terms of both time to response and outcomes of the complaints. Furthermore, reporting is provided on complaint cases, detected anomalies, overall progress, time to response, outcomes, specific matters, analysis of grievances on social media and reviews on Google, as well as any attention points and proposals for action/solution.

Internal control systems are in place, especially internal audits, to prevent any process anomalies or any form of retaliation on those using the channels to raise grievances and complaints. Moreover, the whistleblowing channel is also available, about which please, see section G1.

In compliance with the provisions issued by the Bank of Italy, Crédit Agricole Italia publishes its annual report on complaint management on its website.

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METRICS AND TARGETS

Objectives in the management of material impacts

The extent of the impacts on customers is not yet measured, as there is not yet any acknowledged market standard approach, therefore, the CAI Group has chosen, for the time being, not to report quantitative objectives. The CAI Group monitors the effectiveness of its policies and actions using all the information obtained from listening to its customers about their views and concerns, as described in section ESRS2 SBM-2 and in paragraph "Customer engagement process" of this section S4.

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RESPONSIBILITY IN BUSINESS GOVERNANCE

ETHICS IN BUSINESS MANAGEMENT

ESRS G1. BUSINESS CONDUCT



STRATEGY

The compliance strategy at Crédit Agricole

G1
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SBM-1

The Crédit Agricole Group has adopted its *Projet du Groupe* Medium-Term Plan to fulfil its *Raison d'être* "Working every day in the interest of our customers and society" in each and every market where it operates worldwide.

Crédit Agricole's development model provides for responsible governance to promote a strong culture of ethics enhancing the dimension of fairness and ethics in business, as essential to deserve its customers' and stakeholders' trust.

To achieve these goals, the *Ligne Métier Conformité* or Compliance Function sees to abidance by the rules and to promoting a culture of ethics, implementing compliance that is useful to the Communities through strong commitment to the prevention of financial offences, and in favour of sustainable finance implementing the Group's *Projet Sociétal* and contributing to protecting customers, their legitimate interests and their data.

For information on the CA Group's Medium-Term Plan, please see ESRS2 SBM-1 DP40.

Governance of ethics in business at the GBCAI

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Regulatory compliance has a central role in the strategies of the Crédit Agricole Italia Banking Group, as proved by its corporate governance structure, which provides for the targeted action of bodies and committees to address the risks associated with the application of legislation and regulations the Group is subject to. In performing its strategic oversight function, the Board of Directors, sets the policies on compliance, also with the support given by Board Committees, in particular the Audit Committee for Internal Control, which is regularly informed on the exposure to risks and on the outcomes of the monitoring activities. In its capacity as a control body, the Board of Auditors performs reviews and coordinates the action of the internal control functions.

Amongst compliance scopes, the following ones are especially material for business conduct:

- Firmly establishing a culture of ethics in business and a culture of control;
- Prevention of conflicts of interest;
- Fight against active and passive corruption;
- Fight against financial crime, money laundering and terrorism financing;
- Prevention of market abuse;
- Whistleblowing system and protection whistleblowers.

The corporate bodies are regularly kept informed of the effectiveness of the compliance policies, of any significant incidents or signs of anomaly detected or trouble and of the related remediation actions.

It is ensured that the members of the Board of Directors be always fully aware of the matters regarding compliance and on fairness in business conduct, through specific Board Induction initiatives. The Board of Directors adopts the appropriate measures to ensure that each Director and the Board as a whole constantly meet the fit and proper requirements, with specific regard to risk governance skills and degree of cultural background diversity, by experience, gender and international perspective.

The corporate officers are required to have high reputation, honesty and integrity standing, time commitment for their role and strong independence of mind.

Furthermore, in order to be able to make informed decisions, it is essential that the Board includes directors with specific skills and expertise, as well as independent directors to ensure constructive debate and the

promotion of the risk culture throughout the organization and at all its levels.

As one of its main tasks, the Compliance Function contributes to the prevention and management of non-compliance risks. The principle informing the activity of the Corporate Bodies and of the Compliance Function is the centrality of customers' interests, which shall be ensured through ethical conduct consistent with the *Raison d'être* and a risk culture disseminated throughout the organization at all its levels.

FRAMEWORK OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment was carried out identifying the impacts, risks and opportunities regarding business conducts matters, taking into account the set of business processes in banking and financial operations.

The table below reports the impacts, risks and opportunities that were identified and assessed as material in the non-compliance risk scope.

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IRO	Type	Value Chain	Policy
Regulatory risk in case of noncompliance with the laws of ethics in business and fight against corruption.	Risk	Upstream: Suppliers Own: Employees Downstream: Customers	- Code of Ethics - Policy on prevention of bribery and corruption risk
Regulatory risk in case of noncompliance with the rules and expectations of the Supervisory Authorities on business ethics and fight against corruption.	Risk	Upstream: Suppliers Own: Employees Downstream: Customers	Policy on prevention of bribery and corruption risk
Regulatory risk in case of insufficient identification of conflicts of interest and market abuse (market integrity).	Risk	Own: Employees Downstream: Customers	Policy on conflicts of interest and market abuse
Positive impact on society in case of implementation of a whistleblowing system for unethical internal practices, especially ensuring confidentiality on the whistleblower, the reported facts and the persons involved.	Positive impact	Own: Employees	Whistleblowing
Positive impacts on society associated with the Group's actions in the fight against financial crime.	Positive impact	Upstream: Suppliers Own: Employees Downstream: Customers	- Anti-money-laundering Policy - Policy for the management of International Sanctions
Regulatory risk in case of noncompliance with the obligations on the fight against financial crime.	Risk	Upstream: Suppliers/ Providers Own: Employees Downstream: Customers	- Anti-money-laundering Policy - Policy for the management of International Sanctions
Negative impacts generated by the Group on its stakeholders due to bribery and corruption practices and conducts	Negative impact	Upstream: Suppliers/ Providers, partners Own: Employees Downstream: all Stakeholders	- Whistleblowing - Code of Ethics

Having regard to procurement processes and practices, the double materiality assessment resulted in the identification of the material topics listed below.

IRO	Type	Value Chain	Policies and actions
Negative impact on supplier/providers in case of non-responsible procurement practices and conducts of the Group, with specific regard to compliance with the set payment methods and terms.	Negative impact	Upstream: Suppliers	• Procurement policy
Reputational risk and regulatory risk in case of non-responsible procurement practices of the Group in dealings with suppliers/providers, especially as regards payment terms.	Risk	Upstream: Suppliers	• Procurement policy

CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES

Corporate culture based on fairness and equity

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To promote a culture of ethics in business, the Crédit Agricole Italia Banking Group has adopted a *Code of Ethics*, which lays down the set of values, principles, duties, commitments and responsibilities assumed to all its stakeholders.

Consistently with the *Charte éthique* adopted by the Crédit Agricole Group, the *Code of Ethics* is of fundamental importance in order to:

- Preserve the GBCAI's reputation, which is based on trust and reliability;
- Promote a good image of the GBCAI;
- Ensure the creation of sustainable value over time.

The principles and values expressed by the Code of Ethics inspire the provisions laid down by the *Code of Conduct* adopted by the GBCAI, which sets the conduct guidelines and the ethics, confidentiality and professional standards which the corporate officers and employees of the Entities of the Group. Each and every provision contained in the *Code of Conduct* is connected to and an integral part of the *Organization, Management and Control Model* adopted in compliance with Italian Legislative Decree. 231/2001. The Code of Ethics and every update thereof is approved by the Boards of Directors of all the entities of the GBCAI and can be accessed by the public as it is published on the GBCAI's website. The Compliance Function performs important activities for the implementation of the Code of Ethics, for example a main one is the provision of advice and support to the corporate functions on its interpretation, application and updating, in order to make it consistent and always up to the Group's present situation.

Implementing and completing the Code of Ethics, the most comprehensive reference for business management, under the Italian legislation and regulations, the GBCAI is required to comply with several obligations on business conduct, specifically the applicable legislation and regulations on: conflicts of interest, financial market protection (MiFID, MAD, MAR), fight against financial crime (international sanctions, fight against money laundering and terrorism financing), fight against corruption, *whistleblowing* and protection of whistleblowers.

The Compliance Function received the concerns about breaches of the code of ethics and code of conduct and promotes actions to assess the allegations and, where necessary, corrective actions. Also through the Compliance Function, the GBCAI deploys actions and initiatives to strengthen and disseminate the *risk culture* and the culture of ethics in business. These actions are structured on three main axes:

- Training to the members of the corporate bodies on compliance matters, promotion of ethics and of the risk culture with all managers throughout the organization measuring the participation in these initiatives;
- Raising all its own workers' awareness about the culture of ethics and targeted *onboarding* process for the engagement of new hires, to whom the Charter of Ethics, the Code of Ethics and the Code of Conduct are made available;
- Oversight of risks associated with improper conducts through control arrangements and prevention, strengthening or remediation actions in the scope of annual assessment system.

Systems to report illegal or improper behaviours

The GBCAI works to ensure that all its activities comply with the applicable legislation and regulations and be informed by the values of integrity, trust, responsibility, transparency, respect for diversity, commitment, professionalism and confidentiality. Actual compliance with those values is ensured also through a *whistle-blowing* system for internal reporting of breaches of the applicable legislation and regulations on banking or other illegal and improper conducts, in full abidance by Italian Legislative Decree no. 24 of 10 March 2023, implementing Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union law.

By way of example and not limited to, the channel may be used to report:

- Violations of human rights or fundamental freedoms or concerning the health and safety of people and of the environment;
- Breaches of laws or legal provisions;
- Behaviour or situation that breaches the Group's ethical value;
- Severe threat or harm to the public interest.

The GBCAI has implemented a platform, which can be accessed from its Intranet and from its website at any time, whereby all own workforce of the entities of the Group (Crédit Agricole Italia, Crédit Agricole Group Solutions and Crédit Agricole Leasing Italia), former employees, candidates for recruitment, shareholders and holders of rights to vote at the General Meeting of the Entity's shareholders, members of the Corporate Bodies, external and occasional workers, contractors, subcontractors, suppliers and providers can report violations, breaches or concerns. A *Practical Guide to the use of the whistleblowing platform* is available to all. The system ensures full confidentiality of the reported information and of whistleblower's identity. Once the Compliance Function has processed the case, the related data is archived in anonymous form. After the investigation, the whistleblower is informed of the closing of the case and of its follow-up and any consequences.

As an alternative, any violation, breach or concern may be reported in writing on paper by mail to the addresses published on the GBCAI's Intranet and website. All the foregoing shall apply without prejudice to the right to report any violations, breaches or concerns to the competent Authorities and/or to make public disclosure, in the cases envisaged by the applicable legislation and regulations. Besides the whistleblowing system, violations, breaches or concerns may be reported to one's direct manager, to the Human Resources Function or to the Compliance Function.

Each and every reported item is examined in an unbiased and rigorous manner by the Owner of the Whistleblowing system (the Head of the Compliance Function). During the investigation stage, the whistleblower and the Owner of the Whistleblowing system can talk through secure dialogue methods. If it is deemed necessary, to manage the reported item, support may be obtained from other specialist functions. For some complex or sensitive investigations, external consultants and/or service providers may be involved. The investigations on any breaches or incidents may involve also the Internal Audit Function, with consequent adoption, where necessary, of measures and the start of corrective or remediation actions.

Where needed, awareness reminders are deployed stressing the concept of good faith, to inform, reassure and convey trust on the behaviours and cooperation in whistleblowing mechanisms. The whistleblowing system is the subject-matter of regular reporting to the Board of Directors, with aggregate information on the number of reported items and on any findings.

The items reported through the *whistleblowing* platform are closely monitored. In 2024 10 items were reported and managed in accordance with the set time and in compliance with the applicable legislation and regulations. From the assessments performed to manage them, no anomalies or problems in the internal processes emerged requiring corrective actions and no concern was raised about poor operations of the procedure.

PREVENTION AND DETECTION OF CORRUPTION

Policies and procedures to prevent and fight corruption

GBCAI has implemented an anti-corruption oversight system. The system comprises policies and procedures to prevent, detect and manage any incidents of active and passive corruption. Amongst other features, the oversight system comprises:

- Knowledge of the operational context and of the exposure to the risk of corruption, which leads to the annual updating of the mapping of the processes potentially at risk of corruption, with the involvement of the relevant corporate functions; thanks to the mapping, performed in accordance with the Group's approach, any scopes in need for strengthening actions can be identified;
- Internal principles and rules for the fight against corruption laid down in the *Policy on prevention of bribery*

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and corruption risk, which sets out the Group's organizational principles in compliance with the Italian applicable legislation (the Italian Civil Code, the Italian Criminal Code, Italian Legislative Decree 231/01), the EU applicable legislation (Civil Law and Criminal Law Convention on Corruption of the Council of Europe), international applicable legislation (United Nations Convention against Corruption) and with the internal rules of the Parent Company;

- Targeted anti-corruption rules embedded into the *internal Code of Conduct*, governing behaviour to prevent corruption, specifically setting out the conducts to be refrained from;
- The person appointed by the Board of Directors as the person in charge of management and annual review and revision of the anti-corruption framework;
- Plan of targeted audits aimed at assessing whether the anti-corruption framework is properly implemented;
- Initiatives for the engagement of and responsibility-taking by own workforce, which assist them in understanding the national and international framework of applicable legislation and regulations, describe the main legal paradigms of corruption events and the related risks, foster the required diligence and the adoption of the recommended behaviours, encourage to report any inappropriate conducts and inform on the penalties applying at a disciplinary and criminal level;
- Framework to assess third parties contributing to the mitigation of corruption risk, for example with the analysis of the risk profile of suppliers/providers before the inception of the business relationship and the due diligence performed and repeated during the relationship;
- Possibility to involve specialist functions or external consultants to handle any cases of corruption.

The GBCAI's anti-corruption framework is certified (in accordance with the ISO 37001 standard) by an independent certifier.

Training and culture on ethics and fight against corruption

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The GBCAI implements training programmes on professional ethics and conduct, on a regular basis and to all its own workers.

The Code of Ethics and the Code of Conduct are made available to all own workers at the start of the work relationship, as well as to all corporate officers upon their appointment, raising awareness about proper business conduct.

The corporate officers, members of the corporate bodies, are the recipients of *board induction* programmes, which also cover corporate liability, fight against corruption and financial crime. Upon the appointment of corporate officers, training actions are implemented, also giving information on the Group's corporate organization and on the main scopes of the applicable legislation and regulations to be complied with, having special regard to the responsibilities associated with the role of director on confidentiality, prevention of conflicts of interest, market abuse, prevention of corruption and bribery, of money-laundering and of financial crime.

The Group has identified the functions that are the most exposed to corruption risk, and has provided them with specific training. This information is not disclosed as it is considered sensitive.

Considering the importance of training its own workers and raising their awareness to ensure dissemination of a culture of integrity in performing daily activities, the GBCAI holds mandatory training programmes on a three-year basis, comprising a general module and a module that is specific for own workers that are the most exposed to risk.

In 2023 the update of the "Fight against Corruption" general module was published, addressed to all own workforce. In 2024 the update of the "Fight against Corruption: exposed persons" training module was published, which was addressed to a small perimeter, namely to own workers identified as the persons who are most exposed to the risk of corruption and influence peddling. Both training modules ended with a closing test to obtain the certificate. The training modules achieved completion rates of 98% and 73%, respectively, as at 31 December 2024 (training on the second module was published in 2024 and is going on in 2025). In 2024 the "Professional Ethics" training module achieved a completion rate of 94.9%, the "Quiz on Ethics" awareness raising initiative obtained a completion rate of 64.6%.

Disclosure of corruption incidents

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In 2024 there were no cases of people found guilty of breaching anti-corruption or anti-bribery laws and no cases of imposed penalties. In 2024 there were no cases of ascertained active or passive corruption.

FIGHT AGAINST FINANCIAL CRIME

In compliance with the Italian applicable legislation and with the detailed provisions issued by the Supervisory Authorities on anti-money-laundering and terrorism financing, the GBCAI has adopted a structured framework on the fight against *financial crime*, considering also the important role played by banking intermediaries in the economic system. The framework of the internal policy and rules, approved by the BoD and adopted by the GBCAI, is based on the principles and control arrangements:

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- *Know your customers* through:
 - Application of the due diligence rules, which include the identification of the customers and of any beneficial owners, the acquisition of information on the transactions and origin of the funds;
 - A customer profiling system based on the exposure to potential risks of money laundering and terrorism financing;
 - A monitoring system throughout the ongoing relationship with customers;
 - Traceability and storage of the information, in order to analyse any anomalies or concerning behaviours;
- *Active cooperation in the fight against money laundering* and terrorism financing through:
 - Training programmes for own workers on AML-CFT to foster prevention;
 - System for reporting suspicious transactions including the various levels of assessment;
 - Oversight by the Anti-money-laundering Function of the management of relationships with the Supervisory Authorities;
 - Periodic controls and audits;
- *Compliance with International Sanctions* through:
 - Training of own workers on International Sanctions with specific modules;
 - Systems for the screening of customers or counterparties or countries targeted by restrictive measures or sanctions;
 - Assessment of the Group's exposure through an annual risk assessment exercise;
 - Continuous monitoring of the applicable legislation and regulations, with special regard to sanction programmes;
 - Periodic controls and audits.

The Group implements a training programme that includes mandatory modules aimed at raising own workers' awareness about the application of international sanctions and on the fight against money laundering and terrorism financing. Having regard to 2024, the training on the two scopes posted a completion rate of 97.5% and 97.7%, respectively.

PREVENTION OF MARKET ABUSE

In compliance with the Italian applicable legislation and with the detailed provisions issued by the Supervisory Authorities on insider information and market abuse, the GBCAI has adopted a structured framework, considering also the important role played by banking intermediaries in financial markets. The framework of the internal policy and rules, approved by the BoD and adopted by the GBCAI, is based on the principles and control arrangements:

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- Internal rules to govern the processing of insider or price-sensitive information;
- System of insiders lists and records, whereby the information on transactions and persons who have access to insider information can be kept separated;
- Training programmes and initiatives to raise awareness about the applicable legislation and regulations, the responsibilities and risks associated with market abuse;
- Detection systems to identify critical transactions suspected of market abuse, with the analysis of potential scenarios of price fixing and insider dealing;
- Controls and audits on the effectiveness of the systems and appropriateness of behaviours.

The controls performed in 2024 did not find any anomalies or problems.

PROPER MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS AND PROVIDERS

Crédit Agricole's procurement policy

Crédit Agricole S.A. has adopted a responsible Procurement Policy, which consists of six commitments and applies to all the entities of the Group. The *Ligne Métier Achats* or Procurement Function is responsible for dialoguing with the main stakeholders keeping true to the Group's *Raison d'être* "Working every day in the interest of our customers and society" and to implement the *Projet Sociétal*.

As one of its main objectives, Crédit Agricole S.A. has undertaken to ensure that its suppliers and providers that account for 40% of the purchased goods and services have, by 2027, science-based Net Zero pathways.

Furthermore, Crédit Agricole S.A. signed the *Charte Relations fournisseurs et achats responsables* (Charter for responsible supplier relations and procurement), which encourages businesses to adopt responsible practices with their suppliers and providers. In 2021, the "Responsible supplier relations and procurement" label was renewed for three years, which had been awarded in 2014 to Crédit Agricole S.A. and its subsidiaries.

Procurement sustainability at GBCAI

Procurement sustainability policies

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The Crédit Agricole Italia Banking Group implements the CA Group's strategy in Italy and has set strategies for responsible conduct in the relationships with its suppliers and providers. To that end, CAI's Board of Directors renewed the *Procurement Policy of the Crédit Agricole Italia Banking Group*, implementing the directions of Crédit Agricole S.A.'s Policy on Responsible Procurement and embedding ESG principles and sustainability-related activities into various scopes of the procurement process.

One of the objectives pursued by the Policy is to ensure balance in the business relationship with suppliers and providers, adopting practices and conducts informed by the principles of ethics, compliance and ESG. The policy also reflects the principles listed below:

- Adopting responsible conducts in the relationships with suppliers and providers;
- Contributing to the ecosystem's economic competitiveness;
- Monitoring constantly the quality of the relationships with suppliers and providers;
- Embedding environmental and social aspects into procurement;
- Aiming at the transition to a low-carbon economy;
- Embedding this responsible procurement policy into the existing governance mechanisms.

Crédit Agricole Italia has embedded ESG factors into its Procurement process and Value Chain, obtaining the ISO 20400 certification in 2023 and again in 2024 from Bureau Veritas, an independent certifier. The ISO 20400 certification, whereby Crédit Agricole Italia has been acknowledged as having an advanced maturity level in responsible procurement, covers the assessment of various sustainability principles through: the audit of the responsible procurement policies and strategies, of the qualification of suppliers and providers, of the monitoring system and improvement plans, with special regard to sustainability performances.

Prevention of delay in payments

G1-2
DP14

The GBCAI is very focused on the proper management of relationships with suppliers and providers, also as regards payments. To this end, procedures are in place for the monitoring of time to payment to suppliers and providers, irrespective of their being large corporations or SMEs. The monitoring is part of structured management of Procurement, with regular survey and reporting of the average time to payment.

The reporting, which covers Crédit Agricole Italia and Crédit Agricole Group Solutions, provides for each entity to monitor its own indicators about time to payment, which are then included in the consolidated reporting.

In order to maintain high fairness in the relationships with suppliers and providers, actions plans have been implemented, which require:

- MbO linked to compliance with the contractual terms and conditions and payment terms;
- Regular monitoring of the performances and payment flows;
- Sharing of the results and raising awareness of the main owners.

Compliance criteria and ESG criteria in the selection of suppliers and providers

The selection of suppliers and providers before the inception of the business relationship with the GBCAI comprises their identification and recording, the accreditation and qualification of the suppliers and providers in the relevant Register. In accordance with the specific supply/provision relationship, the quality of suppliers/providers is assessed through the analysis of certain documents in order to assess their technical/administrative – Profit&Loss/financial and legal/judicial position. Financial assessments include the analysis of concentration, risk of dependence and the GBCAI exposure in terms of revenue for the supplier/provider. In addition, the supplier's/provider's sustainability profile is considered, in accordance with the *Procurement Policy*: the available tools include the score issued by Ecovadis, an independent certifier, which measures the sustainability performances of businesses; for example, during the procurement competitive procedure, the Ecovadis score may be assigned a specific weight in the matrix used for assessment.

The GBCAI has set the objective of raising the awareness of its suppliers and providers that account for 40% of the purchased goods and services about the importance of having, by 2027, science-based Net Zero pathways. In this scenario, the Group, is going to rely on the assessment of ESG analysis criteria and to encourage its suppliers and providers to develop a pathway to measure their carbon footprint and to proceed with their energy transition to reduce emissions. By adopting its *Climate Policy*, the owner of which is the ESG and Sustainability Function, and about which reference is made to section E1, GBCAI has once again asserted its commitment to responsible procurement, with specific regard to the Environmental Management System, which is compliant with the UNI EN ISO 14001:2015 and UNI EN ISO 14004:2026 standards, with the goal, amongst others, of containing gas consumption (Scope 1), electrical energy consumption (Scope 2) and paper consumption (Scope 3).

The Responsible Procurement Policy provides for the training of the Procurement team, especially on environmental, social and governance (ESG) matters, as well as their upskilling in a constantly evolving arena. In 2024, a training programme on ESG matters was administered. Furthermore, training sessions were held on the analysis of the lifecycle of the purchased products and services. In addition, on the Group's Intranet there is a Procurement section to make inputs and documents for sustainable procurement management available to all own workers.

G1-2
DP15

Inclusion and cohesion criteria in the selection of suppliers and providers

Within the *Projet Sociétal*, true to the commitments to inclusion and cohesion, the Crédit Agricole Italia Banking Group promotes responsible Procurement in order to generate social value and positive impacts on the economic system, considering the objective of supporting the regions, small and medium enterprises and vulnerable groups. Specifically, procurement activities are an opportunity for the Group to include workers belonging to disadvantaged categories, establishing cooperation schemes with Type B or A/B Social Cooperatives.

G1-2
DP15

Dialogue with suppliers and providers as stakeholders

To maintain a relationship of trust with its suppliers and providers, foster communication, share strategic guidance and messages, the GBCAI has adopted an active dialogue scheme, which specifically provides for:

- Annual surveys on supplier/provider satisfaction;
- Regular events in which suppliers and providers participate, with different formats and topics
- One-to-one meetings with the main suppliers and providers;
- The “Partner News” quarterly newsletter, to share communications and initiatives of the Procurement Function and the Group's values and strategies, as well as news about commitments to ESG matters and innovation;
- The Procurement Portal of the Crédit Agricole Italia Banking Group, which, besides being the management application for purchase requests, is also the tool used to share important information and documents with the suppliers and providers.

The results and information collected through these dialogue channels feed the process for continuous improvement of the Responsible Procurement of the Crédit Agricole Italia Banking Group.

The GBCAI is committed to responsible Procurement, based on fair and transparent relationships with its suppliers and providers. In this context, there is an internal mediator who may be involved in a voluntary mediation proceeding by a supplier/provider, irrespective of its size, or by an internal function of the GBCAI, in case of any problems in the relationship or with the service contracted out. The mediator's task is to facilitate the dialogue between the parties and bring their respective points of view closer. The “mediation” clause is systematically included in all contracts.

PAYMENT PRACTICES METRICS

G1-6
DP33

In order to adopt a responsible approach to the relationships with its Italian suppliers and providers, and specifically to payment management, the GBCAI monitors several indicators, including those listed below.

Average payment terms

	2024
Total calendar days	24.44
O/w SMEs	20.31

The categories of suppliers/providers selected by the Group are “Total” and “SMEs” (including micro-enterprises). The consolidated average time to payment is calculated as the non-weighted average for the set of amounts, between the invoice payment date and the invoice issue date in calendar days.

Share of invoices paid by the standard maturities

	Share of invoices paid by the Group standard maturities in amount (in%)	Share of invoices paid by the Group standard maturities in number (in %)
	2024	2024
Total	96%	93%
O/w SMEs	98%	97%

The percentage of the invoices paid on time has been calculated as follows: total number of invoices - number of invoices paid late beyond 60 days of the invoice date/total number of invoices.

The share of the invoices paid on time has been calculated as follows: total amount of invoices - amount of invoices paid late beyond 60 days of the invoice date/total amount of invoices.

The reporting perimeter is limited to Italian suppliers and providers.

To date there are no court proceedings associated with delay in payment of invoices.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE - INFORMATION PURSUANT TO ARTICLE 123-BIS PARAGRAPH 2, LETTER B) OF ITALIAN LEGISLATIVE DECREE 58/98 (THE ITALIAN CONSOLIDATED ACT ON FINANCE -TUF)

INTERNAL CONTROLS SYSTEM

The Crédit Agricole Italia Banking Group has set its internal controls system in compliance with the model of the Controlling Company Crédit Agricole S.A. and with the Supervisory regulations (Bank of Italy Circular 285/2013).

The Group has an internal controls system in place aimed at managing risks and at ensuring constant adequacy of the control activities to its organizational structure, as well as at ensuring reliability, accuracy and promptness of reporting.

The Internal Controls System consists of the set of rules, functions, structures, resources, processes and procedures that have been designed to ensure, in compliance with sound and conservative management principles, the achievement of the following objectives:

- Verifying that the set corporate strategies and policies are properly implemented.
- Keeping risks within the limits set in the Risk Appetite Framework.
- Safeguarding the value of assets and protecting from losses.
- Effectiveness and efficiency of the corporate processes as implemented.
- Reliability and security of corporate information and IT procedures.
- Preventing the risk that the entities of the Group may be involved, also unintentionally, in unlawful activities (with specific regard to money/laundrying, usury and terrorism financing).
- Compliance of corporate operations with the applicable legislation and supervisory regulations, as well as with the internal policies, regulations and procedures.

The internal control system provides for the involvement of the Top Management, of the Collective Bodies, of the *Organismo di vigilanza* (Body in charge of offence prevention – AML, Terrorism Financing, etc. – provided for by the Italian Law), of the structures engaged in control functions, of all Staff members and of the Independent Auditors.

The analysis and monitoring of risks are carried out based on Group references, which provide for verification of abidance by the regulatory terms, of the reliability of process and their exercise, security and compliance.

As pointed out in the paragraph on risk management, the internal controls system is based on both permanent control and periodic control mechanisms.

To further strengthen the internal controls system and in compliance with the regulations issued by the Bank of Italy, the “Group rules on internal whistleblowing systems)” have been formalized and made available to the Group-s employees to report events or behaviours that could violate the legislation governing the banking business, as well as any other irregular conduct they may become aware of. The whistleblowing system ensures that the identity of the reporting person remain confidential, thus ruling out the risk of retaliations, unfair or discriminatory behaviours.

Furthermore, the Group has specifically identified methods for coordination and cooperation between the roles and structures engaged in control functions and has implemented such methods in order to pursue an effectively integrated system of controls and to ensure adequate governance of all risks the Group is exposed to. In accordance with their respective responsibilities, the roles and structures engaged in control functions monitor the components of the Internal Controls System, as does the Group’s Risk and Internal Control Committee, with the objective of strengthening inter-function coordination and cooperation mechanisms related to the internal controls system and to foster the integration of the risk management process.

In this regard, the roles and structures engaged in control functions implement appropriate coordination and cooperation mechanisms, crosswise the various phases in the risk management process:

- Use of a shared language that is consistent with the Controlling Company's methods.
- Implementation of detection and measurement approaches and tools.
- Definition of risk reporting models.
- Setting of coordination meetings to plan activities.
- Establishing exchange information flows.
- Agreeing on the identification of corrective actions.

The updating of the system of normative instruments is also constantly focused on and, in addition to the upgrading to the regulations already implemented, also entails a coverage extension through specific policies that are in force for the Group as a whole.

The structures and roles engaged in 2nd level and 3rd level controls report to the Board of Directors and to Crédit Agricole S.A. on:

- Activities carried out.
- Main risks detected.
- Identification and implementation of the mitigation mechanisms and the effects of their implementation.

The main elements of the internal controls system are described below, also setting forth the structuring of the controls on financial reporting (as regards the activities of the Manager in charge and the statutory audit of the accounts), corporate roles and structures engaged in control functions, as defined in the Supervisory Provisions on the system of controls (risk control, regulatory compliance, internal audit, anti-money-laundering and validation) and the offence prevention models.

CORPORATE GOVERNANCE BODIES

In line with the features of the Crédit Agricole Italia Banking Group, in the traditional governance model of all the entities of the Group, the Board of Directors plays a key role in achieving an effective and efficient system for the management and control of risks.

Specifically, the body engaged in strategic oversight functions has implemented organizational models and operating and control mechanisms that are adequate to and complying with the applicable regulations and with corporate strategies.

The Boards of Directors of the subsidiaries implement the risk policies providing for the management and the mitigation of risks as approved by the Board of Directors of the Parent Company; moreover, the Boards of Directors of the Group Banks determine the responsibilities of the corporate structures and functions, in order for the respective duties and tasks to be clearly assigned and for potential conflicts of interest to be prevented.

The Board of Auditors performs the functions assigned to it by the applicable legislation and regulations in force at the relevant time. Specifically, it supervises compliance with the law and with the Company's Articles of Association, abidance by the principles of proper management and the adequacy of the organizational, administrative and accounting structure adopted by the Company and its actual good operation. The Board of Auditors works in close coordination and interaction with the counterpart bodies of the subsidiaries. Furthermore, it supervises the financial reporting process, the statutory audit of annual accounts and on the independence of the audit firm tasked with the statutory audit of the accounts. It also verifies appropriate coordination of all the functions and structures involved in the internal controls system, including the independent audit firm tasked with the statutory audit of the accounts, promoting, where the case, appropriate corrective actions.

The Audit Committee for Internal Control, which is composed of Independent Directors, has the function to provide the Board of Directors with advice and proposals on the management of risks, of the accounting information system and on the internal controls system, in order to ensure an efficient and effective control system; it reports on a regular basis to the Board on these topics, expressing its opinions and assessments, and promptly triggering, where necessary, the appropriate corrective actions in case shortfalls or irregularities are detected.

In a specific document attached to the Annual Report and Financial Statements, both separate and consolidated, and to the condensed Half-year Financial Report, the Chief Executive Officer, together with the Manager in Charge, shall state that the administrative and accounting procedures used for financial reporting, both on a separate and consolidated basis, have been actually applied and are adequate for effective and reliable financial reporting.

CONTROL FUNCTIONS

The organization of the Crédit Agricole Italia Banking Group includes three main structures that are engaged in control functions and are independent; within their scope of action and in accordance with their functions, these structures ensure constant control on all corporate operations and on the risks generated by such operations:

- The Risk Management and Permanent Controls Function (which includes the Validation Unit) and the Compliance Function, which are responsible for second degree – second level controls.
- The Internal Audit Function, which is responsible for third-degree controls.

RISK MANAGEMENT AND PERMANENT CONTROLS

The Risk Management and Permanent Controls Structure (Italian acronym RPC) of the Crédit Agricole Italia Banking Group, which is the Function governing Risk Management and Permanent Controls, is independent from any and all functions engaged in management and decision-making that entail risk-taking; this is ensured by its organizational placement, which provides for its reporting on a dotted line directly to the Board of Directors of the Crédit Agricole Italia Banking Group and for its solid-line reporting to the Group Risk Management and Permanent Controls Department DRG (*Direction des Risques et contrôles permanents Groupe*) of the Parent Company Crédit Agricole S.A..

As regards control of structural and operational consistency, as reported before, the Risk Management and Permanent Controls Structure carries out the management and control of risks for all the Companies of the Crédit Agricole Italia Banking Group.

The Risk Management and Permanent Controls Structure ensures that the relevant risks are monitored and oversees the relevant controls, through specialist structures that operate within the Structure itself and are dedicated to the following scopes:

- Credit risks, including:
 - Concentration risks;
 - Counterparty risks;
 - Climate-related and environmental risks;
- Market and financial risks, including:
 - Interest rate risk of the Banking Book;
 - Liquidity risk;
 - Market risk of the Banking Book and Trading Book;
 - Foreign exchange risk;
- Operational risks, specifically including:
 - Insurance Coverage risks;
 - Information and Communication Technology (ICT) Risk (Information System and Security of Information Systems);
 - Risks concerning the Business Continuity Plan (BCP);
 - Physical Security;
 - Risks concerning the provision of “Critical and Important Functions (CIF or with the Italian acronym FEI)”, which the Parent Company Crédit Agricole S.A. calls “Provision of Outsourced Essential Services (PSEE)”.

The Validation Function activities have the objective of providing independent verification of:

- Tools.
- Technical organizational mechanisms.
- The system of the controls implemented for risk measurement, for the calculation of the minimum regulatory capital requirements, in order to verify their consistency over time with the regulatory provisions applicable for the use of advanced approaches.

The Risk Management and Permanent Controls Structure of the Crédit Agricole Italia Banking Group contributes to the definition and implementation of risk management policies, including ICT risk, which is managed through the activities of Crédit Agricole Group Solutions Specifically, within its scope of operation:

- It coordinates and leads the process for the definition of the Risk Appetite Framework and, once a year or more frequently where required by new scenarios and/or new needs, it proposes the Risk Capacity limits, the Risk Tolerance thresholds and the Risk Appetite (the risk appetite is set by the CFO Finance and Financial Reporting Governance);
- It coordinates also the annual definition of the Group Risk Strategy setting, in accordance with the requests made by the business structures, the system of operational limits, verifying afterwards its application and performance on a continuous basis;
- It gives its opinion on the main risk-taking instances, regarding all the types of risk falling in its scope of responsibility;
- Having regard to lending matters, besides giving prior opinions on the matters and positions in its scope of responsibility, it takes part in the design of lending policies, defining and updating also sector riskiness, as well as in the definition of the regulations on performing loans, watch-list loans and non-performing loans, the related decision-making powers and the NPE strategy. It promotes and carries out periodic reviews of the loan portfolio on specific scopes, such as economic sector and/or customer segments, also through dedicated reporting flows and the second-level regulatory audits of the Performing and Non-Performing Loan portfolio;
- Having regard to financial risks, it continuously monitors the risk exposure through monitoring indicators that are specific to each scope and against the limits and alert thresholds set by the Group Risk Committee (Comité Risques Groupe or CRG) of CA.SA.. Furthermore, it performs the second-level controls provided for by CA.SA internal normative instruments;
- Manages the procedures for credit risk measurement with special regard to rating systems, about which it shall ensure the double regard process through the validation of corporate ratings. Also ensures proper application of the Group rules on collective provisions, managing the related process and the IT procedure underlying it;
- It participates in defining the regulations and policies on ICT and Outsourcing risks;
- Defines the regulations and policies on operational risks.

The Risk Management and Permanent Controls Structure is responsible also for the Group risk reporting. These reports are prepared on a monthly or quarterly basis and are submitted on a quarterly basis to the Boards of Directors of the single Companies. The reporting produced by this Structure covers, among other things, the following:

- The quality of new production of loans in the different economic sectors and customer segments.
- The outcomes of the quarterly controls on Performing and Non-Performing loans chosen on a sample basis.
- The adequacy of the recovery and management processes, as well as of coverage of Non-Performing loans.
- Compliance with the limits laid down within the Risk Strategy and the RAF, in order to present the performance of the key risk indicators for more effective and prompter preparation of the action plans required to mitigate, prevent or avoid risk factors.
- Monitoring of ICT and security risks, reporting directly to the Consortium's Board of Directors;
- The performance of operational risk.

Having regard to climate-related physical risks, the Risk Management and Permanent Controls Structure carries out the following activities:

- On a quarterly basis, it reports the outcomes of the monitoring of multi-year action plans designed to reach compliance with the ECB's 13 expectations and the Bank of Italy's 12 expectations, to the relevant Corporate Committees. The outcomes of the monitoring of the ECB's expectations are measured with a specific indicator defined by the Parent Company, to which the progress in each action plan is also reported on a half-yearly basis.
- It prepares internal reports representing the exposures to climate-related risks – both physical and transition ones – and environmental risk, which are reported to the Board on a quarterly basis. The assessment covers both loans backed by collateral and unsecured ones, and risk levels are assigned using the place hazard mapping of the Italian territory.
- It updates the materiality assessment in order to identify material climate-related and environmental risks and their transmission to the prudential risk categories.
- Preparation of specific opinions on all the Group's operations and transactions concerning sustainability matters and requiring an independent opinion to be given by the Risk Management Function.

INTERNAL AUDIT

The general framework of the work principles and methods of the Internal Audit Function of the Crédit Agricole Italia Banking Group is set out in the “Charte d’audit” document. The document is based on the “Charte d’Audit de l’Inspection Générale Groupe” and is consistent with the specific organizational structure of the Italian Group and with the Italian applicable legislation and regulations.

The perimeter of the Crédit Agricole Italia Banking Group in the internal audit scope consists of the companies of the Group and of the Outsourced Critical and Important Functions.

The Charte d’audit is reviewed every year, as required by the internal audit professional standards, is submitted to the Audit Committee for Internal Control to obtain its opinion before submitting it to the Board of Directors for approval.

The Internal Audit structure of Crédit Agricole Italia is the corporate structure responsible for the internal audit of the Crédit Agricole Italia Banking Group. The Structure’s activity falls within a wide external regulatory framework. In accordance with the applicable Italian legislation and regulations, the structure performs the internal audit activities provided for by the Bank of Italy Supervisory Provisions, Circular no. 285 Title IV, Chapter 3.

In accordance with the French applicable legislation and regulations, the structure is one of the components of the “periodic control” system required under the “l’arrêté du 3 novembre 2014”.

Within the applicable legislation and regulations set out above, the Structure has adopted the “International Standards for the Professional Practice of Internal Auditing” (the “International Standards”), which lay down the essential requirements to be met by the Internal Audit Function and its work. The International Standards, along with the related “Implementation Guides for the Professional Practice of Internal Auditing”, are an integral part of the tools used by the Function.

The Internal Audit Function of Crédit Agricole Italia is independent from any operational structure or role of the Bank and of its subsidiaries.

In order to ensure the appropriate independence in exercising the Function, the Internal Audit Function Holder (Chief Audit Executive or CAE) reports on a solid line to the Bank’s Board of Directors. The independence of the Internal Audit Function is guaranteed also by the role of the Chief Executive Officer, who ensures management oversight and actual availability of the operational levers and of the appropriate financial and human resources for the Department’s effective operation.

The Inspection Générale Groupe (IGL or Inspection Générale), the Internal Audit Function of the Parent Company Crédit Agricole S.A. is responsible for steering and coordinating the activities of the Internal Audit Function; therefore, it defines the implementation guidelines for harmonized application in all the Companies of the Group (without prejudice to full compliance with the local legislation) of the audit model, methods and tools.

The CAE is appointed by the Company’s Board of Directors, which also sets his or her remuneration in accordance with the relevant corporate policies, after obtaining the opinion of the Board of Auditors; his or her appointment may be terminated with the same methods and explicit reason.

The activities performed by the Internal Audit Function of the Crédit Agricole Italia Banking Group are assurance activities pursuant to the applicable professional standards and pursue the purpose of verifying:

- The adequacy and effectiveness of controls whereby the reliability of accounting, management and operation data of the audited scopes can be assured.
- Risk management and the related exposure level, specifically of credit risk, market risk, liquidity risk, interest rate risk, intermediation risk, settlement risk, anti-money-laundering risk, terrorist financing risk and of the various components of operational risk, including internal or external fraud risks, business continuity risk, legal risk, non-compliance risk and model risk.
- Compliance of operations and abidance by procedures.
- Proper implementation of the set corrective actions.
- The quality and effectiveness of the general functioning of the corporate organization.

In accordance with the Italian regulations, the Internal Audit Function pursues the objective of “detecting any breaches or violations of procedures and of the applicable legislation and regulations, as well as to periodically assess the completeness, adequacy, proper operation (in terms of efficiency and effectiveness) and the reliability of the internal controls system and of the information system (ICT audit), at frequencies set beforehand based on the nature and severity of risks”.

Through the internal audits, a professional and independent opinion is given to the Board of Directors, the Board of Auditors and the Heads of the audited units on the operation and the controls system of the audited entities.

The Internal Audit Function has the task of performing follow-ups to verify proper implementation of the recommendations given, as well as of all the recommendations issued by the Parent Company Crédit Agricole S.A. and by the Regulators on the Crédit Agricole Italia Banking Group's perimeters.

The Function also provides support and assistance to other corporate structures (advisory activities), the nature and extent of which are agreed with the structures concerned and which aim at improving governance, risk management and organization control processes, with no decision-making responsibility lying with the Internal Audit Function.

The Internal Audit Function ensures a good level of coordination of its activities with those of the other control functions, namely “Risk Management and Permanent Controls” and “Compliance”. Specifically, coordination is ensured through:

- Regular alignment meetings.
- Sending its audit reports.
- Acquiring the mapping, tableaux de bord, and product indicators.
- Providing support in processing any cases of suspected significant fraud, conducting the necessary investigations.
- Following up the recommendations issued by the Inspection Générale and by the Supervisory Authorities.
- It holds regular meetings with the independent audit firm in charge of the Statutory Audit of the Accounts and the Manager in charge, especially as regards the design of the audit plan and to make its audit reports available.

Lastly, the Function may conduct specific investigations in case any material internal or external frauds are suspected or it may perform audits not planned in advance in case of events that are not included in the risk mapping or in the audit plan.

In order to plan its review activities, the Internal Audit Function performs, in accordance with the Crédit Agricole Group's methodology, the mapping of auditable risks, whereby the audit priorities and frequencies can be set; the risk mapping is shared with the Inspection Générale and submitted to the Board of Directors for approval.

The audits can be:

- General (full audit of a corporate unit, a process or project).
- Targeted (audit on specific processes or phases in a process).
- Thematic or crosswise (audits covering several units/processes, which are in most cases led by the Parent Company Crédit Agricole S.A.).

The audit perimeter is updated every year consistently with any changes in the perimeter of the Crédit Agricole Italia Banking Group.

The audits fall within an annual audit plan, which is designed through the following phases:

- The annual update of the mapping of auditable risks, whereby the audit priorities and frequencies can be set in a multi-year plan that is approved by the Board of Directors and ensure a forward-looking view as it is risk-based. The multi-year plan is revised every year.
- Talks with the Corporate Officers, the Top Management and the independent audit firm.
- Coordination with the Inspection Générale in order to agree on the audit priorities.
- Identification of the necessary resources, in terms of number and skills, to cover the plan, including any additional effort for audits that are necessary and could not be foreseen.

The CAE (the Chief Audit Executive) also submits the Audit Plan to the Board of Directors of Crédit Agricole Italia, to the Internal Control Audit Committee of Crédit Agricole Italia, to the Board of Auditors, to the Chief Executive Officer of Crédit Agricole Italia, to the General Managers and to the Corporate Governance Bodies of the subsidiary companies.

Audits not included in the annual audit plan may be carried out, at the decision of the CAE based on the assessment of the evolutions in risks, or at the request of the Top Management or Corporate Governance Bodies or Officers.

Where he or she deems it appropriate, the CAE may obtain assurance and consulting services from external providers, in order to ensure proper coverage of the auditing activities. Any cooperation agreements with external providers of assurance and/or consulting services are entered into in compliance with the principles and requirements laid down by the supervisory regulations and the professional standards.

A typical audit comprises the following phases:

- Preparation.
- Execution.
- Writing the audit report and the requests for corrective actions.

The CAE is entitled to contract, independently and with no limitation, the Governance Bodies of the companies of the Group to report material information and sits on the Risk and Internal Control Committee.

The Internal Audit Function identifies and determines the information, of any nature whatsoever, it needs to carry out its activity, including information produced by the operating units and support functions (minutes of meetings of Committees, tableau de bord of risks, activity and management indicators, etc.).

Furthermore, the Internal Audit Function has the permanent right to access all the information, to receive all the documents and data that exists at the Company it deems useful to be made aware of and has free access to the Corporate Governance Bodies and Officers and may interact with all employees as it deems useful to perform its corporate mission.

Access to the personnel, to the tools, buildings, IT data or to any other asset that it deems necessary to perform its activity is also given in compliance with the Group's rules on data and information protection.

The execution phase has the objective of defining a diagnosis on the audited processes and structures, and of giving the recommendations that are suitable to mitigate the risks.

The main conclusions of the audits and the progress in the audit plan are reported, at least on a six-monthly basis, to the Board of Directors, the Audit Committee for Internal Control, the Board of Auditors, the Risk and Internal Control Committee and to the Top Management of the Company; at the usual frequency, the documents are submitted, as relevant for their respective remits, to the Boards of Directors and to the Boards of Auditors of the subsidiaries.

On a quarterly basis, the Inspection Générale is informed of the main conclusions and of the progress in the Audit Plan.

The audit reports and the reports on the follow-up of recommendations are sent to the Control Functions, to the Manager in Charge and to the independent audit firm in charge of the statutory audit of the accounts; at their request, the reports are sent to the Supervisory Authorities.

Except for special cases, every audit is summarized with a grade, on a 4-level scale defined by the Inspection Générale Groupe of Crédit Agricole S.A., whereby the global opinion of the Internal Audit Function can be summarized and its reporting and the reporting of any emerging risks can be facilitated.

Every request for corrective action (recommendation) issued at the outcome of audits is ranked on a scale from 1 to 3, in accordance with the audit methodology defined by the Inspection Générale.

The CAE has defined and maintains a system for the monitoring of the implementation of the corrective actions recommended based on the results of audits.

The follow-up activity comprises the objective verification, remotely or on site, of the progress in the implementation of the recommendations and corrective actions, asking the reasons for any delay. On a six-monthly basis, this activity is reported to the Board of Directors and to the Audit Committee for Internal Control, on a quarterly basis to the Steering Committee and to the Executives at the head of the structures that are mostly impacted by the recommendations.

If, through the follow-up of the implementation of corrective actions, or as the outcome of an assurance or advisory task, the CAE concludes that the management has taken a level of risk that may be unacceptable for the organization, the CAE shall trigger a specific reporting procedure to the senior management, which shall include specific reporting on the audited Function.

If the problem is not solved within the agreed term, the CAE may trigger the the same procedure to the Audit Committee for Internal Control and to the Board of Directors.

The Internal Audit Function of the Crédit Agricole Italia Banking Group undertakes to comply with and implement five key principles of ethics: integrity, objectivity, confidentiality, competency and transparency.

The internal auditors have the obligation to inform their managers and the Compliance Function immediately of any potential or actual conflicts of interest that may prevent them from working in an unbiased manner.

The internal auditors shall conduct themselves in compliance with code of ethics of the Institute of Internal auditors (IIA), which is consistent with the one published by the Italian Association of Internal Auditors (AIIA).

The internal auditors seconded from other units of the Ligne Métier Audit Inspection (LMAI) of the Crédit Agricole S.A. Group, or who participate in audits performed in cooperation with other Functions within the LMAI shall comply with and implement the same principles of ethics, with special regard to confidentiality rules.

Furthermore, the CAE develops and supports a quality assurance and continuous improvement programme covering the whole perimeter of Internal Audit activities.

The continuous improvement programme is developed in order to assess compliance of the Internal Audit activity with the International Standards and compliance by the internal auditors with the Code of Ethics. The programme has also the goal of assessing the efficiency and effectiveness of the Internal Audit activity and of identifying any opportunities for its improvement, considering also the relevant industry benchmarks.

Once a year, the CAE reports the results of the quality assurance and continuous improvement programme to the Board of Directors, along, where applicable, the results of the internal and external assessments, besides the action plans and the progress in any open recommendations.

In this context, the CAE promotes a continuous and structured training and updating activity and encourages the development of skills also through the obtainment of professional certifications and qualifications issued by accredited professional bodies.

Lastly, on a yearly basis and jointly with the other Corporate Control Functions, the Internal Audit Structure sends the Report on the activities it carried out in the year to the Supervisory Authority (Integrated Report of the Holders of Control Functions).

In 2024, an audit was carried out on the perimeter of operation of the 1st-degree and 2nd-degree - 1st level controls in the Internal Control System of the Retail Banking Channel.

The final outcome showed the need for a structural revision of the model of controls (both 1st degree and 2.1) leading to commercial time recovery, cost savings and higher effectiveness and efficiency, as well as to an improvement in the governance of the Network risks. The revision started, also with the assistance of external Consultants.

COMPLIANCE

The Compliance Function is part of the internal controls system as a second-level function and is responsible for preventing the risk of judicial penalties or fines, of significant financial losses or reputational damage caused by any violation of the applicable legislation.

The Group Compliance Function reports on a solid line to the *Direction de la Conformité* of Crédit Agricole SA and on a dotted line to the Board of Directors of Crédit Agricole Italia.

The Function has the mission of controlling and managing noncompliance risks, by continuously identifying the legislation and regulations that apply to the Group, as well as by measuring and assessing their impact on the corporate processes and procedures and by defining the relevant prevention and control policies in the perimeter it is responsible for. Specifically, its objective is to ensure centrality of customers' interests, the prevention of offences pursuant to Italian Legislative Decree 231/01, the prevention of risks associated with money-laundering and terrorism financing, the prevention of risks regarding market abuse, the protection of personal data pursuant to the applicable legislation, the prevention and mitigation of corruption and fraud risks, the protection of the Group's Companies, employees and top officers against risks of penalties, financial losses and reputational damage, also through advisory services and assistance, risk control and compliance with internal regulations and external legislation on ICT (ICT compliance) pursuant to Bank of Italy Circular no. 285 of 17 December 2013, as well as with any applicable legislation for which specialist control is not already in place.

On a yearly basis, the Compliance Function submits its assessment of the exposure to non-compliance risk to the Boards of Directors of the Group Companies and provides them with reporting on the activities performed, specifically concerning the verifications made and the related outcome, as well as the measures implemented and/or planned to remedy any shortcomings, along with the annual compliance plan.

Furthermore, the Compliance Function provides the Top Management with support and advice in order to prevent conducts that could lead to penalties, generate losses or cause significant damage to the company's reputation. In this scope, compliance activities also contribute to increase the Company's value to the benefit of all stakeholders.

MANAGER IN CHARGE

Pursuant to aforementioned Article 154-*bis*, paragraph 5, in a specific document attached to the Annual Report and Financial Statements, to the Annual Report and Consolidated Financial Statements and to the Half-yearly Condensed Financial Report, jointly with the Chief Executive Officer, the Manager in Charge shall state:

- The adequacy and actual application of the administrative and accounting procedures.
- The consistency of the corporate and accounting documents with the records in the corporate books and with the accounts.
- That the above Reports and Financial Statements are fit to provide a true and correct representation of the financial and cash flow position, as well as of the performance of the Bank and of the Group.

The Manager in charge shall also state that the Management Report includes a reliable analysis of the performance and profit (loss) from operations, as well as of the situation of the Bank and of the Group, and the description of the main risks and uncertainties to which they are exposed.

In order to transpose Directive 2022/2464/EU of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive or CSRD) in the Italian law in accordance with the delegation principles and criteria set out in Article 13 of Italian Law no. 15 of 21 February 2024, the Italian Government approved Italian Legislative Decree no. 215 of 6 September 2024, which was then published on the Official Journal of the Republic of Italy on 10 September 2024. The Decree lays down the rules governing Consolidated Sustainability Reporting and assurance obligations, making some necessary amendments to ensure consistency with the Italian Consolidated Law on Finance, specifically to Article 154-*bis* in order to supplement the duties of the Management and Governance Officers and the Manager in charge of the preparation of corporate accounting documents with the additional duty of certifying that the Consolidated Sustainability Report included in the Management Report is compliant with the European Sustainability Reporting Standards. The Decree provides for this task to be performed by the Manager in charge of the preparation of corporate accounting documents, without prejudice to the option to assign the task to another manager, after mandatorily obtaining the opinion of the Control Body. Having regard to the

Decree, the Board of Directors of Crédit Agricole Italia confirmed the assignment of the task to the Manager in charge of the preparation of corporate accounting documents.

Therefore, pursuant to the aforementioned Article 154-bis and specifically to its new paragraph 5-*ter*, the Manager in charge shall certify, together with the Chief Executive Officer, in a specific report, that the Consolidated Sustainability Report included in the Management Report has been prepared:

- In compliance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council, of 26 June 2013;
- In compliance with the specifications adopted under Article 8(4) of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020.

FINANCIAL REPORTING AND CONSOLIDATED SUSTAINABILITY REPORTING PROCESS - EXISTING RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

Financial reporting

The Internal Control System on corporate reporting is the process that, involving several corporate structures, gives reasonable assurance on the reliability of financial reporting, the reliability of accounting documents and of compliance with the applicable legislation. There is close and clear correlation with the risk management process, which is the process for the identification and analysis of the factors that could prejudice the achievement of the set corporate objectives, in order to determine how these risks can be managed. A fit and effective risk management system can indeed mitigate any negative effects on corporate objectives, including reliability, accuracy, trustworthiness and promptness of accounting and financial reporting. Setting up and maintaining in place an adequate system for control on financial reporting and periodically assessing its effectiveness by the Bank require prior identification of a benchmark model for comparison purposes. The benchmark model must be generally accepted, strict and complete and, as such, able to guide proper implementation and correct assessment of the control system.

It has been decided to use the “COSO Report” principles and guidelines, a widely used, also internationally, benchmark model for the assessment of internal control systems, limited to the part on financial reporting. Based on the aforementioned model, the control system is set up through the stages of: comparison between the as-is situation and the adopted benchmark model; identification of any shortcomings or needs for improvement; implementation of corrective actions and assessment of the internal control system in order to provide supporting grounds to the statements made by the Manager in charge. The fact that an adequate system of administrative and accounting procedures is in place and properly operating over time is verified in accordance with specific methods set out in an internal methodological framework. The analysis scope takes into account also the components of the structure of the corporate internal controls that are relevant for financial reporting; these controls operate crosswise the single line corporate processes.

Consolidated Sustainability Reporting

The internal control system on sustainability reporting is based, with the appropriate adjustments, on the general principles previously described and already adopted for financial reporting.

The Corporate Sustainability Reporting Directive (CSRD) has materially innovated many aspects of the legislation and regulations on non-financial reporting previously in force, extending contents, strengthening the assurance level and increasing the harmonization of the rules along the directions set out below:

- a) A material extension of the scope of reporting obligation under the CSRD with a consequent higher number of the corporates concerned.
- b) The strengthening of reporting obligations, providing for disclosure duties featuring higher granularity and clearer definition of the double materiality principle.
- c) The mandatory inclusion of the Consolidated Sustainability Report into the Management Report.
- d) The establishment of mandatory European Sustainability Reporting Standards (ESRS) to ensure higher harmonization and comparability of non-financial statements.
- e) The establishment at the EU level of the requirement for independent assurance of the Consolidated Sustainability Report (independent auditor).

Italian Legislative Decree no. 125 of 6 September 2024 transposing the CSRD in the Italian Law:

- a) Lays down the substantive rules applying to Consolidated Sustainability Reporting and assurance obligations.
- b) Has made some necessary amendments in order to ensure consistency with the Italian Consolidated Law on Finance, including:
 1. The amendment to Article 154.bis, in order to supplement the duties of the Management and Governance Officers and the Manager in charge of the preparation of corporate accounting documents with the additional duty of certifying that the Consolidated Sustainability Report included in the Management Report is compliant with the European Sustainability Reporting Standards (ESRS).
 2. Reasserts the role and responsibility of the Corporate Governance Bodies and Officers as regards proper compliance with the Consolidated Sustainability Reporting obligations laid down by the Legislative Decree (Article 10 paragraph 1).

The Internal Control System on Sustainability Reporting aimed at ensuring the qualitative features of the presented information and data also involves several corporate functions:

- a) the Board of Directors, which oversees the processes for the reporting of the material topics for the Group's companies and approved the Consolidated Sustainability Report;
- b) the Board of Auditors, which monitors the Consolidated Sustainability Reporting process;
- c) The Audit Committee for Internal Control, which examines the outcome of the controls and analyses carried out for effective oversight of the quality of the information and data contained in the Consolidated Sustainability Report;
- d) The Sustainable Development Board Committee, which gives opinions and supports the Board of Directors in making strategic decisions concerning the preparation of the Consolidated Sustainability Report;
- e) The ESG and Sustainability Managerial Committee, which provides the Board of Directors with support validating the process phases;
- f) The Manager in charge, who is tasked with certifying compliance of the Consolidated Sustainability Report with the European Sustainability Reporting Standards (ESRS);
- g) The Corporate Affairs and Sustainability Function, which, through its ESG and Sustainability structure, performs a series of coordination activities on ESG matters, including those regarding ESG disclosure and the preparation of the Consolidated Sustainability Report to be included in the Management Report. The Functions performs its activities consistently with the guidelines given by the Parent Company Crédit Agricole SA..

DESCRIPTION OF THE MAIN FEATURES OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS IN PLACE REGARDING THE FINANCIAL REPORTING AND CONSOLIDATED SUSTAINABILITY REPORTING PROCESS

A) Steps in the risk management and internal control systems in place regarding the financial reporting and Consolidated Sustainability Reporting process

FINANCIAL REPORTING

Identification and assessment of risks on financial reporting

First of all, risk identification is carried out by selecting the relevant entities (companies) within the Group and, afterwards, by analyzing the risks affecting the corporate processes that are the source of financial reporting. This entails the definition of quantitative criteria in accordance with the income and financial contribution given by the single entities in the accounts and the definition of selection rules with minimum thresholds of relevance. Qualitative elements may also be taken into account.

Once having determined the relevant entities, significant processes are identified and defined as such if they are associated with material data and information, i.e. accounting items that have a less than remote possibility to contain errors with potential material impact on financial reporting. Within every significant process, the most relevant “assertions” are then identified, again in accordance with assessment based on risk analysis. Assertions are claims regarding the requirements that each financial statement must meet in order to achieve the objective of true and correct representation. Assertions are existence and occurrence, valuation and classification, completeness, rights and obligations.

Risks are assessed both for the company as a whole and for each specific process. In the former case, the assessment aims at verifying actual existence of a corporate setting that is in general fit to mitigate risks of errors and improper conducts as relevant for financial reporting. In terms of process, the risks associated with financial reporting (operational errors, underestimate or overestimate of items, less than accurate reporting, etc.) are analyzed at the level of the activities making up processes. Risks and the pertinent controls, associated with the critical process of the Manager in charge, are assessed with a risk-based approach, which mandatorily requires prior accurate mapping of all corporate processes. The potential risk index gives a summary evaluation of the single risk event, the occurrence of which could cause direct/indirect damage in terms of income-cash flows, in financial terms, in terms of penalties or of the Group's image. The risk is detected within the process and is irrespective of the existing controls (inherent or potential risk). The risk index is assessed based on the severity of the potential damage.

Identification and assessment of controls based on the identified risks on financial reporting

First, the company-wide controls that somehow regard relevant data/information and relevant assertions are focused on; such controls are identified and assessed both through monitoring their effects on processes and at a general level. Company-wide controls can prevent or detect any significant errors, even though they do not operate on the single processes. Having adopted a risk-based approach, the identification of critical processes and, within them, of the accounting risks at process level, guides the analysis activities and entails the subsequent identification and assessment of the relevant controls, which can mitigate inherent risk and ensure that residual risk stays within acceptability thresholds.

The implemented assessment of the control system is based on various elements: time frame and frequency, adequacy, operational compliance. The overall analysis of the controls on each risk is defined as the synthesis of the process to assess the adequacy and compliance grade of such controls. These analyses summarize subjective considerations on the effectiveness and efficiency of the controls on each single risk. The overall assessment of risk management can be broken down into assessment of existence, adequacy and proper operation/effectiveness. The risk assessment process ends with the measurement of residual risk, as the value resulting from the application of the overall assessment of controls to inherent riskiness. Reporting flows with the information on the activities carried out are sent every six months to the Audit Committee for Internal Control as reports prepared by the Manager in charge giving supporting grounds for the statements/claims on accounting documents. These reports include: the results of the identification of the critical scope

of analysis, the identification of accounting risks with the related final measurement scores, focus points on any detected shortcomings and needs for improvement and the related mitigation procedures, along with a summary on the adequacy and proper operation of the controls at a company-wide level.

CONSOLIDATED SUSTAINABILITY REPORT

Identification and assessment of ESG risks on sustainability reporting

The preparation of the Consolidated Sustainability Report falls within a context where the activity to identify, measure, manage and monitor the environmental, social and governance risks is becoming more and more important as it poses challenges to the safety and soundness of institutions. Institutions are expected to integrate ESG risks into their regular risk management framework by considering their role as potential drivers of all traditional categories of financial risks. Indeed, ESG risks can directly affect credit, market, operational, reputational, liquidity, business model, and concentration risks. In terms of methodology, the approach to risk identification and assessment is “risk-based”, as is the approach to financial reporting, in accordance with a series of specific logical steps to be followed.

The main steps in the sustainability reporting process from beginning to end are:

- a) The definition of the perimeter of the companies included in the report, which shall be the same one covered by the consolidated financial statements of the Crédit Agricole Italia Group. Having regard to quantitative information stated in the Report concerning minor entities, some disclosures have been prepared using reasonable assumptions and estimates in compliance with the CSRD, which permits their use.
- b) The value chain assessment. The Consolidated Sustainability Report gives the information on the material impacts, risks and opportunities connected with the Crédit Agricole Italia Group, through its direct and indirect business relationships in the upstream and/or downstream value chain.
- c) The double materiality assessment (DMA). The DMA is central in the Consolidated Sustainability Reporting process, as it is used to determine the topics that are to be considered material and, as such, to be reported, associated with the impact of the Group's operations on people and on the external environment (impact materiality) and with the influence that sustainability matters could reasonably be expected to have on the undertaking's development, financial position, financial performance, cash flows, access to finance or cost of capital (financial materiality). The Group is required to identify the information to be reported based on the DMA rating the impacts, risks and opportunities (IROs) for each sustainability topic. Having regard to this specific activity, the Board of Directors of Crédit Agricole Italia approved a specific policy comprising the steps listed below:
 1. Definition of the IRO list;
 2. Rating of the listed IROs by the relevant Functions based on criteria regarding the event scale, scope, likelihood and remediability;
 3. Identification of the IROs that have been assessed as material to be stated in the Consolidated Sustainability Report. If the rating based on the assessment activity is above a given score, the IROs shall be classified as material.
- d) The adoption of policies and strategies associated with the ESG topics that the Group has assessed as material. The corporate policies shall govern the main sustainability topics, in order to express Crédit Agricole Italia's strategic positioning and the ambitions to be disclosed in the report.
- e) The formalization of the process to prepare the actual sustainability report. Once having identified the perimeter, assessed the value chain, identified the material IROs, adopted the related policies identifying strategies, positioning and ambitions associated with ESG topics, the qualitative and quantitative information to be disclosed in the report (datapoints).

Identification and assessment of controls on sustainability reporting

The assessor Functions shall justify and ensure the traceability of the data and information with which they contribute to the Report preparation, as well as of the considerations and objective elements used for the DMA exercise. They are also required to preserve the documents or to ensure the recoverability of evidence or elements enabling to replicated the assessment and to substantiate the assessment outcome. Having regard to these processes, specific first- and second-level controls have been defined in order to ensure the robustness and traceability of the datapoints. To that end, specific internal normative instruments have been adopted defining roles and responsibilities. The main steps in the Consolidated Sustainability Reporting preparation are identified in compliance with the applicable standards and assessment activities are designed to mitigate risk levels. These assessment summarize subjective considerations. Reporting flows with the information on the activities carried out are sent to the Audit Committee for Internal Control as reports prepared by the Manager in charge giving supporting grounds for the statements/claims made.

B) Roles and functions involved in the financial and sustainability reporting process

The Manager in charge oversees the financial and sustainability reporting preparation process. In order to perform his mission, the Manager in Charge has the power to set the organizational directions for an adequate structure within his Function; he has the means and tools to perform his activity; he can cooperate with other organizational units. Many corporate functions contribute to feeding P&L-financial and sustainability information and datapoints. Therefore, the Manager in Charge has established a systematic and fruitful relationship with such roles and structures. The roles and structures engaged in control functions provide the Manager in Charge with any elements and information that could contribute to the assessment and governance of any problems, such as anomalies falling under the scope of action of the Manager in Charge. Having regard to the Consolidated Sustainability Reporting, very important are the contribution given and the activity performed by the Corporate Affairs and Sustainability Function, which, through its ESG and Sustainability structure, performs a central coordination task in the various above-described steps in the process to define the reporting to be included in the Management Report. The Organization and Functioning structure cooperates with the Manager in Charge as regards the documentation on the processes and its updating over time. Every six months, the Manager in Charge prepares a report, submits it to the Audit Committee for Internal Control and sends it to the corporate control functions for their information. The report is the information flow whereby the Manager in Charge reports on the activities performed and on the relevant findings. The Board of Directors is responsible for supervising and ensuring that the Manager in Charge is vested with adequate powers and has adequate means to perform the tasks assigned to him. The Manager in Charge shall promptly inform the Board of Auditors of any problems that may arise. Thanks to the implemented model, sufficient assurance can be given of proper accounting, financial and sustainability reporting. However, despite properly set and operating internal control systems, the occurrence of any malfunctioning or anomalies able to impact on the accounting, financial and sustainability reporting cannot be ruled out.

STATUTORY AUDIT OF THE ACCOUNTS

The statutory audit of the accounts of the Crédit Agricole Italia Banking Group is assigned to an independent audit firm that carries out the activities provided for by Article 14, paragraph 1 of Italian Legislative Decree No. 39 of 27 January 2010.

In specific reports, the independent Audit Firm expresses its opinion on the separate and consolidated financial statements, as well as on the half-yearly financial report.

The statutory audit of the accounts has been assigned to the firm PricewaterhouseCoopers S.p.A. for the 2021-2029 period.

PricewaterhouseCoopers S.p.A. has been assigned also limited review engagements on the Consolidated Sustainability Report. Pursuant to Article 18 paragraph 1 of Italian Legislative Decree no. 125 of 6 September 2024, the engagement already assigned by the Bank to PricewaterhouseCoopers S.p.A. for the certification of compliance of the Non-Financial Statement (NFS) shall remain in full force and effect until 2029.

CRÉDIT AGRICOLE ITALIA BANKING GROUP

CONSOLIDATED FINANCIAL STATEMENTS



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Assets	31 Dec. 2024	31 Dec. 2023
10. Cash and cash equivalents	5,296,488	10,383,650
20. Financial assets measured at fair value through profit or loss	292,708	351,517
a) financial assets held for trading;	134,710	198,491
c) other financial assets mandatorily measured at fair value	157,998	153,026
30. Financial assets measured at fair value through other comprehensive income	3,740,466	3,868,730
40. Financial assets measured at amortized cost	75,854,167	71,765,202
a) due from banks	4,495,310	2,331,699
b) Loans to customers	71,358,857	69,433,503
50. Hedging derivatives	754,030	863,647
60. Fair value change of financial assets in macro-hedge portfolios (+/-)	-164,801	-328,603
70. Equity investments	28,130	25,803
90. Property, Plant and Equipment	1,088,171	1,155,920
100. Intangible assets	1,579,534	1,583,307
- of which goodwill	1,315,925	1,315,925
110. Tax assets	1,543,052	2,029,131
a) current	453,609	619,130
b) deferred	1,089,443	1,410,001
120. Non-current assets held for sale and discontinued operations	1,478	9,104
130. Other assets	2,445,522	2,515,010
Total assets	92,458,945	94,222,418

Liabilities and Equity	31 Dec. 2024	31 Dec. 2023
10. Financial liabilities measured at amortized cost	80,012,195	81,770,827
a) Due to banks	1,971,856	5,290,239
b) Due to Customers	61,782,016	61,888,930
c) Debt securities issued	16,258,323	14,591,658
20. Financial liabilities held for trading	136,796	198,241
40. Hedging derivatives	1,672,836	2,139,540
50. Fair value change of financial liabilities in macro-hedge portfolios (+/-)	-504,834	-791,351
60. Tax liabilities	295,866	278,173
a) current	251,022	228,442
b) deferred	44,844	49,731
80. Other liabilities	1,943,794	1,922,521
90. Employee severance benefits	86,558	90,428
100. Provisions for risks and charges	495,687	584,343
a) commitments and guarantees given	93,123	80,428
b) post-employment and similar obligations	28,932	30,643
c) other provisions for risks and charges	373,632	473,272
120. Valuation reserves	-64,720	-59,504
140. Equity instruments	740,000	815,000
150. Reserves	2,211,510	1,943,605
160. Share premium reserve	3,495,378	3,495,378
170. Capital	1,102,071	1,102,071
180. Treasury shares (+/-)	-6	-6
190. Minority interests (+/-)	27,530	24,967
200. Profit (Loss) for the period	808,284	708,185
Total liabilities and equity	92,458,945	94,222,418

CONSOLIDATED INCOME STATEMENT

Items	31 Dec. 2024	31 Dec. 2023
10. Interest and similar income	3,540,201	3,217,049
Of which: interest income calculated with the effective interest method	3,533,526	3,210,476
20. Interest and similar expenses	(1,762,638)	(1,471,487)
30. Net interest income	1,777,563	1,745,562
40. Fee and commission income	1,310,937	1,269,836
50. Fee and commission expense	(49,499)	(50,433)
60. Net fee and commission income	1,261,438	1,219,403
70. Dividend and similar income	13,193	12,667
80. Net gains (losses) on trading activities	17,022	14,681
90. Net gains (losses) on hedging activities	(12,068)	(8,897)
100. Profit (losses) on disposal or repurchase of:	51,942	97,513
a) financial assets measured at amortized cost	31,308	73,176
b) financial assets measured at fair value through other comprehensive income	21,362	26,007
c) financial liabilities	(728)	(1,670)
110. Net gains (loss) on other financial assets and liabilities measured at fair value through profit or loss	(1,781)	2,566
a) financial assets and liabilities designated at fair value	-	-
b) other financial assets mandatorily measured at fair value	(1,781)	2,566
120. Net banking income	3,107,309	3,083,495
130. Net adjustments/recoveries for credit risk on:	(238,455)	(287,768)
a) financial assets measured at amortized cost	(235,515)	(286,167)
b) financial assets measured at fair value through other comprehensive income	(2,940)	(1,601)
140. Profits/Losses on contract modifications without derecognition	(1,238)	(7,495)
150. Net financial income (loss)	2,867,616	2,788,232
160. Net premium income	-	-
170. Other net insurance income/expenses	-	-
180. Net financial and insurance income (loss)	2,867,616	2,788,232
190. Administrative expenses:	(1,875,643)	(1,902,570)
a) personnel expenses	(1,029,312)	(1,017,173)
b) other administrative expenses	(846,331)	(885,397)
200. Net provisions for risks and charges	(14,897)	(45,351)
a) commitments and guarantees given	(12,695)	(6,528)
b) other net provisions	(2,202)	(38,823)
210. Net adjustments to/recoveries on property, plant and equipment	(121,102)	(126,214)
220. Net adjustments to/recoveries on intangible assets	(98,316)	(94,074)
230. Other operating costs/income	423,054	385,262
240. Operating costs	(1,686,904)	(1,782,947)
250. Profit (losses) on equity investments	2,873	4,147
260. Net gains (losses) from property, plant and equipment and intangible assets measured at fair value	(345)	(402)
270. Goodwill impairment	-	-
280. Profit (losses) on disposals of investments	2,074	3,056
290. Profit (Loss) before tax from continuing operations	1,185,314	1,012,086
300. Taxes on income from continuing operations	(375,037)	(302,159)
310. Profit (Loss) after tax from continuing operations	810,277	709,927
320. Profit (Loss) after tax from discontinued operations	-	-
330. Profit (Loss) for the period	810,277	709,927
340. Profit (Loss) for the period attributable to minority interests	(1,993)	(1,742)
350. Profit (loss) for the period attributable to the Parent Company	808,284	708,185

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Items	31 Dec. 2024	31 Dec. 2023
10. Profit (Loss) for the period	810,277	709,927
Other comprehensive income after tax not reclassified to profit or loss		
20. Equity securities designated at fair value through other comprehensive income	313	(9,741)
30. Financial liabilities designated at fair value through profit or loss (changes in own credit rating)		
40. Hedging of equity securities designated at fair value through other comprehensive income		
50. Property, Plant and Equipment	-	
60. Intangible assets	-	
70. Defined-benefit plans	191	(5,726)
80. Non-current assets held for sale and discontinued operations	-	
90. Share of valuation reserves on equity investments measured using the equity method:	(6)	(19)
100. Financial revenues or costs relating to insurance contracts issued		
Other comprehensive income after tax reclassified to profit or loss		
110. Hedges of investments in foreign operations	-	
120. Foreign exchange differences	-	
130. Cash flow hedges	-	
140. Hedging instruments (non-designated elements)		
150. Financial assets (other than equity securities) measured at fair value through other comprehensive income	(5,714)	10,887
160. Non-current assets held for sale and discontinued operations		
170. Share of valuation reserves on equity investments measured using the equity method:		
180. Financial revenues or costs relating to insurance contracts issued		
190. Financial revenues or costs relating to reinsurance cessions		
200. Total other comprehensive income after taxes	(5,216)	(4,599)
210. Comprehensive income (Item 10+170)	805,061	705,328
220. Consolidated comprehensive income attributable to Minority Interests	1,993	1,741
230. Consolidated comprehensive income attributable to the Parent Company	803,068	703,587

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2024

	Capital: ordinary shares	Share premium reserve	Reserves:		Valuation reserves	Equity instruments	Treasury shares	Profit (Loss) for the period	Equity
			retained earnings reserves	other					
EQUITY GROUP SHARE									
AS AT 31 DEC. 2023	1,102,071	3,495,378	1,957,599	-13,994	-59,504	815,000	-6	708,185	8,004,729
MINORITY INTEREST AS AT 31 DEC. 2023	20,469	2,901	-3,061	2,939	-23		-	1,742	24,967
CHANGE TO OPENING BALANCES	-	-	-	-	-	-	-	-	-
EQUITY GROUP SHARE									
AS AT 1 JAN. 2024	1,102,071	3,495,378	1,957,599	-13,994	-59,504	815,000	-6	708,185	8,004,729
MINORITY INTERESTS AS AT 1 JAN. 2024	20,469	2,901	-3,061	2,939	-23	0	0	1,742	24,967
ALLOCATION OF THE PROFIT OR LOSS FOR THE PREVIOUS FY									
Reserves	-	-	347,911	-	-	-	-	-347,911	-
Dividends and other allocations	-	-	-	-	-	-	-	-362,016	-362,016
CHANGES FOR THE PERIOD									
Changes in reserves	-	-	-295	-	-	-	-	-	-295
Transactions on equity									
Issue of new shares	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Change in equity instruments	-	-	-78,342	-	-	-75,000	-	-	-153,342
Charity	-	-	-	-	-	-	-	-	-
Consolidation adjustments	-	-	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company assigned to employees and directors	-	-	-	358	-	-	-	-	358
Changes in equity interests	47	507	31	-	-	-	-	-	585
Comprehensive income	-	-	-	-	-5,216	-	-	810,277	805,061
EQUITY GROUP SHARE									
AS AT 31 DEC. 2024	1,102,071	3,495,378	2,225,146	-13,636	-64,720	740,000	-6	808,284	8,292,517
MINORITY INTEREST AS AT 31 DEC. 2024	20,516	3,408	-1,303	2,939	-23	0	0	1,993	27,530

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2023

	Capital: Ordinary shares	Share premium reserve	Reserves:		Valuation reserves	Equity instruments	Treasury shares	Profit (Loss) for the period	Equity
			retained earnings reserves	other					
EQUITY GROUP SHARE									
AS AT 31 DEC. 2022	1,102,071	3,496,073	1,786,114	-13,994	-54,906	815,000	-	558,594	7,688,952
MINORITY INTEREST AS AT 31 DEC. 2022	20,457	2,763	-4,537	2,939	-22	-	-	1,474	23,074
CHANGE TO OPENING BALANCES	-	-	-	-	-	-	-	-	-
EQUITY GROUP SHARE									
AS AT 1 JAN. 2023	1,102,071	3,496,073	1,786,114	-13,994	-54,906	815,000	-	558,594	7,688,952
MINORITY INTERESTS AS AT 1 JAN. 2023	20,457	2,763	-4,537	2,939	-22	-	-	1,474	23,074
ALLOCATION OF THE PROFIT OR LOSS FOR THE PREVIOUS FY									
Reserves	-	-	257,884	-	-	-	-	-257,884	-
Dividends and other allocations	-	-	-	-	-	-	-	-302,184	-302,184
CHANGES FOR THE PERIOD									
Changes in reserves	-	-	204	-	-	-	-	-	204
Transactions on equity									
Issue of new shares	-	-695	-	-	-	-	-	-	-695
Purchase of treasury shares	-	-	-	-	-	-	-6	-	-6
Change in equity instruments	-	-	-85,511	-	-	-	-	-	-85,511
Charity	-	-	-	-	-	-	-	-	-
Consolidation adjustments	-	-	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company assigned to employees and directors	-	-	378	-	-	-	-	-	378
Changes in equity interests	12	138	6	-	-	-	-	-	156
Comprehensive income	-	-	-	-	-4,599	-	-	709,927	705,328
EQUITY GROUP SHARE									
AS AT 31 DEC. 2023	1,102,071	3,495,378	1,957,599	-13,994	-59,504	815,000	-6	708,185	8,004,729
MINORITY INTEREST AS AT 31 DEC. 2023	20,469	2,901	-3,061	2,939	-23	-	-	1,742	24,967

CONSOLIDATED STATEMENT OF CASH FLOWS

	31 Dec. 2024	31 Dec. 2023
A. OPERATING ACTIVITIES		
1. Cash flows from operations	2,077,645	2,077,245
- profit (loss) for the period (+/-)	808,284	708,185
- Gains/losses on financial assets held for trading and on financial assets/ liabilities measured at fair value through profit or loss(-/+)	780	526
- Gains/losses on hedging activities (-/+)	-8,317	-181
- Net adjustments/recoveries for credit risk (+/-)	236,745	263,182
- Net adjustments to/recoveries on property, plant and equipment and intangible assets (+/-)	219,418	220,288
- Net provisioning for risks and charges and other costs/revenues (+/-)	14,897	45,351
- taxes, levies and tax credits not settled (+)	375,037	302,159
- net adjustments to/recoveries on discontinued operations net of tax effect (-/+)	-	-
- Other adjustments (+/-)	430,801	537,735
2. Cash flow generated/absorbed by financial assets	-3,785,788	9,822,171
- Financial assets held for trading	64,782	132,965
- Financial assets designated at fair value	-	-
- Financial assets mandatorily measured at fair value	-6,753	33,703
- financial assets measured at fair value through other comprehensive income	163,139	-277,187
- Financial assets measured at amortized cost	-4,283,476	9,482,967
- Other assets	276,520	449,723
3. Cash flow generated/absorbed by financial liabilities	-2,780,091	-3,938,826
- Financial liabilities measured at amortized cost	-2,055,661	-2,404,059
- Financial liabilities held for trading	-61,445	-130,808
- Financial liabilities designated at fair value	-	-
- Other liabilities	-662,985	-1,403,959
Net cash flow generated/absorbed by operating activities	-4,488,234	7,960,590
B. INVESTING ACTIVITIES		
1. Cash flow generated by:	34,500	41,896
- sales of equity investments	600	15,433
- dividend income on equity investments	13,193	12,667
- sales of property, plant and equipment	20,707	13,796
- sales of intangible assets	-	-
- sales of business units	-	-
2. Cash flow absorbed by:	-118,655	-106,971
- purchases of equity investments	-	-4,680
- purchases of property, plant and equipment	-24,111	-22,899
- purchases of intangible assets	-94,544	-79,392
- purchases of business units	-	-
Net cash flow generated/absorbed by investing activities	-84,155	-65,075
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	-	-701
- issues/purchases of equity instruments	-153,342	-85,511
- distribution of dividends and other	-362,016	-302,184
- sale/purchase of ownership interests without loss or acquisition of control over the investee	585	150
Net cash flows generated/absorbed by funding activities	-514,773	-388,246
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	-5,087,162	7,507,269

RECONCILIATION

Financial Statement items	31 Dec. 2024	31 Dec. 2023
Opening cash and cash equivalents	10,383,650	2,876,381
Net increase/decrease in cash and cash equivalents for the period	-5,087,162	7,507,269
Closing cash and cash equivalents	5,296,488	10,383,650

Key:

(+)generated
(-)absorbed

In accordance with the amendment to IAS 7, endorsed by Regulation no. 1990 of 6 November 2017, adopted for the first time in the reporting period starting on 1 January 2017, the information required under paragraph 44 B to measure changes in liabilities resulting from financing activities, irrespective of whether the changes result from cash flows or changes other than in cash equivalents.

	31 Dec. 2023	Changes from cash flows generated by financing activities	Changes from obtaining or losing control of subsidiaries or other businesses	Fair value changes	Other changes	31 Dec. 2024
Liabilities arising from financing activities (items 10, 20 and 30 of Liabilities)	81,969,068	-2,008,339		188,262	-	80,148,991

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

PART A – ACCOUNTING POLICIES

A.1 GENERAL PART

Section 1 – Statement of compliance with IAS/IFRS

The consolidated Financial Statements of the Crédit Agricole Italia Banking Group (hereinafter referred to also as the “Group”) have been prepared pursuant to Italian Legislative Decree no. 38 of 28 February 2005, in accordance with the International Accounting Standards issued by the International Accounting Standards Board (IASB) and the related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) endorsed by the European Commission, as provided for by Regulation (EC) No. 1606 of 19 July 2002.

Therefore, the IAS/IFRS in force as at 31 December 2024 (including the interpretations documents called SIC and IFRIC) have been applied, as endorsed by the European Commission.

The financial statements and the content of the Note to the financial statements have been prepared in compliance with Circular no. 262 “Banks’ financial statements: layouts and preparation” of 22 December 2005, issued by the Bank of Italy in the exercise of its powers under Article 9 of Italian Legislative Decree no. 38/2005 and based on the subsequent updates, with the latest one being the 18th update of 17 November 2022.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION AND ENTERED INTO FORCE IN 2024

In compliance with IAS 8, the table below reports the new international accounting standards or the amendments to standards already in force, along with the Regulations endorsing them, that shall mandatorily be applied for reporting periods beginning on or after 1 January 2024.

Standards, amendments or interpretations	Publication date	Date of first application
Amendment IFRS16 - Lease Liability in a Sale and Leaseback The amendments require that, in applying the requirements for the measurement of lease liabilities in a sale and leaseback transaction with variable lease payments, the seller-lessee shall determine “lease payments” in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains	21 November 2023 (EU 2023/2579)	1 January 2024
Amendment IAS1 Classification of Liabilities as Current or Non Current - Non-current Liabilities with Covenants The amendments clarify that the classification of liabilities as current and non-current shall be based on the rights that are in existence at the end of the reporting period and improve the information that an entity shall provide when its right to defer the settlement of a liability by at least twelve months is subject to a covenant	20 December 2023 (EU 2023/2822)	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements The amendments enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk	16 May 2024 (EU 2024/1317)	1 January 2024

The new IAS/IFRS and the amendments thereto in force since 1 January 2024, where applicable, have not entailed any material impacts on the Group's financial situation and profit or loss.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION BUT NOT YET ENTERED INTO FORCE

The table below shows the international accounting standards and the international financial reporting standards that, as at 31 December 2024, had been endorsed by the European Union but had not yet entered into force and, therefore, were not applicable to the Group's consolidated financial statements.

Standards, amendments or interpretations	Publication date	Date of first application
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability – The amendment specifies how to assess whether a currency is exchangeable and how to determine a spot exchange rate if it is not	13 November 2024 (EU) 2024/2862	1 January 2025

INTERNATIONAL ACCOUNTING STANDARDS NOT YET ENDORSED BY THE EUROPEAN UNION

The standards and interpretations that, as at 31 December 2020, had been published by the IASB but had not yet been endorsed by the European Union are not applicable by the Group.

Document title	Issued by IASB on IASB	Date of entry into force of the IASB document	Expected date of endorsement by the EU
IFRS 18 Presentation and Disclosure in Financial Statements replacing IAS 1 - "Presentation of Financial Statements"	24 April 2024	1 January 2027	TBD
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	30 May 2024	1 January 2026	TBD
Annual Improvements Volume 11 (IFRS1 - IFRS7 - IFRS9 - IFRS10 - IAS7)	18 July 2024	1 January 2026	TBD
IFRS 19 Subsidiaries without Public Accountability: Disclosures	09 May 2024	1 January 2027	TBD

IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 "Presentation and Disclosure in Financial Statements", published in April 2024, will replace IAS 1 "Presentation of Financial Statements" and will be applicable to reporting periods beginning on or after 1 January 2027, after being endorsed by the European Union.

The new standard, which will replace IAS 1, lays down the requirements for the presentation and in financial statements aimed at improving how reporting entities represent financial information to the market and provide users with a better basis to analyse and compare companies' financial performance. The standard does not change the bases of measurement of financial statement items nor the methods to recognize costs and revenues, but changes the bases and methods of presentation.

IFRS 18 will require a new structure of the income statement and mandatory subtotals with a classification of income and expenses in 3 categories: operating, investing and financing, besides the income taxes and discontinued operations already present in the income statement layout. As they concern the presentation of the income statement and financial disclosure, these changes shall be appropriately coordinated with Bank of Italy Circular no. 262, which governs the preparation and presentation of banks' financial statements.

Furthermore, IFRS 18 will require more information on performance measures defined by the management (which the standards identifies as management-defined performance measures or MPMs) and used in public communications outside financial statements. The analysis and preparation works for the standard adoption by the Group are underway.

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027; in accordance with IAS 34 the entity shall present its income statement in compliance with the IFRS 18 requirements in its financial report for H1 2027.

Amendments to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments, which will be effective for reporting periods beginning on or after 1 January 2026, subject to endorsement by the European Union. The amendments concern the following:

- Clarification about the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic payment system.
- Clarifications and supplementary information to assess whether a financial asset with environmental, social and governance ('ESG')-linked and similar features passes the SPPI test.
- Requirement of new disclosure on some instruments with contractual terms that could change the amount of cash flows, such as some instruments with features linked to the achievement of environmental, social and governance (ESG) targets.
- Update of the disclosure on equity instruments designated at fair value through other comprehensive income (FVOCI).

Annual Improvements

Annual improvements provide a mechanism for the IASB to efficiently issue a collection of minor amendments to the Accounting Standards.

IFRS 19 - Subsidiaries without Public Accountability

On 9 May 2024 the IASB issued IFRS19, which will be effective for reporting periods beginning on or after 1 January 2027, after being endorsed by the European Union.

IFRS 19 is for entities that do not have public accountability and are subsidiaries of a parent company (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with the IFRSs and has the goal of simplifying the preparation of the financial statements by the subsidiaries deemed eligible for application, permitting them to apply the IFRSs with reduced disclosure requirements.

An entity has public accountability if its equity or debt instruments are traded in a public market, if it is in the process of issuing such instruments for trading in a public market, or if it holds assets in a fiduciary capacity for a broad group of outsiders (e.g. banks, credit unions, insurance companies, securities brokers/dealers, mutual funds and investment banks) as one of its primary businesses.

Section 2 – General preparation principles

The Annual Report and Consolidated Financial Statements consist of the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the Note to the Financial Statements, as well as of the Management Report on the performance of operations, on the profits (losses) made and on the Group's financial and cash flow position.

The financial statements and the content of the note to the financial statements have been prepared in accordance with the Bank of Italy Circular no.262 of 22 December 2005 "Banks' financial statements: layouts and preparation", as amended, the latest being the 8th update of 17 November 2022.

In addition to the book figures as at 31 December 2024, the financial statements report the comparative figures from the latest approved financial statements as at 31 December 2023.

In accordance with Article 5 of Italian Legislative Decree No. 38/2005, the Euro has been used as the reporting currency.

The amounts in the Financial Statements, in the Note to the Financial Statements and in the Management Report are expressed in thousands of Euro, where not otherwise specified

The consolidated financial statements have been prepared pursuing clarity and give a true and correct representation of the financial and cash flow situation and of the profit or loss for the period of Crédit Agricole Italia S.p.A. and its subsidiaries, as exhaustively described in Section 3 "Consolidation scope and methods". The financial statements used to prepare the consolidated financial statements are those prepared by the

subsidiaries as at 31 December 2024, adjusted, where necessary, in order to align them to the accounting standards used by the Group.

The Annual Report and Financial Statements have been prepared in compliance with the general presentation principles set out by IAS 1 and with the specific accounting standards endorsed by the European Commission and reported in Part A.2 of this Note.

No exceptions were made in applying the IASs/IFRSs.

Furthermore, these financial statements have been prepared in compliance with the communications and interpretation documents issued by the various Italian and EU regulators and supervisory authorities²⁶.

Going concern basis

The Annual Report and Consolidated Financial Statements as at 31 December 2024 have been prepared on a going-concern basis, as the Group is believed to continue in operation in the foreseeable future.

Having regard to the disclosure required by IFRS 7 of the risks the Group is exposed to, appropriate information is given in the Management Report and in the Note to the financial statements.

The Note to the Financial Statements also reports the verifications that were carried out in order to assess any impairment of financial assets and intangible assets (including goodwill).

USE OF ESTIMATES AND ASSUMPTIONS IN PREPARING THE ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

To prepare the Annual Report and Consolidated Financial Statements, estimates and assumptions must be made, which can generate significant effects on the values recognized in the Balance Sheet and in the Income Statement, as well as on the information on contingent assets and liabilities reported.

Making such estimates entails the use of the information that is available at the relevant time and of subjective assessments.

By their very nature, the estimates and assumptions used may vary from one period to another. Therefore, it cannot be ruled out that the recognized values for this reporting period may vary, even to a significant extent, in future periods, subsequent to any changes in the subjective assessments used. The economic effects generated by the uncertainties in the macroeconomic scenario, affected especially by the wars between Russia and Ukraine and in the Middle East, require thorough analysis and consideration of the new economic context in the models to measure the recoverable amount of the Group's assets. Therefore, those estimates and assessments entail unavoidable elements of uncertainty.

The main instances that require the use of subjective assessments to be made by the Senior Management are the following:

- Quantifying losses resulting from the impairment of loans and of other financial assets in general.
- Using measurement models for the recognition of the fair value of financial instruments that are not listed on active markets.
- Using measurement models for equity investments.
- Assessing the consistency of the value of goodwill and of the other intangible assets and property, plant and equipment.
- The quantification of the provisions for risks and charges, provisions for personnel and obligations concerning employees' benefits.
- Estimating the recoverability of deferred tax assets.
- Calculating the fair value of financial instruments to be used for financial reporting purposes.

26 Specific reference is made to the following:

– ESMA public statement of 24 October 2024 "European common enforcement priorities for 2024 corporate reporting";
– ESMA: public statement OF 25 OCTOBER 2023 "European Common Enforcement Priorities for 2023 Annual Financial Reports".

The description of the accounting policies applied to the main aggregates reported in the financial statements provides detailed information on the major assumptions made and subjective assessments used in preparing the financial statements.

Impacts generated by the Russia-Ukraine war and by the war in the Middle East

The geopolitical tensions underway as at the date of preparation of the 2023 annual report and financial statements, resulting from the Russia-Ukraine war and the conflict in the Middle East, have generated new challenges and uncertainties in the macroeconomic scenario, increasing the risk of limited predictivity. From and forward-looking standpoint, those uncertainties may entail that financial statement items need to be revised, based on new information available, which however cannot at present be foreseen. It is pointed out that, to date, direct exposures to Russia and Ukraine are next to zero and exposures to the Middle East are modest by amount and number of counterparties.

CONTENTS OF THE FINANCIAL STATEMENTS

As described at the beginning of the Section, the financial statements and the content of the note to the financial statements have been prepared in compliance with the Bank of Italy Circular no. 262 "Banks' financial statements: layouts and preparation" of 22 December 2005 as amended, the latest being the 8th update of 17 November 2022.

Balance Sheet and Income Statement

The Balance Sheet and Income Statement contain items, sub-items and further information (the "of which" for items and sub-items) and comply with the templates supplied by the Bank of Italy with Circular No. 262 of 22 December 2005, as updated.

In the Income Statement, revenues are set forth without a sign, while expense figures are set forth in parenthesis.

Statement of Comprehensive Income

The statement of comprehensive income consists of items presenting the changes in the value of the assets recognized in the year offsetting the valuation reserves, net of the related tax effect.

The Statement of Comprehensive Income contains also the items with no amounts for the reporting year, and with no amounts for the previous year.

Negative amounts are set forth in parenthesis.

Statement of Changes in Equity

In order to facilitate understanding of the figures, the rows and columns of the Statement of Changes in Equity were inverted with respect to the same statement layout provided for by the above Bank of Italy Circular No. 262/2005. The statement reports the composition of and changes in the equity accounts occurred in reporting period of the consolidated financial statements and in the previous one, broken down into share capital (ordinary shares and savings shares), capital reserves and retained earnings, comprehensive income and profit or loss.

The value of treasury shares is deducted from equity. No equity instruments other than ordinary shares have been issued.

Statement of Cash Flows

The statements of cash flows for the reporting period of the consolidated financial statements and for the previous one were prepared using the indirect method, based on which cash flows from operating activities are represented by the profit or loss for the year, adjusted for the effects of non-monetary transactions.

Cash flows are broken down into flows generated by operating activities, investment activities and funding activities.

In the Statement, cash flows generated in the period are reported without sign, while those absorbed are reported with a negative sign.

CONTENTS OF THE NOTE TO THE FINANCIAL STATEMENTS

The Note to the Consolidated Financial Statements contains the information required by Bank of Italy Circular no. 262/2005, with its updates and specifications already applicable, as well as further information required by IAS/IFRS.

In the tables relating to the Income statement items, revenues are set forth without a sign, whereas expense figures are set forth in parenthesis.

Section 3 – Scope and method of consolidation

SCOPE OF CONSOLIDATION

In addition to the Parent Company, Crédit Agricole Italia S.p.A., the consolidation perimeter includes its subsidiaries, joint arrangements and associates specified below.

In accordance with IFRS 10, Subsidiaries are companies in which Crédit Agricole Italia S.p.A., directly or indirectly, holds at the same time:

- The power to influence the Investee's relevant activities, i.e. the activities that significantly affect the investee's returns;
- Exposure and/or rights to variable returns of the Investee;
- The ability to exercise its power over the Investee to affect the amount of its returns.

The companies in which Crédit Agricole Italia S.p.A., directly or indirectly, holds over 50% of the rights to vote in the General Meeting of Shareholders are considered subsidiaries. Control exists also where the Group, even though not holding the majority of the voting rights, has sufficient rights to unilaterally manage and direct the investee's relevant activities or where it holds:

- Substantial potential voting rights through underlying call options or convertible instruments.
- Rights that result from contractual agreements and that, combined with its voting rights, make the Group actually able to manage and direct production processes, other management or financial activities, i.e. activities that significantly affect the investee's returns.
- Power to affect, under the investee's articles of association or other agreements, its governance and decision-making processes concerning relevant activities.
- The majority of voting rights under formally executed agreements with other holders of voting rights (for example, voting agreements and shareholders' agreements).

Special-purpose entities/special-purpose vehicles (SPE/SPV) have also been included, when the requirements are met, also irrespective of the existence of a majority shareholding.

In accordance with IFRS 11, joint arrangements are arrangements of which two or more parties share control under contractual or other agreements which require unanimous consent of all the parties sharing control in order for material financial and management decisions to be made. In assessing whether an entity has joint control of an arrangement, an entity shall assess first whether all the parties, or a group of the parties, control the arrangement. When all the parties, or a group of the parties, considered collectively, are able to direct the activities that significantly affect the returns of the arrangement (i.e. the relevant activities), the parties control the arrangement collectively. After concluding that all the parties, or a group of the parties, control the arrangement collectively, an entity shall assess whether it has joint control of the arrangement. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. The requirement for unanimous consent means that any party with joint control of the arrangement can prevent any of the other parties, or a group of the parties, from making unilateral decisions (about the relevant activities) without its consent.

In accordance with IAS 28, associates, i.e. subject to significant influence, are companies in which Crédit Agricole Italia holds, directly or indirectly, at least 20% of the voting rights or has the power to participate in determining the financial and operating policies of the Investee, despite holding less than 20% of the voting rights, due to specific legal ties such as being party to shareholders' voting agreements. Likewise, despite holding at least a 20% equity investment, significant influence may not be exercised due to legal ties, voting agreements or other relevant elements that affect the entity's governance.

Changes in the consolidation scope occurred in 2024

The main changes in the consolidation scope vs. 31 December 2023 resulted from:

- **Le Village by CA Milano S.r.l.:** on 7 February 2024, the General Meeting of the Shareholders of Le Village by CA Milano S.r.l. resolved a share capital increase of a total of 1.2 million Euros; this determined a change in the shareholding structure quote subsequent to which now Crédit Agricole Italia S.p.A. holds 51% vs. 38.9% as at 31 December 2023. Therefore, effective as of 2024 the company Le Village by CA Milano S.r.l. has been reclassified from an equity investment in an investee subject to significant influence to an equity investment in a subsidiary.
- **Le Village by CA Sicilia S.r.l.:** On 17 April 2024 the company Le Village by CA Sicilia S.r.l. was incorporated, with headquarters in Catania, a subsidiary of Crédit Agricole Italia S.p.A., which subscribed 71.3% of its share capital.
- **Rajna immobiliare S.r.l.:** in October 2024 the sale of all the shares held by Crédit Agricole Italia S.p.A. was finalized (before the sale the stake held was 50%).

CONSOLIDATION METHODS

As regards consolidation methods, subsidiaries, joint arrangements and investees on which the Group exercises significant influence have been consolidated on a one-line basis in accordance with the equity method.

Full consolidation involves the line-by-line aggregation of the Balance Sheet and Income Statement items. After attributing the relevant portion of the equity and profits or losses to minority interests, under a separate dedicated item, the value of the equity investment is derecognized with the remaining value of the equity of the subsidiary as the balancing item. Positive differences resulting from this operation are reported under "Intangible assets" as goodwill or other intangible assets, after recognition- where any - under other asset and liability items of the subsidiary. Negative differences are taken to the Income Statement.

Business combinations are recognized using the acquisition method provided for by IFRS 3, applied starting from the date of acquisition, that is to say, from the moment in which control of the business is actually achieved. In accordance with this method, the identifiable assets acquired and the identifiable liabilities taken (including contingent ones) shall be recognized at their respective *fair values* as at the acquisition date. After initial recognition of a contingent liability with the "acquisition method", the acquirer shall recognize a provision in the Income Statement if the liability fair value, determined in accordance with IAS37, is higher than the original fair value recognized at acquisition. Moreover, for each business combination, any minority interests in the acquired company are recognized proportionally to the minority interest in the identifiable net assets of the acquired company.

Profit or losses of a subsidiary acquired in the period are reported in the Consolidated Financial Statements starting from the date of acquisition. Conversely, profit or losses of a subsidiary sold in the period are reported in the Consolidated Financial Statements up to the date on which control is transferred.

Consolidation using the equity method provides for initial recognition of the equity investment at cost and, subsequently, for its adjustment based on the portion held of the investee's equity. Any differences between the value of the equity investment and the equity portion held are included in the book value of the investee. Any changes in the equity value occurred after the first-time adoption are recognized under item 250 of the consolidated Income Statement "Gains (Losses) on equity investments" to the extent those changes are attributable to profits or losses made by the investees, and directly in equity for the remaining part.

If any elements are found giving evidence of any possible impairment of the equity investment, its recoverable amount is estimated; if the recoverable amount is lower than the carrying amount, the difference is taken to the income statement.

The other main consolidation operations include:

- Adjustments needed to harmonize accounting standards within the Group.
- Elimination of dividends paid or declared by consolidated companies.

The data on equity investments have been taken from the 2023 annual reports and financial statements approved by the General Meetings of the investees' Shareholders or, where not available, the draft annual reports and financial statements approved by the investees' Boards of Directors. For equity investments in joint arrangements or in investees subject to significant influence, if that information is not available, the latest available balance sheets and income statements have been used.

Where necessary – and with the exception of marginal instances – any Financial Statements prepared by the consolidated companies on the basis of other accounting standards are adjusted to be fully compliant with the Group's accounting policies. In a few marginal instances, the companies do not apply the IASs/IFRSs and, therefore, for such companies it was assessed that application of the IASs/IFRSs would have caused no material effects on the Consolidated Financial Statements of the Crédit Agricole Italia Banking Group.

1. Equity investments in subsidiaries

The following table shows the equity investments included in the scope of consolidation, reporting:

- The name and headquarters;
- The type of control;
- The capital shares owned, directly or through fiduciary companies or third parties, by the parent company and by each one of its subsidiaries;
- The percentage of voting rights in the ordinary general meeting of shareholders held in total by the investor, separately setting forth actual and potential ones.

Company name	Headquarters	Type of control ⁽¹⁾	Equity investment		Availability Actual % of votes available ⁽²⁾
			Investor	% held	
A. Companies					
Parent Company					
Crédit Agricole Italia S.p.A.	Parma, Italy				
A1. Companies consolidated on a line-item basis					
1. Crédit Agricole Leasing Italia S.r.l.	Milan, Italy	1	Crédit Agricole Italia S.p.A.	85.00%	85.00%
2. Crédit Agricole Italia OBG S.r.l.	Milan, Italy	1	Crédit Agricole Italia S.p.A.	60.00%	60.00%
			Crédit Agricole Italia S.p.A.	97.83%	97.83%
3. Credit Agricole Group Solutions S.c.p.a.	Parma, Italy	1	Crédit Agricole Leasing Italia S.r.l.	1.19%	1.19%
4. Crédit Agricole Real Estate Italia S.r.l.	Parma, Italy	1	Crédit Agricole Italia S.p.A.	100.00%	100.00%
5. Agricola Le Cicogne S.r.l.	Faenza, Italy	1	Crédit Agricole Italia S.p.A.	50.01%	50.01%
6. San Piero Immobiliare Srl in liquidation	Cesena, Italy	1	Crédit Agricole Italia S.p.A.	100.00%	100.00%
7. San Giorgio Immobiliare S.r.l. in liquidation	Cesena, Italy	1	Crédit Agricole Italia S.p.A.	100.00%	100.00%
8. Le Village by CA Parma S.r.l.	Parma, Italy	1	Crédit Agricole Italia S.p.A.	66.67%	66.67%
9. Stelline Real Estate S.p.A.	Sondrio, Italy	1	Crédit Agricole Italia S.p.A.	100.00%	100.00%
10. Le Village by CA Triveneto S.r.l.	Padua, Italy	1	Crédit Agricole Italia S.p.A.	51.00%	51.00%
11. Le Village by CA delle Alpi società Benefit S.r.l.	Sondrio, Italy	1	Crédit Agricole Italia S.p.A.	66.22%	66.22%
12. Le Village by CA Milano S.r.l.	Milan, Italy	1	Crédit Agricole Italia S.p.A.	51.00%	51.00%
13. Le Village by CA Sicilia S.r.l.	Catania, Italy	1	Crédit Agricole Italia S.p.A.	71.32%	71.32%

Key:

(1) Type of control:

1 = Majority of the voting rights in the General Meeting of Shareholders.

2 = dominant influence in the ordinary General Meeting of Shareholders.

3 = agreement with other shareholders.

4 = other forms of control.

5 = unitary management pursuant to Article 39, paragraph 1, of Italian Legislative Decree 136/2015.

6 = unitary management pursuant to Article 39, paragraph 2, of Italian Legislative Decree 136/2015.

(2) Votes in the ordinary General Meeting separately setting forth actual and potential votes.

JOINT ARRANGEMENTS AND INVESTEEs SUBJECT TO SIGNIFICANT INFLUENCE

Versus the previous financial year, the scope of consolidation changed with the exit of Rajna immobiliare S.r.l. which took place in October 2024 following the disposal of all the shares held.

As regards joint arrangements and investees subject to significant influence, please see Part B of the note to the financial statements.

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

As specified above, subsidiaries are companies regarding which Crédit Agricole Italia S.p.A. is the investor that is exposed to or has right to variable returns from its involvement with such investees and, at the same time, has the ability to affect those returns through its power over such investees.

Specifically, the Group takes the following factors into account to assess whether control is held:

- The investee's purpose and structure, in order to identify the entity's objectives, its relevant activities, i.e. the activities that significantly affect the investee's returns, and how such activities are directed.
- Power, in order to understand whether the Group has contractual rights giving the ability to direct the relevant activities.
- Exposure, or rights, to variable returns from its involvement with the investee, in order to assess whether the return received by the Group could potentially change based on the investee's performance.

In accordance with IFRS 10, "relevant activities" are only those activities that significantly affect the investee's returns.

In general terms, when relevant activities are directed through voting rights, the following factors give evidence of control:

- Holding, directly or indirectly through its subsidiaries, more than half of the voting rights of an investee, unless, in exceptional cases, it can be clearly proved that holding more than half of the voting rights does not amount to holding control.
- Holding half or less than half the voting rights that can be exercised at the general meeting and practical ability to direct the relevant activities unilaterally through:
 - Control over more than half of the voting rights through a contractual arrangement with other investors holding voting rights.
 - The power to determine the investee's operating and financing policies pursuant to the entity's articles of association or to a contract arrangement.
 - The power to appoint or remove the majority of the members of the board of directors or of the equivalent corporate governance body.
 - The power to exercise the majority of the voting rights at meetings of the board of directors or of the equivalent corporate governance body.

To have power over the investee the Group's rights on the investee must be substantial; in order for a right to be substantial, the holder must have the practical ability to exercise that right. The existence and effect of potential voting rights, if substantive, are taken into account in assessing whether the power to direct another entity's operating and financing policies is held.

Sometimes, the Group may have the "practical ability" to exercise control over some entities, when, despite holding less than a majority of the voting rights, it has rights that are sufficient to give it the power to direct the investee's relevant activities unilaterally.

Structured entities - securitization special-purpose entities. To verify whether the requirements are met for control on special-purpose entities, the factors taken into considerations are the ability to exercise power on the investee's relevant activities to the investor's advantage and the ultimate purpose of the transaction, as well as the involvement of the investor/sponsor in structuring the transaction. For these entities, the subscription of essentially all notes by companies of the Group is considered evidence, especially in the structuring phase, of the power to manage the entity's relevant activities to influence the returns on the transaction.

3. Equity investments in subsidiaries with significant minority interests

3.1 MINORITY INTERESTS, AVAILABILITY OF MINORITY INTEREST VOTES AND DIVIDENDS DISTRIBUTED TO MINORITY INTERESTS

Company name	% minority interests	% of votes available to minority interests	Dividends distributed to minority interests
1. Crédit Agricole Leasing Italia S.r.l.	15.00%	15.00%	–

The equity investment is held by Crédit Agricole Leasing & Factoring, a company of the Crédit Agricole S.A. Group.

3.2 INVESTEEES WITH SIGNIFICANT MINORITY INTERESTS: ACCOUNTING DATA

Company name	Total Cash and cash equivalents	Financial assets	Property, plant and equipment and intangible assets	Financial liabilities	Equity	Net interest income	Net banking income	Operating costs	Profit (losses) for the period -1	Comprehensive income (3) = (1) 2
Crédit Agricole Italia Leasing S.r.l.	10,196	3,114,309	27,612	2,917,396	161,258	32,348	36,081	6,134	13,203	13,203

The data refer to the financial statements as at 31 December 2024.

4. Significant restrictions

No significant restrictions are to be reported pursuant to IFRS 12 paragraph 13.

5. Other information

There are no cases to be reported under IFRS12 paragraph 11.

Section 4 – Events occurred after the reporting date

From the reporting date to the approval of the 2024 Annual Report and Financial Statements, no such events occurred as to entail any material change in the assessments made by the Directors and represented in the balance sheet, income statement and statement of cash flows of the Group.

In the Management Report and in Section 5 “Other aspects”, the risks and uncertainties associated with the present macroeconomic scenario are reported.

Covered bonds

In early 2025 Crédit Agricole Italia successfully completed its first public issue in the year of Covered Bonds (OBG) in the Italian market for an amount of Euro 1 billion and 9-year maturity.

The issue received orders for over 7.6 billion Euros, posting the highest demand for a Covered Bond issue in the last 10 years, proving the unfaltering trust of the market in Crédit Agricole Italia.

Sale of Global Broker S.p.A.

On 4 February 2025 CA Italia finalized the sale of all the share it held in Global Broker S.p.A., amounting to 30% of the investee's share capital.

The sale price was in line with the equity investment's carrying amount and, therefore, the sale generated no significant impacts on profit or loss.

Section 5 – Other aspects

Risks and uncertainties

The risk monitoring, management and control policies continue to be key pivots on which, in the present and future scenario, Banks must measure themselves both against each other and against domestic and international markets.

Crédit Agricole Italia's governance bodies continue to give high and constant attention to development and growth, through close monitoring of the risk the Bank is exposed to, considering also the effects of the uncertainty about the macroeconomic evolution and of the complex geopolitical situation, which has become a feature of the present historical period. These issues may indeed generate impacts on the financial, cash flow and profit or loss structure that the Bank is required to manage and keep at acceptable levels, in order to protect savings (and thus its Customers' trust) and lending (healthy drivers of growth).

Crédit Agricole Italia uses risk control methods, measurement standards and tools that are consistent throughout the Crédit Agricole Group and appropriate for both the type and size of the risks taken, also in such a complex economic scenario as the present one.

In the reporting year, the economic activity proved on a growth trend, with international development outperforming the early 2024 expectations. The recovery in households' purchasing power was driven not only by inflation gradually going back to its target level, but also by the increase in nominal wages, which contributed to support consumption and domestic demand in a significant manner. Nevertheless, 2024 was not free from uncertainty elements: besides the war in Ukraine and the Israeli-Palestinian conflict, which were widely factored in by markets, other elements arose, such as political instability in some Countries of the Euro Zone and the worsening of trade tensions between the USA and China, especially in the last part of the year.

In this scenario, the main international Central Banks started to cut their key interest rates at a quite even pace, contributing to stimulating a first recovery in real estate and credit markets, albeit maintaining a *data-dependent* approach and giving no *guidance* about further lowering interest rates, in order to ensure that underlying inflationary pressure remain under control on a sustained basis.

The assessment giving evidence of the Bank's ability to continue as a going concern is based on both the sound capital position, which shows a reassuring and high buffer on top of the requirements set by the ECB, and on its present liquidity above the regulatory threshold, as well as on the healthy and prudent management that has always been a distinctive feature of the Group, while ensuring steady development through sustainable growth strategies and the commitment to providing households and businesses with support.

For reporting on the main risks to which Crédit Agricole Italia is exposed, please see the specific section of the notes to the financial statements.

SIGNIFICANT EVENTS IN THE REPORTING PERIOD

Issue of Covered Bonds

In the reporting period, the Group finalized new issues of Covered Bonds for a total of 1,6 billion Euros. Some of the main ones were:

- A Green format issue for 500 million Euros with maturity of over 9 years, which received orders for nearly 5 billion Euros, proving investors' appreciation for Crédit Agricole Italia. Consistently with the Group's ESG objectives, the issue aimed at financing or refinancing a pool of residential mortgage loans selected based on sustainability criteria and originated for the purchase of high energy efficiency properties, in accordance with the Green Bond Framework of the Crédit Agricole Group.
- Another issue on the market of Covered Bonds, for an amount of 1 billion Euros and maturity of 12 years. This issue also received a very good response from investors, receiving order for 4.6 billion Euros, giving yet further evidence that Crédit Agricole Italia S.p.A. is highly appreciated.

Owned real estate

Based on the yearly monitoring process conducted by the Group on owned real estate assets, which takes into account both the updated appraisals and the presumed sale values obtained from underway negotiations, impairments were recognized for a total amount of Euro 22.2 million, mainly regarding "investment property". The impairment amount was recognized in the Income statement under item "210 Net adjustments of/ recoveries on property, plant and equipment".

As at 31 December 2024 preliminary agreements for the sale of property, compliant with IFRS 5, had been signed amounting to a book value of Euro 1.5 million.

OTHER INFORMATION

PILLAR II - GLOBE

The new international tax rules laid down by the OECD in order to impose a top-up tax on profits of large multinational enterprises when the effective tax rate (ETR) in force in a jurisdiction in which they are based is below 15% entered into force on 1 January 2024.

2024 is the first reporting period to which these rules shall apply.

In accordance with the related EU Directive adopted at the end of 2022 (Directive (EU) 2022/2523) and transposed in the EU Member States (in Italy with Legislative Decree no. 209 of 27 December 2023), the Group estimated the GloBE top-up tax for HFY 2024.

The result of the estimate was a GloBE top-up tax equal to zero for Italy jurisdiction in 2024.

Furthermore, in compliance with the amendments to IAS 12, published on 23 May 2023 by the IASB and endorsed by the European Union on 8 November 2023, the Group has applied the mandatory temporary exception to the accounting for deferred taxes arising from the implementation of the GloBE rules.

Revision of the rules to deduct the portions of provisions and losses on loans and goodwill relating to the transformation of deferred tax assets ("DTA").

To determine the IRES and IRAP taxable bases, Italian Law no. 207/2024 - the 2025 Budget Law - requires, at Article 1 paragraphs 14-20, that the portions of some negative income components deductible in the 2025 and 2026 tax periods be deferred to following tax periods in accordance with specific rules, while also laying down specific criteria to determine payments on account for 2025 and 2026 tax periods and the following three.

The deferral specifically concerns the provisions and losses on loans to customers recognized some years ago, as well as the admitted tax amortization portions on some goodwill items for extraordinary transactions made in the past. On the higher income resulting from the revision of the above-listed deductions, the income portions that may be offset with previous tax losses is then reduced.

As regards the Crédit Agricole Italia Banking Group, these developments in the applicable legislation did not generate any effects on item “Taxes on income from continuing operations”, but only a longer time to recover the related DTAs. Conversely, they will generate financial effects on the concerned years because of the increase in the payments actually due in the coming FYs.

Life Insurance Guarantee Fund

Italian Law no. 213 of 30 December 2023 – 2024 Budget Law – lays down some provisions setting up a Life Insurance Guarantee Fund for the protection of beneficiaries and persons entitled to insurance benefits under life insurance policies in the event the insurance undertaking undergoes insolvency procedures.

The entities that are required to join the Guarantee Fund are:

- Italian insurance undertakings that are authorized to operate in one or more life insurance lines and the intermediaries on the Italian Single Register of Intermediaries, when the amount of annual premiums, collected or intermediated, in life lines is equal to or higher than 50 million Euros;
- The branches of non-EU insurance companies authorised to operate in one or more life insurance lines in Italy, unless they are members of a foreign insurance guarantee scheme that is equivalent at least as regards the guarantee level and scope.

Crédit Agricole Italia shall contribute to the Guarantee Fund, as it is on the Single Register of Insurance Intermediaries.

The Guarantee Fund will have its own financial endowment fed with the contributions from members, which shall be proportional to each member's liabilities and, in any case, equal to at least 0.4% (known as the “target level”) of the amount of the technical reserves for life lines of the member undertakings as at 31 December of the previous year.

The target level shall be reached gradually by 31 December 2035, through payments at least on a yearly basis to be made by intermediaries in the amount determined by the Guarantee Fund and notified every year to the members, with the possibility for extension in accordance with the rules issued by the Italian Ministry of the Economy and Finance. In the event the financial endowment decreases to a level below the set threshold, it shall be replenished, also with periodic contributions and for extended periods of time.

The general meeting setting up the Guarantee Fund, which was held on 13 December 2024, appointed the temporary Management Committee.

On 20 February 2025 the Management Committee notified the members of the data for the payment of the contribution for 2024.

Purchase of tax credits - Ecobonus

Within the measures deployed by the Italian Government to support the economy, Decree Law no. 34/2020 (known as “Relaunch” Decree) gives the possibility to deduct certain types of expenses as tax credits. Under the “Ecobonus” and “Sismabonus” schemes, as well as under other incentive schemes for building works, the incentive may be obtained also as a rebate in the price due to the vendor with the related tax credit transferred to the vendor.

The Crédit Agricole Italia Banking Group rolled out the service for the purchase of tax credits from Customers and, in accordance with the instructions given by the Bank of Italy/CONSOB/IVASS Work Group on the application of the IAS/IFRS to this scope, implemented a specific accounting policy. The policy provides for the recognition of purchased tax credits as assets in the Balance Sheet, under item 130 “Other assets”, with initial recognition at fair value, equal to the purchase price paid to the Customers. For the tax credits, the Crédit Agricole Italia Group has also adopted the Business Models given below:

- “Hold to collect”, whereby the Crédit Agricole Italia Group recognizes the tax credits that were purchased to be held in order to be offset in the future.
- “Hold to collect and sell”, with first-time adoption as of 2023, whereby the Crédit Agricole Italia Group recognizes tax credits purchased in order to be offset in the future or to be sold. To date, under this Business model, the Bank has entered into contracts for the sale of tax credits for Euro 461.7 million over five years (of which sales for about Euro 42.7 million made in 2023 and Euro 140.5 million in 2024).

As at 31 December 2024 the reported balance of purchased tax credits, recognized under item “Other assets”, came to Euro 1,809 million (of which Euro 829 million under the HTC business mode and Euro 980 million under the HTCS one).

It is pointed out that the recent developments in the applicable legislation introduced with Italian Decree-Law 39/2024, converted into Law no. 67/2024, have established that, effective as of 1 January 2025, Banks and companies belonging to banking groups shall no longer be entitled to offset Ecobonus tax credits from transfers and rebates on the invoices price against social security contributions due and premiums of insurance policies covering occupational accidents and diseases, irrespective of when the credit arose. The infringement of this provision shall determine, against any entities infringing it, the recovery of the credit unlawfully offset and the related interest, as well as the imposition of a civil tax penalty.

In this regard, it is confirmed that said development does not generate any impacts on the financial statements of Credit Agricole Italia S.p.A..

The aforementioned Decree also provides for, in case of purchase of credits usable over four/five years at prices lower than 75% of their nominal value, a different period for the recovery of the purchased credits vs. the original ones. This provision also does not generate any effect for the Bank.

Option for the Italian domestic tax consolidation scheme

In March 2016, the national tax consolidation scheme was adopted, with effects since the 2015 tax period, by the Crédit Agricole Group in Italy; such scheme was introduced with Article 6 of Italian Legislative Decree No. 147 of 14 September 2015, according to which also the Italian “sister” companies, whose controlling Company is resident in an EU Member State, may exercise the option for consolidated taxation.

Initially, 18 Companies of the Group opted to join the tax consolidation scheme and, having been designated by Crédit Agricole S.A., Crédit Agricole Italia has undertaken the role of Consolidating Entity. Taking into account the new entities that joined the scheme in previous years and those that were terminated, as at 31 December 2022, the tax consolidation scheme consisted of 24 entities.

This regime provides for the consolidated companies to transfer their taxable income (or their tax loss), as regards the Italian corporate income tax (IRES), to the consolidating Entity Crédit Agricole Italia, which calculates a single taxable income or a single tax loss for the Group, as the algebraic sum of the income and/or losses of the single Companies, and recognizes a single tax account payable to or receivable from the Italian Inland revenue Service.

As balancing item of taxes/lower taxes for tax losses and Allowance for Corporate Equity (ACE) benefits to be transferred to the consolidation scheme or withholdings, deductions and the like, the companies in the consolidation scheme recognize due and payables/receivables from the consolidating entity.

In its Financial Statements, Crédit Agricole Italia recognizes matching items of due and payables to/receivables from the entities in the consolidation scheme.

Specifically, the intra-group balances resulting from the tax consolidation scheme are recognized in the items:

- “Financial assets measured at amortized cost - due from banks”, or “Financial assets measured at amortized cost - loans to customers”, in accordance with the kind of counterparty, for estimating the corporate income tax (IRES) transferred by the member entities to the tax consolidation scheme.
- “Financial liabilities measured at amortized cost - due to banks”, or “Financial liabilities measured at amortized cost - due to customers”, in accordance with the kind of counterparty, for the transfer of tax losses or ACE benefits by the member entities to the tax consolidation scheme.

Lastly, the tax consolidation scheme’s tax account payable to or receivable from the Italian Inland Revenue Agency is recognized under current tax liabilities or assets based on whether the IRES payable amount is higher or lower than the down-payments made.

Option for the VAT Group

In November 2018, the option for a VAT Group scheme pursuant to Article 1 paragraph 24 of Italian Law no. 232 of 11 December 2016 was exercised, with effects as of 1 January 2019; the VAT Group includes the subsidiaries of Crédit Agricole Italia having, at the same time, financial, economic and organisational links in force between them, as provided for by Italian Ministerial Decree of 6 April 2018 and by Circular no. 19/2018.

Crédit Agricole Italia is the Group’s Representative Member. Subsequent to some mergers by absorption finalized in previous years and to the closure of other entities, the perimeter of the VAT Group, initially of 15

entities, consisted of 10 entities of the Group as at 31 December 2022. Thanks to this scheme, the member entities operate, for VAT purposes, as a single taxable person in their transactions with external companies, with a single VAT registration number. The main advantage generated by the exercise of this option is that, in general, the transactions between the Group member entities are not subject to VAT.

Publication of the Annual Report and Financial Statements in ESEF

On 30 December 2022, Commission Delegated Regulation (EU) 2022/2553 of 21 September 2022 amending the regulatory technical standards laid down in Delegated Regulation (EU) 2019/815 as regards the 2022 update of the taxonomy for the single electronic reporting format was published in the Official Journal of the European Union. It entered into force on 1 January 2023, with the possibility of early adoption.

Nonetheless, the Crédit Agricole Italia Banking Group qualifies for the exemption under Article 83 of CONSOB Issuer Regulation, which reads “*Obligations for the preparation and publication of financial reports as envisaged in article 154-ter of the Consolidated Law shall not apply to: (...) b) issuers whose home Member State is Italy, which exclusively issue debt securities listed on a regulated market whose unit par value comes to at least 100.000 Euros, or an equivalent value in the event of currencies other than the Euro . (...)*”.

For this reason, the Annual Report and Consolidated Financial Statements of the Crédit Agricole Italia Banking Group as at 31 December 2024 will not be published in ESEF format.

Audit of the accounts

The Annual Report and Consolidated Financial Statements are audited by PricewaterhouseCoopers S.p.A, implementing the Resolution passed by the General Meeting of Shareholders on 28 April 2021, whereby this Firm was assigned the audit task for the period 2021-2029.

Publication of the Annual Report and Financial Statements

The Board of Directors approved the draft Annual Report and Consolidated Financial Statements as at 31 December 2024 of the Crédit Agricole Italia Banking Group and authorized their publication on 18 March 2025, pursuant also to IAS 10.

A.2 PART REPORTING ON THE MAIN FINANCIAL STATEMENT ITEMS

The IAS/IFRS that were adopted for the preparation of the annual report and consolidated financial statements as at 31 December 2024 are given below broken down by financial statement item, having regard to classification, recognition, measurement and derecognition of asset and liability items, as well as the methods to recognize revenues and costs. Said standards are the same ones used for the preparation of the annual report and consolidated financial statements as at 31 December 2023.

FINANCIAL INSTRUMENTS (IFRS 9, IAS 39 AND IAS 32)

DEFINITIONS

IAS 32 defines a financial instrument as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity, or any contract establishing contractual rights and obligations to receive or deliver cash or other assets.

Derivative instruments are financial assets or liabilities the value of which evolves in accordance with that on an underlying instrument; they require low or no initial investment and are settled at a later date.

Financial assets and liabilities have been recognized in the financial statements in accordance with IFRS 9, as endorsed by the Europe Union.

IFRS 9 lays down the bases for:

1. Classification and measurement of financial instruments;
2. Impairment of exposures for increase in credit risk;
3. Hedge accounting, excluding macro hedging.

However, it is pointed out that the Crédit Agricole Italia Banking Group, in accordance with the instructions of its French Parent Company Crédit Agricole S.A., has exercised the option, which is given to IFRS 9 first-time adopters, to continue to fully apply IAS 39 as regards hedge accounting. Therefore, pending the entry into force of the future provisions contained in the new “dynamic risk management accounting model”, all hedging relationships are governed by IAS 39.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

Initial measurement

At their initial recognition, financial assets and liabilities are measured at fair value, as defined in IFRS 13.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants that have reasonable knowledge of it and are willing to trade without pressure.

Subsequent measurement

After their initial recognition, financial assets and liabilities shall be measured, in accordance with their classification, at amortized cost using the effective interest rate (EIR) method for debt instruments or at fair value. Derivative instruments shall always be measured at fair value.

Amortized cost is the amount at which a financial asset or liability is measured at initial recognition less principal repayments, plus or minus the accumulated amortization, in accordance with the effective interest rate method, of any difference between the initial amount and the amount at maturity and, for financial assets, adjusted by any loss coverage provision.

The effective interest rate (EIR) is the rate that discounts the estimated future cash flows (paid or collected) from the financial instrument through its expected life to the net book value of the financial asset or liability.

FINANCIAL ASSETS

Financial assets other than derivatives (debt instruments or equity instruments) shall be classified in one of the three categories given below:

- Financial assets at fair value through profit or loss.
- Financial assets at amortized cost; (for debt instruments only).
- Financial assets at fair value through equity (with recycling to profit or loss for debt instruments, without recycling to profit or loss for equity instruments).

The classification and measurement of financial assets depend on the financial asset nature, whether it qualifies as:

- Debt instrument (i.e. loans and securities with fixed or determinable payments).
- Units in OICR collective investment undertakings.
- Equity instruments (i.e. shares).

Debt instruments

The classification and measurement of a debt instrument is determined at its initial recognition and is based on two joint criteria: the business model and the analysis of its contractual characteristics in order to assess that the financial asset contractual terms provide for, at set dates, cash flows that are 'solely payments of principal and interest on the principal amount outstanding' (the "SPPI test"), unless the *fair value* option is exercised. In that case, it is a specific designation of instruments to be measured at *fair value* through profit or loss.

Business Model

The business model expresses how a cluster of financial assets is collectively managed in order to order to pursue a set corporate objective, thus representing the strategy of the Crédit Agricole Italia Banking Group in managing its financial assets. The business model is determined for an asset portfolio, rather than specifically for a single financial asset.

There are three business models:

- Hold to Collect (HTC), the objective of which is to hold the financial asset to collect its contractual cash flows throughout its useful life; this model does not require that all the assets be held until their contractual maturity; however, any sale of HTC assets is subject to restrictions in accordance with IFRS 9 and based on the policy adopted by the Group, which are exhaustively described in the paragraph below.
- Hold to Collect and Sell (HTC&S), the objective of which is to hold the financial assets both to collect their contractual cash flows and to sell them; in this model, both the sale of financial assets and the collection of their cash flows are permitted.
- Other, this is a residual category that includes both financial assets held for trading and financial assets managed with a business model that does not qualify for the previous categories (Hold to Collect and Hold to Collect and Sell). In general, this classification applied to a portfolio of financial assets whose management and performance are measured based on fair value.

In accordance with the standard and with the choices made by the Group, the sale of financial assets classified in the HTC business model are allowed, for the reasons described below, based on whether the sale concerns a security portfolio or a loan portfolio.

Sales of **securities** are allowed for the following reasons:

- Increase in credit risk;
- Debt instruments close to maturity;
- The sales are frequent but not significant;
- Infrequent sales.

Specifically:

- Sales allowed due to an increase in credit risk

The Crédit Agricole Italia Banking Group has identified the following criteria to allow the sale of debt securities classified in the Hold to Collect Business Model; the sale shall be allowed when even just one of the following criteria is met.

- Accounting indicator: downgrade from stage 1 to stage 2 or to stage 3;
- Risk indicators: downgrade of 3 notches in the issuer's long-term external rating (or the equivalent for internal rating) since the date of the instrument first recognition; downgrade of 2 notches in the issuer's country risk since the date of the instrument first recognition;
- Market indicators:
 - Material increase in the issuer's credit spread between the date of purchase and the date of sale of the instrument;
 - Material evolution in the issuer's premium CDS between the date of purchase and the date of sale of the instrument;

b) Sales allowed as the debt instruments are close to maturity

Financial assets in the Hold to Collect portfolio may be sold if they are close to maturity and the proceeds from their sales approximate the collection of the remaining contractual cash flows.

In order to judge such sales consistent with the Hold to Collect Business Model, the following parameters were defined:

- Time to maturity considered admissible of 6 months;
- A maximum difference between the proceeds from the sale and the remaining contractual cash flows (amortized cost) of 3% (without taking *fair value hedge* effects into account).

c) Frequent but not significant sales

In the financial year, sales are permitted up to a 15% ceiling; this non-significance threshold varies in accordance with the portfolio average duration (as the average duration increases the lower the sellable amount is and vice versa).

d) Infrequent sales

- Changes in the tax legislation entailing higher tax expenses generating a not negligible impact for the Group;
- Non-recurring transactions by the issuer/the issuer's Group (i.e. mergers, sales of business units and, in general, any other non-recurring transaction impacting on the entity's equity);
- Changes in the applicable legislation or regulations;
- Need to strengthen capital requirements.

Sales of **loans** are allowed for the following reasons:

- Increase in credit risk.
- Loans close to maturity and with a sale price that approximates the remaining contractual cash flows.
- The sales are frequent but not significant.
- Significant Infrequent sales.

Specifically:

a) Sales allowed due to an increase in credit risk

The Crédit Agricole Italia Banking Group has identified the following criteria to allow the sale of loans classified in the Hold to Collect Business Model; the sale shall be allowed when even just one of the following criteria is met:

- Accounting indicator: downgrade from Stage 1 to Stage 2 or to Stage 3;
- Risk indicators (applying to large-corporate customers only): downgrade of 3 notches in the issuer's long-term external rating (or the equivalent for internal rating) since the date of the instrument first recognition; downgrade of 2 notches in the issuer's country risk since the date of the instrument first recognition;

b) Sales allowed as the loans are close to maturity

The sales of loans in the Hold to Collect portfolio shall be allowed if all the following criteria set by the Group are met:

- The sale concerns financial assets with residual life of less than 6 months; the value of the assets sold is close to the amortized cost of the financial asset (also in case of frequent sales);
- The difference between the sale price and the amortized cost of the loan shall not be higher than 3% without taking into account *fair value hedge* effects.

c) Frequent but not significant sales

In the financial year, sales are permitted up to a 15% ceiling; this non-significance threshold varies in accordance with the portfolio average duration (as the average duration increases the lower the sellable amount is and vice versa).

d) Infrequent sales

- Changes in the tax legislation entailing higher tax expenses generating a not negligible impact for the Group;
- Non-recurring transactions by the issuer/the issuer's Group (i.e. mergers, sales of business units and, in general, any other non-recurring transaction impacting on the entity's equity);
- Changes in the applicable legislation or regulations;
- Need to strengthen capital requirements.

The contractual characteristics (“Solely Payments of Principal & Interest” or SPPI test):

The SPPI test provides for a set of criteria to be examined as a whole, whereby it can be determined whether the contractual cash flows are consistent with the characteristics of a basic lending arrangement (repayments of face principal and payment of interests on the face principal still outstanding).

The test is passed if the financial instrument entitles exclusively to principal repayment and the collected interests represent the time value of money, the associated credit risk, other costs and risks of a classic lending arrangement, such as liquidity risk as well as a reasonable profit margin for the bank.

If no conclusion can be made with this qualitative analysis, a quantitative analysis (or benchmark test) shall be made. This additional analysis consists in comparing the contractual cash flows of the asset under analysis to the cash flows of a benchmark asset (an asset with characteristics that are similar to those of the asset under analysis but “simple”).

If the difference between the cash flows of the financial asset and those of the benchmark instrument is not deemed significant, the asset shall be considered a basic lending arrangement.

Furthermore, a specific analysis for each single tranche shall always be carried out if the financial asset provides for payments with different priorities linked to flows from other benchmark financial assets (e.g. In case of Credit Linked Instruments (CLI) or instruments issued by Special Purpose Entities (SPE) incorporated within Project Finance schemes). In this case, the SPPI tests requires that the characteristics of the contractual cash flows of the asset in question and of the underlying assets be analyzed, in accordance with a «look-through» approach, and that the credit risk implicit in the subscribed tranches be verified in comparison to the credit risk of the underlying assets.

“Green” or “ESG” financial assets and “green bond” financial liabilities comprise various instruments; specifically, loans or securities whereby environmental or ecological transition projects can be financed. It is pointed out that all the financial instruments so qualified do not necessarily give a return that varies in accordance with ESG criteria. This terminology may evolve in accordance with the EU legislation on sustainable finance. These instruments are recognized in compliance with IFRS 9. Specifically, the Group deems the SPPI test passed for loans with ESG-linked return that does not bring about any financial leverage or is considered unsubstantial in terms of variability of the cash flows from the instrument.

Within the Post-implementation Review (PIR) of IFRS 9, in May 2022 the IASB decided to start the review of IFRS 9 to clarify the methods to apply the SPPI test to this type of financial assets. Feedback on Exposure was published in March 2023 and the comment period ended on 19 July 2023. The IASB has scheduled publication of an amendment to IFRS 9 by 2024, which will then undergo the process to be endorsed by the European Union. As reported above in Section 1, on 30 May 2024 the IASB issued amendments concerning “Classification and Measurement”, with special regard to assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (‘ESG’)-linked and similar features. These amendments shall undergo the endorsement process by the European Union.

The recognition of debt instruments resulting from the definition of the business model along with the SPPI test is presented below:

Debt instruments		Management models		
		Hold to Collect (HTC)	Hold to Collect and Sell (HTC&S)	Other
SPPI testing	Passed	Amortized cost	Fair value through equity with recycling to profit or loss	Fair value through profit or loss
	Not passed	fair value through profit or loss	fair value through profit or loss	fair value through profit or loss

Debt instruments at amortized cost

Debt instruments shall be measured at amortized cost if they are classified in the HTC model and if they pass the SPPI test.

They are recognized at the settlement date and their initial measurement includes accrued interest and transaction costs.

The amortization of any premiums/discounts and transaction costs is recognized in the Income Statement with the effective interest rate method.

This category of financial assets is subject to impairment in accordance with the criteria set forth in the specific paragraph "Impairment for credit risk".

Debt instruments at fair value through equity with recycling to profit or loss

Debt instruments shall be measured at fair value through equity with recycling to profit or loss if they are eligible for the HTC&S model and if they pass the SPPI test.

These instruments are recognized at the settlement date and their initial measurement includes accrued interest and transaction costs. The amortization of any premiums/discounts and of transaction expenses is recognized in the Income Statement with the Effective Interest Rate (EIR) method.

These financial assets are then measured at *fair value* and *fair value* changes are recognized through equity (with recycling to profit or loss) as the financial asset balancing item (excluding interest accrued taken to the Income Statement with the EIR method).

In case of sale, any fair value changes recognized through Equity are transferred to the Income Statement.

This category of financial instruments is subject to adjustments for expected losses in accordance with the criteria set forth in the specific paragraph "Impairment for credit risk".

Debt instruments at fair value through profit or loss

Debt instruments are measured at fair value through profit or loss in the following cases:

- The instruments are classified in the portfolio held within the Other Business Model (or financial assets held for trading or held with the main objective of selling them): financial assets held for trading are assets acquired or generated by the company mainly in order to sell them in the short term or part of a portfolio of instruments managed collectively in order to generate a profit from short-term fluctuations in price or dealer's margin. Although contractual cash flows are collected in the period in which the Crédit Agricole Italia Banking Group holds the assets, the collection of such contractual cash flows is not essential but rather incidental.
- Debt instruments mandatorily measured at FVTPL as they do not comply with the SPPI test requirements.
- The financial instruments classified in portfolios for which the entity opts for fair value measurement. In that case, it is a specific designation of instruments to be measured at *fair value* through profit or loss.

Financial assets measured at *fair value* through profit or loss are initially recognized at *fair value*, excluding transaction costs (directly recognized in the income statement) and including accrued interest. Debt instruments are recognized at their settlement date.

Afterwards, they are measured at *fair value* and value changes are taken to the income statement, as the balancing item of the balance sheet item reporting the financial assets.

This category of financial assets is not subject to impairment.

Units in OICR collective investment undertakings

Units in OICR collective investment undertakings for which the defined business model is "Hold to Collect" or "Hold to Collect & Sell" are classified in the "financial assets mandatorily measured at *fair value*" portfolio as they fail the SPPI test.

If they are managed for trading, units in collective investment schemes are classified in the “financial assets held for trading” portfolio.

Those financial assets are measured at fair value and value changes are taken to the income statement, as the balancing item of the balance sheet item reporting them.

Equity instruments

Equity instruments are recognized at *fair value* through profit or loss (FVTPL), unless an irrevocable option for their measurement at *fair value* through equity (in this case “without recycling to profit or loss”) is exercised.

Equity instruments at fair value through profit or loss

Financial assets measured at *fair value* through profit or loss are initially recognized at *fair value*, excluding transaction costs (directly recognized in the income statement). These assets are recognized at their settlement date.

Afterwards, these assets are measured at fair value and value changes are taken to the income statement, as the balancing item of the value of the financial assets on the balance sheet.

This category of financial assets is not subject to impairment.

Equity instruments at fair value through equity without recycling to profit or loss (irrevocable option)

The irrevocable option to recognize equity instruments at *fair value* through equity without recycling to profit or loss may be exercised for each single transaction and shall apply as of the date of initial recognition. These financial instruments are recognized at their settlement date. The initial fair value includes transaction costs.

At subsequent measurements, fair value changes are recognized in equity. In case of sale, these changes are not recycled to profit or loss; therefore, the gains or losses from the sale are recognized in equity.

Only collected dividends are recognized in profit or loss if:

- The entity’s right to collect their payment is set.
- It is likely that the economic benefits associated with the dividends will go to the entity.
- The dividend amount can be reliably measured.

Reclassification of financial assets

In the very few cases of a significant change in the business model used for managing financial assets (which may occur in case of start of a new activity, acquisition of entities, disposal or discontinuation of a business line), a reclassification of these financial assets is necessary.

In such cases, the reclassification shall apply from the date of reclassification and the reporting entity does not redetermine gains, losses and interests as previously recognized.

Where any “Financial assets measured at fair value through profit or loss” is reclassified under “Financial assets measured at amortized cost”, the fair value as at the reclassification date shall become the new gross book value; the date of reclassification shall be the date of initial recognition for assigning the credit risk stage in order to estimate impairment. Where the financial asset is reclassified under “Financial assets measured at fair value through other comprehensive income”, the financial asset shall continue to be measured at fair value. The effective interest rate shall be determined based on the asset fair value as at the reclassification date.

If the financial asset is reclassified from measured at amortized cost to measured at fair value through profit or loss, its fair value shall be measured as at the reclassification date. The gains or losses from any difference between the previous amortized cost of the financial asset and its fair value shall be recognized through profit or loss.

If the financial asset is reclassified from measured at *fair value* through other comprehensive income to measured at amortized cost, the financial asset shall be reclassified at its *fair value* on reclassification date. However, the accumulated gain (loss) previously recognized through other comprehensive income shall be

derecognized in equity and adjusted to the fair value of the financial asset as at the reclassification date. Consequently, the financial asset shall be measured as at its reclassification date as if it had always been measured at amortized cost. The effective interest rate and the measurement of expected credit losses shall not be adjusted subsequent to reclassification.

If the financial asset is reclassified from measured at amortized cost to measured at *fair value* through other comprehensive income, its *fair value* shall be measured as at the reclassification date. The gains or losses from any difference between the previous amortized cost of the financial asset and its fair value shall be recognized through other comprehensive income. The effective interest rate and the measurement of expected credit losses shall not be adjusted subsequent to reclassification.

If the entity reclassifies a financial asset from measured at fair value through other comprehensive income to measured at fair value through profit or loss, the financial asset continues to be measured at fair value. Accumulated profit (loss) previously recognized through other comprehensive income shall be reclassified from “through equity” to “through profit or loss” with a reclassification adjustment as at the reclassification date.

Reclassification is not allowed for equity securities.

Temporary investments in/disposals of securities

Temporary disposals of securities (loans of securities, securities disposed of under repurchase agreements) do not generally fulfil the conditions for derecognition.

Securities lent or sold under repurchase agreements remain on the balance sheet. In the case of securities under repurchase agreements, the amounts received, representing the liability to the transferee, are recognised on the liabilities side of the balance sheet by the transferor.

Securities borrowed or received under repurchase agreements are not recognised on the balance sheet of the transferee.

In the case of securities disposed of under repurchase agreements, an account receivable from the transferor is reported on the balance sheet of the transferee and offset against the amount paid. If the security is subsequently resold, the transferee recognizes a liability measured at fair value representing its obligation to return the security received under repurchase agreements.

Revenue and expenses relating to such transactions are recognized to profit and loss on an accrual basis, except in the case of classification of assets and liabilities at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or group of financial assets) is fully or partially derecognized if:

- The contractual rights to the cash flows from the financial asset expire.
- The contractual rights to the cash flows from the financial asset are transferred or are deemed as such because all the risks and rewards of the financial asset are transferred.

In this case, all remaining rights or obligations in force are recognised separately as assets and liabilities.

If the contractual rights to the cash flows are transferred but a part only of the risks and rewards of ownership or control is retained, the financial assets continue to be recognised to the extent of the entity's continuing involvement in the asset.

Furthermore, impaired financial assets may be derecognized when the entity can no longer reasonably expect to recover a financial asset (write-off). A financial asset may be written off before the conclusion of the legal actions for its recovery and this does not necessarily entail waiver by the Bank of its legal right to collect the credit claim. In this case, the gross nominal value of the loan remains unchanged, but its gross book value is written down by the write-off amount. The write-off may concern the entire amount of a financial asset or part thereof and is equal to:

- The reversal of total adjustments as the balancing item of the financial asset gross value.
- For any portion exceeding the amount of total adjustments, the recognition of the financial asset impairment directly through profit or loss.

Any amounts collected after the write-off are recognized in the income statement as recoveries.

FINANCIAL LIABILITIES

Financial liabilities are classified on the balance sheet in the two accounting categories given below:

- Financial liabilities at fair value through profit or loss, either by their nature or by designation.
- Financial liabilities at amortized cost.

Financial liabilities at fair value through profit or loss by their nature

Financial instruments issued primarily to be bought back in the short term, instruments belonging to an identified portfolio of financial instruments which are managed collectively and for which there is evidence of a strategy pursuing short-term profit-taking, and derivatives are measured at fair value by their nature.

Any changes in the fair value of this portfolio are recognized through profit or loss.

Financial liabilities designated at fair value through profit or loss

At initial recognition, the bank may irrevocably designate the financial liability as measured at *fair value* when:

- By doing so, it removes or materially reduces any inconsistency in the measurement or recognition that would otherwise result from the measurement of the assets or liabilities or from the recognition of the related gains or losses on different bases;
- A group of financial liabilities or of financial assets and liabilities is managed and the return on it is measured on a fair value basis in accordance with a risk management or investment strategy;
- The contract contains one or more embedded derivatives and the host contract is not an assets falling in IFRS 9 scope of application.

This designation option is irrevocable and applies mandatorily from the date of initial recognition of the instrument.

Upon subsequent measurement, these financial liabilities are measured at fair value through profit or loss for changes in fair value not related to the Bank's own credit risk and with balancing item through equity with no recycling to profit or loss for value changes related to own credit risk.

Financial liabilities measured at amortized cost

All other liabilities fulfilling the definition of a financial liability (excluding derivatives) are measured at amortised cost.

These liabilities are initially measured at fair value (including transaction income and costs) and subsequently at amortised cost using the effective interest rate method.

Reclassification of financial liabilities

The initial classification of financial liabilities is irrevocable. No subsequent reclassification is allowed.

Distinction between debt - equity instruments

Securities are classed as debt instruments or equity instruments based on the economic substance of the contracts.

A financial liability is a debt instrument if it includes a contractual obligation to:

- provide another entity with cash, another financial asset or a variable number of equity instruments;
- exchange financial assets and liabilities with another entity at potentially unfavourable conditions.

An equity instrument is a non-redeemable financial instrument which offers discretionary return representing a residual interest in a company after deduction of all its financial liabilities (net assets) and which is not qualified as a debt instrument.

Treasury share buyback

Treasury shares or equivalent derivative instruments such as options on shares bought with a fixed strike ratio, including shares held to cover stock option plans, do not meet the definition of a financial asset and are recognized as reduction in equity. They do not generate any impact on the income statement.

Derecognition of and change to financial liabilities

A financial liability is derecognised in full or in part:

- When it is extinguished.
- When it has been substantially modified in case of restructuring.

A substantial modification in an existing financial liability shall be recognized as the extinction of an initial financial liability and the recognition of a new financial liability (known as novation). Any difference between the book value of the extinguished liability and the new liability shall be recognised immediately in the income statement. If the financial liability is not derecognised, the original effective interest rate (EIR) shall be maintained and the book value is modified through profit or loss on the modification date, discounting the new future cash flows modified using the original EIR. This impact is then spread over the residual lifetime of the instrument using the original effective interest rate.

DERIVATIVE FINANCIAL INSTRUMENTS

Classification and measurement

Derivative instruments are financial assets or liabilities classified by default as derivative instruments held-for-trading unless they can be considered to be hedging instruments.

They are initially recognized at fair value on the settlement date and then measured at fair value.

At each reporting date, the fair value changes on derivative contracts shall be recognized:

- Through profit or loss for derivative instruments held for trading or for fair value hedging.
- Through equity for derivative instruments held as cash flow hedges or hedges of net investments in foreign operations, for the effective portion of the hedge.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that meets the definition of a derivative product. This definition applies only to financial liabilities and non-financial contracts. Embedded derivatives must be accounted for separately from the host contract if the following three conditions are met:

- The hybrid contract is not measured at fair value through profit or loss.
- The embedded component taken separately from the host contract has the characteristics of a derivative.
- The characteristics of the derivative are not closely linked to those of the host contract.

Conversely, financial assets with an embedded derivative are classified as a whole as separation is not allowed: in these cases, the instrument as a whole shall be classified under "financial assets measured at fair value through profit or loss".

OFFSETTING FINANCIAL ASSETS AND LIABILITIES

In accordance with IAS 32, the Crédit Agricole Italia Banking Group offsets a financial asset against a financial liability and recognizes a net amount when and only when it has a legally enforceable right to offset the recognized amounts and intends either to settle the net amount or to realize the asset and settle the liability simultaneously.

The derivative instruments and the repurchase agreements handled with clearing houses that meet the two criteria required by IAS 32 have been offset on the balance sheet.

NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS

Net gain (loss) on financial instruments measured at fair value through profit or loss

For financial instruments recognized at fair value through profit or loss, this item reports the following elements:

- Dividends and other revenues from equities and other securities which are classified under financial assets at fair value through profit or loss.

- Changes in fair value of financial assets and liabilities at fair value through profit or loss.
- Gains and losses on disposal of financial assets at fair value through profit or loss.
- Changes in fair value and gains and losses on disposal or termination of derivative instruments not included in a fair value or cash flow hedging relationship.

This item also reports the ineffective portion of hedges.

Net gains (losses) on financial instruments measured at fair value through equity

For financial assets measured at fair value through equity, this item reports the following income statement elements:

- Dividends from equity instruments classified as financial assets at fair value through equity without recycling to profit or loss.
- Gains (losses) on disposals and net income associated with the termination of hedging relationships on debt instruments classified as financial assets at fair value through equity with recycling to profit or loss.
- Net income on disposal or associated with the termination of fair value hedges of financial assets at fair value through equity when the hedged item is sold.

FINANCING COMMITMENTS AND FINANCIAL GUARANTEES GIVEN

Financing commitments that are not designated as assets at fair value through profit or loss or not treated as derivative instruments within the meaning of IFRS 9 are not recognised on the balance sheet. However, they are covered by provisions in accordance with IFRS 9.

A financial guarantee contract is a contract under which the issuer must make specific payments to reimburse the guarantee holder for a loss incurred due to a specific debtor's failure to make a payment when due under the initial or amended terms of a debt instrument.

Financial guarantee contracts are initially recognised at fair value and subsequently at the higher of:

- The adjustment amount for losses determined in accordance with IFRS 9.
- The amount originally recognised less, where applicable, the costs recognised in accordance with IFRS 15.

IMPAIRMENT FOR CREDIT RISK

Scope of application

In compliance with IFRS 9, the Crédit Agricole Italia Banking Group recognizes impairment with write-downs representing Expected Credit Losses (ECL) on the categories of financial assets given below:

- Financial assets consisting of debt instruments and recognised at amortised cost or at fair value through equity with recycling to profit or loss (loans and receivables, debt securities).
- Financing commitments which are not measured at fair value through profit or loss.
- Guarantee commitments that fall within IFRS 9 scope of application and that are not measured at fair value through profit or loss.
- Lease receivables falling in the IFRS16 scope.
- Trade receivables generated by transactions under IFRS 15 scope of application.

Equity instruments (at fair value through profit or loss or at fair value without recycling) are not concerned by the rules on impairment.

Derivative instruments and other instruments at fair value through profit or loss are subject to the calculation of counterparty risk which is not covered by the ECL model.

For more exhaustive information, please see Section "A.4 Fair value reporting" of this Note to the financial statements.

Credit risk and impairment (provisioning) stages

Credit risk is defined as risk of loss related to default by a counterparty leading to its inability to meet its commitments to the Group.

The model of impairment (provisioning) for credit risk has three stages:

- Stage 1: from the initial recognition of the financial instrument (loan, debt security, guarantee...), the entity shall recognize expected credit losses over 12 months.
- Stage 2: if there is a significant increase in credit risk (versus initial recognition) for a given transaction or portfolio, the Entity shall recognize the losses expected up to maturity.
- Stage 3: when one or more default events have occurred on the counterparty with an adverse effect on the estimated future cash flows, the entity shall individually recognize the incurred credit loss calculated over the residual life of the instrument. Subsequently, if the conditions for classifying financial instruments in stage 3 are not met, the financial instruments are reclassified in stage 2, or in stage 1, based on the decrease in credit risk.

Definition of default

The regulation on the Definition of Default is based on:

- The “relative” and “absolute” materiality thresholds to identify pastdue determining classification in the default status. It is automatic if two thresholds (relative and absolute) are jointly breached for 90 days in a row. More specifically:
 - The relative threshold is at 1%, calculated as the ratio of the total pastdue and/or overlimit amount to the total amount of recognized exposures to the same borrower;
 - The absolute threshold is at Euro 100 for Retail Customers and at Euro 500 for Non-Retail Customers, calculated using the total pastdue and/or overlimit amount of the borrower;
- Banks are not allowed to net existing pastdue and/or overdraft exposures on some credit lines of the debtor against existing available margins on other credit lines of the same borrower;
- A 3-month probation period shall be applied, running from the moment the positions no longer meet the conditions to be classified as defaulted and during which no pastdue instances must occur, before classifying the loan, and therefore the Debtor, back to a non-default status.
- Specific rules (known as “triggers”) shall be applied, which require automatic classification as non-performing of exposures meeting even one only of the following characteristics:
 - Loss of more than 1% on restructured exposures (suspensions, rescheduling, renegotiations) because of financial difficulties experienced by the debtors;
 - Loss of more than 5% for the disposal of performing loans.

Definition of Expected Credit Loss (“ECL”)

ECL is defined as the weighted expected value of the discounted credit loss (principal and interest). It is the present value of the difference between contractual cash flows and expected ones (including principal and interest).

ECL governance and measurement

The Risk Management and Permanent Controls Function is responsible for defining the methodological framework and for overseeing the process for ECL-related impairment of exposures and provisioning.

To define the IFRS 9 parameters required to calculate ECL, the Crédit Agricole Italia Banking Group has primarily relied on its internal rating system and on the other regulatory processes already implemented.

Therefore, in compliance with the requirements laid down by the standard, in order to estimate parameters, forward-looking scenarios are used and weighted by the related probability of occurrence. In agreement with its French Parent Company Crédit Agricole S.A., the Crédit Agricole Italia Banking Group uses four different macroeconomic scenarios:

- **Central scenario**, i.e. the scenario that is most consistent with the present one.
- **Moderately adverse scenario**, i.e. the economic scenario in moderately adverse conditions.
- **Budget stress scenario**, i.e. the most adverse scenario used within the stress exercise at the end of the budget preparation.
- **Favorable scenario**, i.e. the economic scenario in favorable conditions.

The weights to be assigned to the four scenarios – which may vary at each new estimate of the parameters – are determined at the Crédit Agricole Group level (the Economic Research Department -ECO of Crédit Agricole S.A.), while the Crédit Agricole Banking Group updates the estimate of the parameters at least

every year. The ECL calculation formula comprises the following parameters:

- Probability of Default – PD.
- Loss Given Default – LGD.
- Exposure At Default – EAD.

The standard requires a Point-in-Time analysis as at the reporting date, while taking account of the historical loss data and forward-looking macroeconomic data. Therefore, based on the above, the accounting approach is different from the prudential framework, where analyses are multiyear and Through the Cycle to estimate the Probability of Default (PD); moreover, such analyses shall include the Downturn in the estimate of the Loss Given Default (LGD), whereas this effect is not envisaged in the IFRS 9 LGD.

ECL calculation approaches are different for financial instruments and off-balance sheet exposures. Expected credit losses are discounted at the effective interest rate (EIR) used for the initial recognition of the financial instrument. The models used are backtested at least annually by the Risk Management and Permanent Controls Function.

Significant increase in credit risk

For each financial instrument, the Crédit Agricole Italia Banking Group assesses any increase in credit risk from origination to every reporting date. Based on this assessment of changes in credit risk, exposures are classified into the different risk stages.

Monitoring for any significant increase in credit risk shall cover every financial instrument, unless specific exceptions apply. Contagion is not required for the downgrading of financial instruments of the same counterparty from stage 1 to stage 2.

Monitoring for any significant increase in credit risk shall consider the change in credit risk of the principal debtor without taking account of any guarantee, including for transactions with a shareholder guarantee.

For each exposure, any increase in credit risk is assessed through (relative or absolute) quantitative criteria and qualitative criteria.

Relative criteria: some thresholds (SICR - Significant Increase in Credit Risk) have been set which measure the change in the PD as at the inception date and as at each reference date.

Based on this assessment of changes in credit risk, exposures are classified into the different risk stages.

The change in PD is calculated as $PD_{Closing\ Date} > \alpha + \beta * PD_{Original\ Date}$ where:

- $PD_{Original\ Date}$ are the PDs measured at the business relationship inception, date of first recording;
- $PD_{Closing\ Date}$ are the PDs as at the reference date;
- α is a fixed parameter that identifies a perimeter exempted from the application of the SICR thresholds;
- β are parameters estimated on Crédit Agricole Italia's portfolio.

In Q4 2024, following talks between Crédit Agricole S.A. and the ECB, the SICR threshold was revised and harmonized at the Group level, pending the introduction of forward-looking values in 2025.

The significant increase in credit risk rule provides for the downgrading to stage 2 if:

$$PD_{Closing\ Date} > \alpha + \beta * PD_{Original\ Date}$$

where: $\alpha=0$ e $\beta=3,00$ for all the portfolios.

It is pointed out that the rule is applied only where the PD as at the date is above 0.3%.

Origination means the settlement date or the date on which the Bank became bound by the contractual terms of the financial instrument. For financing and guarantee commitments, origination means the date on which the irrevocable commitment was made.

Other criteria: For exposures without an internal rating model, the Crédit Agricole Italia Banking Group uses non-payment as at the reporting date or in the previous 12 months. In case of non-payment, as at the reporting date or in the previous months, the exposure is downgraded to stage 2.

For exposures (with the exception of securities) for which internal rating models have been implemented and applied (all the more so if the rating models have been validated), the Crédit Agricole Italia Banking Group considers that all of the information incorporated into the rating systems allows for a more detailed assessment than the non-payment for over 30 days criterion alone as a back-stop threshold.

Other factors for downgrading to stage 2 are:

- The breach of the PD thresholds, which, for Crédit Agricole Italia, are set at 12% for the non-Retail portfolio and at 15% for the Retail portfolio.
- No rating as at the assessment date if regarding loans disbursed over six months before.
- The exposure being classified as forborne performing.
- Classification in the watchlist in accordance with the Early Warning internal indicator (IMA – Performance Monitoring Indicator) in at least three calculations in the four months before the reference date.
- The selection of portfolio portions that are considered high risk following specific probes carried out by the Risk Management and Permanent Controls Function, such as:
 - Sub-Investment rating grades close to the Sensitive loans perimeter (the thresholds applied by the Crédit Agricole Banking Group are more restrictive).

Qualitative criteria: lastly, downgrading to stage 2 may occur for single-name positions reported by the Chief Legal Officer (CLO) and validated by the Risk Management and Permanent Controls Function (RCP).

If the conditions that triggered downgrading to stage 2 no longer apply, impairment may be reduced to 12-month ECL (stage 1).

For security portfolios, the Crédit Agricole Italia Banking Group uses an approach that consists in applying an absolute level of credit risk, in accordance with IFRS 9, at the breaching of which exposures shall be classified in stage 2 and provisioned for based on ECL at maturity. Therefore, the following rules shall apply for monitoring significant increase in the credit risk of securities:

- “Investment Grade” (IG) securities, at the reporting date, shall be classified in stage 1 and provisioned for based on 12-month ECL.
- “Non-Investment Grade” (NIG) securities, at the reporting date, shall be subject to monitoring for significant increase in credit risk, since origination, and shall be classified in Stage 2 (lifetime ECL) where any significant increase in credit risk is found.

The related increase in credit risk shall be assessed prior to the occurrence of a known default (Stage 3).

Impairment model on stage 3

The impairment model for the non-performing portfolio is based on the estimate of a forward-looking and multi-scenario ECL, which is obtained combining the internal collection scenario with an alternative collection scenario, via the disposal of the non-performing exposures, often as single.name, on the market. This calculation is consistent with the objectives laid down by the NPL Strategy of the Crédit Agricole Italia Banking Group, which, to reduce NPEs, gives preference to collection with no need for insolvency procedures, rather than the disposal of partial and limited clusters of NPEs, as an alternative IFRS9 reads that “the entity shall measure expected credit losses in a way that reflects:

- a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b) The time value of money;
- c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Specifically, IFRS 9 defines loss as the difference between all the contractual cash flows due and the cash flows that the entity expects to receive. Consequently, if the entity intends to sell a non-performing loan to a third party in order both to increase its cash flows as much as possible and to implement a specific strategy for NPL management, the ECL estimate shall reflect also the sale scenario and, thus, the cash flows from the sale. In accordance with IFRS 9, sales scenarios that are merely possible may be taken into account and, as such, shall be smoothed with others that are deemed more likely.

The above being given, the Crédit Agricole Italia Banking Group reflects, in the measurement of loans, the contemplated different types of collection by single loan or cluster of loans. The methods to assess the loan recovery forecasts, in compliance with the ECB Guidance, consist in an estimate of future cash flows made based on two general approaches:

- In a scenario where the borrower is assumed as a going-concern, the cash flows from operations continue to be generated and can be used to repay the financial debt; the “Going Concern Approach”;
- In a scenario where the borrower is assumed to discontinue operations, no cash flows from operations are generated to be used for debt service; the “Gone Concern Approach”.

The Going Concern Approach is mainly applied to cases in which the cash flows from the borrower’s operations are material (vs. the debt) and can be reliably estimated, as well as in all cases in which the exposure is not backed with collaterals or is limitedly secured and to the extent collaterals can be realized without prejudicing the borrower’s ability to generate future cash flows.

In measuring generated cash flows, also the cash flows from operations of any guarantor may be taken into account.

The Gone Concern Approach shall apply where there are no significant cash flows from operations vs. the debt or where the exposure is largely secured and the related collaterals are essential to generate cash flows.

CONTRACT MODIFICATIONS OF FINANCIAL ASSETS

When the original contractual conditions are modified by the parties, it is to be verified whether the financial asset shall continue to be recognized or the original financial asset is to be eliminated recognizing a new financial instrument.

To this end, it is to be assessed whether the modifications to the contract terms and conditions as renegotiated are substantial or not.

In case of substantial modifications, the entity shall derecognize the financial instrument affected by the modification and shall recognize a new financial asset based on the contract as modified, irrespective of whether the renegotiation is finalized by signing a new contract or by modifying the existing one.

Renegotiations are deemed substantial if they introduce specific objective elements affecting the characteristics and/or cash flows of the financial instrument or if they concern customers that are not experiencing financial difficulties, in order to align the contract onerousness to the current market conditions. In the latter case, it is to be specified that, if the Bank did not agree to a renegotiation of the contractual conditions, the customer would be able to borrow from another intermediary with the subsequent loss by the bank of the revenue flows under the renegotiated contract; in other words, in case of renegotiation for commercial reasons, no loss is to be recognized by the bank in its income statement subsequent to the alignment to the current market conditions that are more favourable for its customers.

Conversely, in case of renegotiations deemed not substantial, the entity shall redetermine the present value of the new cash flows subsequent to the renegotiation, based on the original rate of the exposure in force before the renegotiation. The difference between said value and the book value before the modification shall be recognized in the specific item of the income statement as gains or losses from contract modifications with no derecognition (“modification accounting”).

RESTRUCTURING DUE TO FINANCIAL DIFFICULTIES (FORBEARANCE MEASURE)

Financial instruments that are restructured due to financial difficulties are those for which the entity has modified the initial financial conditions (interest rates, maturity) for business and legal reasons linked to the financial difficulties experienced by the debtor, in ways that would not have been applied in other circumstances. This regards all debt instruments, irrespective of the category the security is classified in.

This restructuring concept shall be assessed with regard to the contract rather than with regard to the customer. The definition of restructured loans subsequent to financial difficulties experienced by the customers is based on two cumulative criteria:

- Contract modifications or loan refinancing.
- The Customer’s difficult financial situation.

Contract modifications are, for example, situations in which:

- There is a difference in favour of the borrower between the modified contract and the conditions before contract modification.
- The modifications made to the contract lead to conditions that are more favourable for the concerned debtor than those that other debtors of the Bank, having similar risk profiles, could have obtained at that moment in time.

Refinancing means a new debt/loan is granted to the customer to repay, fully or in part, another debt as regards which the customer cannot comply with the contract conditions because of its financial situation.

Concessions also include contract modifications, which may be freely applied for by a debtor in the scope of an already signed contract, but only when the creditor believes that the conditions to assess that debtor as experiencing financial difficulties are met (“embedded forbearance clauses”). Therefore, the definition of forbearance does not include renegotiations for commercial reasons/practices, which are irrespective of the debtor’s financial difficulties.

The restructuring of a loan (whether performing or defaulted) is a sign of possible incurred loss risk. Therefore, the restructured/forborne exposure shall be accordingly assessed for any impairment/provisioning (restructuring does not systematically entail adjustment for incurred loss and classification as defaulted).

The classification as “*Forborne exposure*” is temporary. If the restructuring transaction is carried out in accordance with the instructions of the European Banking Authority (EBA), the exposure retains the “forborne” status for at least 2 years, if it was performing upon restructuring, or for 3 years if it was non-performing upon restructuring. These periods shall be longer if some events provided for in the Group’s principles occur (for instance “reoccurrence”).

With no derecognition, the reduction in future flows granted to the counterparty or the deferral of such flows over a longer time horizon than the one before the restructuring shall entail recognition of impairment in the Income Statement. The impairment for the restructuring shall be calculated as the difference between:

- The loan book value.
- The sum of the restructured future flows discounted at the original Effective Interest Rate (EIR).

Upon impairment, the portion regarding the passage of time shall be recognized under net interest income.

PURCHASED OR ORIGINATED CREDIT IMPAIRED ASSETS

Pursuant to IFRS 9, a financial asset is considered impaired upon initial recognition if credit risk is very high and it is purchased with significant rebates vs. the residual contractual debt.

If, based on the classification drivers (SPPI test e Business Model), these financial assets are classified as assets measured at amortized cost or at fair value through other comprehensive income, they shall be classified as “Purchased or Originated Credit Impaired Assets” (“POCI”) and shall be subject to specific treatment as regards impairment. As regards these exposures, IFRS 9 requires:

- Their initial recognition at *fair value*.
- That the expected credit loss be always estimated based on the expected loss over the lifetime of the financial instrument.
- Interest recognized in the accounts are determined applying the effective interest rate, adjusted by credit risk (“EIR Credit Adjusted”) or of the rate that, at initial recognition, discounts all future cash flows estimated at the asset amortized cost, taking into account, in the estimate, also expected credit losses.

POCI loans reported in the Group’s financial statements were recognized subsequent to Business Combinations. Specifically, the acquisition of Credito Valtellinese in 2021 had entailed the recognition of a portfolio of non-performing loans, which, therefore, were initially recognized as POCI assets in accordance with IFRS 9 and measured at their fair value determined within the Purchase Price Allocation, as their first-recognition amount. In the light of the disposals finalized later on, the POCI loans coming from Credito Valtellinese and recognized in the Parent Company’s financial statements as at 31 December 2024 remained under assets measured at amortized cost for significantly lower amounts and further reducing vs. the end of 2023. Those loans have been recognized in the related stages.

HEDGE ACCOUNTING

General framework

In compliance with the decision made by the Crédit Agricole Group, the Crédit Agricole Italia Banking Group has not applied the “hedge accounting” section of IFRS 9, exercising the option given by IFRS9 itself. All hedges have continued to be reported in accordance with IAS 39, up to the date of application of the supplement on fair value macro hedging (after its endorsement by the European Union) . However, the eligibility of financial instruments for hedge accounting in accordance with the IAS 39 takes into account the bases of classification and measurement of financial instruments pursuant to the IFRS 9.

In accordance with IFRS 9 and with the IAS 39 hedging principles, eligible fair value and cash flow hedges are debt instruments at amortized cost and at fair value through equity with recycling to profit or loss.

The Group hedges interest rate risk in order to immunize the Banking Book from changes in the fair value of funding and lending, caused by adverse movements in the interest rate curve, or of reducing the uncertainty of cash flows linked to a specific asset/liability in an integrated balance sheet perspective. Specifically, fixed-rate debenture loans have been hedged (micro-hedging), as have the mortgage loans with cap to Customers (macro-hedging), government securities in reserves (asset-swap hedging) and fixed-rate gaps detected by the internal model, which have been subject to macro-hedging. The hedges were made exclusively by purchasing Interest Rate Swaps and Interest Rate Options.

Documentation

Hedging relationships shall comply with the following principles:

- Fair value hedges have the purpose of protecting the entity against exposure to changes in the fair value of a recognize asset or liability or of an irrevocable commitment not recognized, attributable to the hedged risk or risks and able to impact on the income statement (for instance, total or partial hedge of fair value changes due to interest rate risk on a fixed-rate debt).
- Cash flow hedges have the purpose of protecting the entity against exposure to changes in future cash flows of a recognized asset or liability or of a transaction deemed very likely, attributable to the hedged risk or risks and able (in case of an expected transaction not occurred) to impact on the income statement (for instance, hedging of all or part of the payment of future interests on a floating-rate debt).
- Hedges of net investments in foreign operations have the purpose of protecting the entity against the risk of any unfavourable change in fair value associated with the foreign exchange risk within an investments in foreign operations in a currency other than the Euro.

When an entity intends to use hedges, the following conditions shall be met in order to benefit from hedge accounting:

- Eligibility of the hedging instrument and of the hedged instrument.
- Formalized documentation since inception, specifically including the individual designation and the characteristics of the hedged item, of the hedging instrument, the type of hedging relationship and the nature of the hedged risk.
- Evidence of the hedge effectiveness, at inception (i.e. prospectively) and retrospectively, through tests made at each reporting date.

For interest rate risk hedging of a portfolio of financial assets or financial liabilities, the Crédit Agricole Italia Banking Group prefers a fair value hedge documentation, as permitted by the IAS 39 endorsed by the European Union (carve out version).

Specifically:

- The Group documents these hedging relationships based on a gross position of derivative instruments and hedges items.
- The effectiveness of these hedging relationships is proved with effectiveness tests.

Measurement

The measurement of the derivative at fair value is recognized as follows:

- Fair value hedges: the derivative remeasurement is recognized in the income statement matching the remeasurement of the hedged item. The income statement reports only the net amount of any ineffective portion of the hedge.

- Cash flow hedges: the changes in the fair value of the derivative are recognized through equity as to the effective portion of the hedge; gains and losses on the derivative are then recognized through profit or loss, when, having regard to the hedged item, the cash flow change to be offset occurs or if the hedge proves ineffective.
- Hedges of net investments in foreign operations: the derivative remeasurement derivative is recognised as a balancing item through equity with recycling to profit or loss and the ineffective portion of the hedge is recognized through profit or loss.

Where the conditions for benefiting from hedge accounting are no longer met, the following accounting treatment shall be applied prospectively:

- Fair value hedges: only the hedging instrument continues to be remeasured through profit or loss. The hedged item is wholly recognized in accordance with its classification. For debt instruments at fair value through equity with recycling to profit or loss, fair value changes after the termination of hedging relationship shall be fully recognized through equity. For hedged items measured at amortized cost, which were hedged for interest rate risk, the remaining portion of the remeasurement difference shall be amortized over the remaining life of the hedged items.
- Cash flow hedges: the hedging instrument is measured at fair value through profit or loss. The amounts accumulated through equity and regarding the effective portion of the hedge shall remain in equity until the hedged element affects profit or loss. Interest-rate hedged items shall be recognized through profit or loss as interests are paid. The remaining portion of the remeasurement difference is then amortized over the remaining life of the hedged items.
- Hedges of net investments in foreign operations: the accumulated amounts in equity regarding the hedge effective portion shall remain in equity as long as the net investment is held. When no longer within the scope of consolidation, net investments in foreign operations shall be recognized through profit or loss.

MAIN FINANCIAL STATEMENT ITEMS

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

CLASSIFICATION

This category comprises the financial assets not classified as “Financial assets measured at fair value through other comprehensive income” or as “Financial assets measured at amortised cost”.

The “Financial assets measured at fair value through profit or loss” item consists of three sub-items:

- a) *“Financial assets held for trading”*: this category consists of financial assets (debt securities, equity securities, loans and units in OICR collective investment undertakings) managed in order to realize cash flows through their sale and, therefore, under the “Other” Business Model; this category also includes derivative instruments (except for those classified as hedging derivatives or financial guarantee contracts);
- b) *“Financial assets designated at fair value”*: this category consists of financial assets (debt securities and loans) so designated upon initial recognition and where the related requirements are met (*fair value* option). As regards this category, an entity may irrevocably designate a financial asset at fair value through profit or loss if, and only if, by doing so it removes or materially reduces any measurement inconsistency;
- c) *“Financial assets mandatorily measured at fair value”*, consisting of the financial assets that are managed with the “Hold to Collect” or “Hold to Collect and Sell” business model, but that do not meet the requirements to pass the SPPI test (as their contractual terms do not solely envisage payments of principal and interest on the principal amount outstanding) or that are managed under the “Other” business model but are not held for trading. This category reports also units in OICR collective investment undertakings; this item also reports equity securities that are not held for trading, for which, at first recognition, the entity did not exercised the option to classify them at fair value through other comprehensive income.

IFRS 9 allows reclassifications between the different categories only if the entity changes its business model for the management of the financial assets concerned. In such cases, which are expected to be infrequent, the reclassification shall apply from the date of reclassification and the reporting entity is not required to redetermine gains, losses and interests as previously recognized.

For more exhaustive reporting on the accounting effects generated by reclassifications, please refer to the “Financial instruments (IFRS9, IAS 39 and IAS32)” paragraph in Part A.2 herein.

RECOGNITION

Debt and equity securities and units in OICR collective investment undertakings are initially recognized at the settlement date, while derivative contracts are recognized on the date they are signed. Loans are recognized on their origination date.

Specifically, upon recognition at the settlement date, the reporting entity recognizes any changes in the fair value of the asset occurred between that date and the trading date, based on the same criteria identified for the purchased assets.

On initial recognition, “Financial assets measured at fair value through profit or loss” are recognized at fair value; unless otherwise specified, it consists of the price paid to execute the transaction and any transaction costs or revenues attributable to the instrument are not taken into account but are taken directly to the Income Statement.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

After initial recognition, “Financial assets measured at fair value through profit or loss” are stated at fair value.

IFRS 13 defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

To measure the fair value of financial instruments that are quoted in an active market, market prices are

used. Where there is no active market, fair value is measured using generally accepted estimation methods and measurement models that take account of all the risk factors correlated to the instruments and that are based on information available on the market, such as: the measurement of the price of listed instruments with similar features, discounted cash flows, option pricing models, values reported for recent comparable transactions, etc.

For equity securities and derivative instruments that have equity securities as underlying assets, not quoted in an active market, the cost approach is used as the fair value estimate only to a residual extent and limited to very few cases, that is to say when there is a wide range of possible fair value measurements, of which cost is the most significant estimate.

The effects of the application of this measurement approach are recognized in the Income Statement, under item 80 "Net gains (losses) on trading activities" for "Financial assets held for trading", and under item 110 "Net gains (losses) on financial assets and liabilities measured at fair value through profit or loss" for "Financial assets designated at fair value" and for "Financial assets mandatorily measured at fair value". The same items report the derecognition of such financial assets. For more information on fair value measurement, please refer to paragraph 16 "Other Information - Fair Value Measurement" and to "Part A.4 - Fair value reporting".

DERECOGNITION

Financial assets are derecognized if one of the following cases occurs:

- Contractual rights to the cash flows from the assets have expired.
- The financial asset is sold with substantial transfer of all risks and rewards resulting from its ownership. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial assets is retained, the assets continue to be recognized, even if the relevant legal title has been transferred. Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, financial assets are derecognized when no form of control over the assets has been retained. Conversely, if even a portion of control is retained, the asset continues to be recognized to the extent of the continuing involvement, measured by exposure to changes in the value of the assets transferred and to changes in the related cash flows.
- The entity retains the contractual right to receive the cash flows from the assets, but it concomitantly undertakes the contractual obligation to pay such flows to a third party (pass-through arrangements).

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

CLASSIFICATION

This category consists of financial assets that meet both the following conditions:

- The financial asset is managed in accordance with the "Hold to Collect and Sell" Business Model whose objective is achieve both by collecting the contractual cash flows and by selling the asset, and
- The contractual terms of the financial asset provide for, at specified date, cash flows that are solely payments of principal and interest on the principal amount outstanding.

Therefore, this category includes debt securities and loans that are managed in accordance with the "Hold to Collect and Sell" Business Model and that have passed the SPPI test. This category also includes equity instruments, not held for trading, for which the irrevocable option was exercised upon initial recognition for their designation at fair value through other comprehensive income.

IFRS 9 allows reclassifications between the different categories only if the entity changes its business model for the management of the financial assets concerned. In such cases, which are expected to be infrequent, the reclassification shall apply from the date of reclassification and the reporting entity is not required to redetermine gains, losses and interests as previously recognized.

For more exhaustive reporting on the accounting effects generated by reclassifications, please refer to the "Financial instruments (IFRS9, IAS 39 and IAS32)" paragraph in Part A.2 herein.

RECOGNITION

These financial assets are initially recognized at the settlement date for debt and equity securities and, as regards loans, at their disbursement date. At initial recognition, these assets are recognized at fair value that equal to, unless otherwise stated, the price paid for the transaction execution, including any costs or revenues directly attributable to the instrument.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

After initial recognition, Assets classified at fair value through other comprehensive income, consisting of debt securities and loans, are measured at fair value, recognizing the impacts generated by the amortized costs application in the Income Statement. For amortized cost measurement, please refer to paragraph 16 “Other information - Amortized Cost Measurement”. Gains and losses on fair value measurement are recognized in a specific equity reserve (item “120. Valuation reserves”), which shall be recycled to profit or loss (item 100b “Gains/losses from disposal/repurchase of financial assets measured at fair value through other comprehensive income”) upon derecognition of the financial asset.

“Financial assets measured at fair value through other comprehensive income” – being them debt securities and loans – are subject to impairment testing in accordance with the IFRS 9, as are Assets at amortized cost, with subsequent recognition of adjustments in the Income Statement for expected losses. These adjustments are recognized in the Income Statement under item “130. Net adjustments/recoveries for credit risk”; the same applies, in a mirror-like way, to recoveries on part or all write-downs made in previous periods.

Equity instruments for which the option was exercised for their classification in this category are measured at fair value; gains or losses from fair value measurement are recognized as a balancing item of a specific equity reserve (item “120. Valuation reserves”). These reserves shall never be recycled to the income statement, including where allocated by selling the asset; in that case, the accumulated balance of the reserve is not recycled through profit or loss, but it is classified under retained earnings reserves in equity (item “150. Reserves”). Moreover, these assets shall not be written down in the Income Statement as they are not subject to impairment. The only component recognized in the Income Statement is collected dividends.

Fair value is determined using the standards adopted for “Financial assets measured at fair value through profit or loss”. For the equity instruments included in this category, which are not quoted in an active market, the cost approach is used as the fair value estimate to a residual extent only and in very few circumstances, i.e., when all the measurement methods referred to above cannot be applied, or when there is a wide range of possible measurements of fair value, of which cost is the most significant estimate. For more information on fair value measurement, please refer to paragraph 16 “Other Information - Fair Value Measurement” and to “Part A.4 - Fair value reporting”.

DERECOGNITION

Financial assets are derecognized only if their sale has substantially transferred all the risks and rewards associated with ownership of the same assets. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial assets is retained, the assets continue to be recognized, even if legal title has been transferred.

Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, financial assets are derecognized when no form of control over the assets has been retained. Conversely, if even a portion of control is retained, the asset continues to be recognized to the extent of the continuing involvement, measured by exposure to changes in the value of the assets transferred and to changes in the related cash flows.

Finally, financial assets which have been sold are derecognized if the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

3. Financial assets measured at amortized cost

CLASSIFICATION

This category consists of financial assets, specifically debt securities and loans, that meet both the following conditions:

- The financial asset is managed in accordance with the “Hold to Collect” Business Model whose objective is achieved by collecting the contractual cash flows.
- The contractual terms of the financial asset provide for, at specified date, cash flows that are solely payments of principal and interest on the principal amount outstanding.

More specifically, this category includes loans to customers and banks - in any technical form - and debt securities that meet the requirements referred to above. This category also includes receivables originated by finance lease transactions under IFRS 16 and operating loans and receivables linked to the provision of financial services, as defined by the Italian Consolidated Law on Banking (T.U.B.) and by the Italian Consolidated Law on Finance (T.U.F.) (e.g. for the distribution of financial products and servicing activities).

IFRS 9 allows reclassifications between the different categories only if the entity changes its business model for the management of the financial assets concerned. In such cases, which are expected to be infrequent, the reclassification shall apply from the date of reclassification and the reporting entity is not required to redetermine gains, losses and interests as previously recognized.

For more exhaustive reporting on the accounting effects generated by reclassifications, please refer to the “Financial instruments (IFRS9, IAS 39 and IAS32)” paragraph in Part A.2 herein.

RECOGNITION

These financial assets are initially recognized at the settlement date for debt securities and, as regards loans, at their origination date. This asset item reports separately:

- Due from banks.
- Loans to customers.

Specifically, for loans, their origination date is usually the same as the date of contract signing. Should this not be the case, upon contract signing a commitment to disburse funds shall be recognized and derecognized on the loan disbursement date.

Loans and receivables are initially recognized at their fair value, which is equal to the amount disbursed, or subscription price, including costs and revenues directly attributable to the individual loan and determinable from the inception of the transaction, even if settled at a later time. The initially recognized amount does not include costs that can be classified as normal administrative overhead costs, despite having the above characteristics.

Repurchase agreements or reverse repurchase agreements are recognized as funding or lending transactions. Specifically, repurchase agreements are recognized as liabilities for the spot amount received, whereas reverse repurchase agreements are recognized as assets for the spot amount paid.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

Following initial recognition, these financial assets are measured at amortized cost using the effective interest rate method.

Measurement at amortized cost entails that the asset is recognized at an amount equal to its initial recognition value less principal repayment, plus or minus accumulated amortization in accordance with the aforementioned effective interest rate method, of the difference between the initial amount and the amount at maturity (typically attributable to costs/income directly pertaining to the individual asset) and adjusted by any loss coverage provision.

The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the asset in terms of principal and interest, to the amount disbursed including costs and revenues attributable to the asset. Expected cash flows shall be estimated taking account of all contractual terms of the financial

instrument, but irrespective of expected losses on loans and receivables. The calculation includes all fees and commissions, transaction costs and all other premiums or discounts. This measurement method uses a financial approach and allows the economic effect of the costs/income directly attributable to a financial asset to be spread over its expected remaining lifetime. For more exhaustive reporting on this matter, please refer to paragraph 16 “Other information - Amortized Cost Measurement”.

The amortized cost method is not used for assets that have short lifetime, as their discounting is expected to have negligible effects, for those with indefinite maturity and revocable loans. These assets are measured at historical cost.

The book value of financial assets at amortized cost is adjusted in order to report any provision for expected loss coverage. Indeed, at every reporting date, these assets are tested for impairment in order to estimate any Expected Credit Losses (ECL).

This scope includes non-performing loans (known as “stage 3” loans) classified as bad, unlikely- to-pay or non-performing past due in accordance with the rules issued by the Supervisory Authorities; this scope also includes performing loans classified as “stage 1” and “stage 2”, to which the Expected Credit Losses concept applies on a 12-month or lifetime basis, respectively.

The used bases of measurement are exhaustively described in the paragraph “Financial instruments (IFRS9, IAS 39 and IAS32) - Impairment for credit risk)” in Part A.2 of this document and, as already said, are strictly linked to the classification of these instruments in one of the three stages (credit risk stages) provided for by IFRS 9.

The model of impairment (provisioning) for credit risk comprises:

- Stage 1: from the initial recognition of the financial instrument (loan, debt security, guarantee...), the entity shall recognize expected credit losses over 12 months.
- Stage 2: if the credit quality deteriorates significantly for a given transaction or portfolio, the entity shall recognize the lifetime expected losses.
- Stage 3: when one or more default events have occurred on the counterparty with an adverse effect on the estimated future cash flows, the entity shall recognize a lifetime expected loss. Subsequently, if the conditions for classifying financial instruments in stage 3 are not met, the financial instruments are reclassified in stage 2, or in stage 1, based on the decrease in credit risk.

Impairment losses are recognized in the income statement under item “130. Net losses/recoveries for credit risk”.

The original value of the financial assets is written back in following financial years if the exposure credit quality improves vs. the one that entailed the previous write-down. Impairment recoveries are recognized in the Income Statement under the same item and the value of the loan after the writeback shall in no event exceed the amortized cost that the asset would have had if the prior adjustment had not been made.

For non-performing exposures, accrued interests recognized in the Income Statement under item “10. Interest and similar income” are calculated based on amortized cost. The same item reports interest income due to the passage of time, calculated within the measurement of non-performing financial assets based on the original effective interest rate.

A specific item in the income statement reports interest income calculated with the effective interest method in accordance with Bank of Italy Circular 262.

DERECOGNITION

Financial assets are derecognized if one of the following cases occurs:

- Contractual rights to the cash flows from the assets have expired.
- The financial asset is sold with substantial transfer of all risks and rewards resulting from its ownership. Financial assets are derecognized only if their sale has substantially transferred all the risks and rewards associated with ownership of the same assets. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial assets is retained, the assets continue to be recognized, even if the relevant legal title has been transferred. Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, financial assets are derecognized when no form of control over the assets has been retained. Conversely, if even a portion of control is retained, the asset continues to be recognized to the extent of the continuing involvement, measured by exposure to changes in the value of the assets transferred and to changes in the related cash flows.
- Financial assets are written off where their recovery can no longer be reasonably expected, including in case of waivers of the rights to the asset.
- The entity retains the contractual right to receive the cash flows from the assets, but it concomitantly undertakes the contractual obligation to pay such flows to a third party (pass-through arrangements).
- The contract undergoes modifications that qualify as substantial. In case of substantial modifications to the contract (i.e. modifications that affect the characteristics and/or the cash flows of the financial instrument), the entity shall derecognize the financial instrument and shall recognize a new financial asset based on the contract as modified, irrespective of whether the renegotiation is finalized by signing a new contract or by modifying the existing one.

4. Hedging

In compliance with the decision made by the Crédit Agricole Group, the Crédit Agricole Italia Banking Group has not applied the hedge accounting rules laid down by IFRS 9, exercising the option given by IFRS9 itself. All hedges have continued to be reported in accordance with IAS 39, up to the date of application of the supplement on fair value macro hedging (after its endorsement by the European Union) . Nonetheless, having regard to classification and measurement, IFRS 9 has been applied.

CLASSIFICATION

The “Hedging Derivatives” asset and liability items report financial derivatives held for hedging, which, as at the reporting date, have positive or negative fair values, respectively.

Hedging transactions are used to neutralize potential losses occurring on a given item or group of items attributable to a given risk, should the risk event take place.

The following types of hedges are used:

- Fair value *hedges*: these are used to hedge exposures to changes in the fair value (attributable to the different types of risk) of assets and liabilities or portions thereof, groups of assets and liabilities, irrevocable commitments and portfolios of financial assets and liabilities, including core deposits, as permitted by IAS 39, which was endorsed by the European Commission.
- Cash flow hedges: these are used to hedge exposures to changes in future cash flows caused by certain risks associated with financial statement items. This type of hedge is essentially used to stabilize interest cash flows from variable-rate funding to the extent it concerns fixed-rate loans. In some cases, similar hedges are used for some variable-rate loans.
- Hedge of an investment in a foreign currency: it is used to hedge risks of an investment in a foreign operation expressed in a foreign currency.

RECOGNITION

Hedging derivatives, like all derivatives, are initially recognized on their subscription date and measured at fair value.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

Hedging derivatives are measured at fair value. Specifically:

- In case of fair value hedging, changes in the fair value of the hedged item are offset against changes in the fair value of the hedging instrument.

This offsetting is recognized in the Income Statement under item “90. Net gains (losses) on hedging activities” by reporting the value changes in both the hedged item and in the hedging instrument. Any difference that may arise, since it represents the partial ineffectiveness of the hedge, also represents its net effect through profit or loss.

- Cash flow hedges: these are used to hedge exposures to changes in future cash flows caused by certain risks associated with financial statement items. This type of hedge is essentially used to stabilize interest cash flows from variable-rate funding to the extent it concerns fixed-rate loans. In some cases, similar hedges are used for some variable-rate loans; Changes in the fair value of the derivative are recognized in equity (item “120. Valuation reserves”), for the effective portion of the hedge, and are recognized through profit or loss only when the cash flow change to be offset occurs regarding the hedged item.
- Hedge of an investment in a foreign currency: it is used to hedge risks of an investment in a foreign operation expressed in a foreign currency and it is recognized as cash flow hedges are.

The derivative instrument is classified as held for hedging where there is formal documentation of the relationship between the hedged item and the hedging instrument and where it is effective at inception and throughout its life.

The effectiveness of the hedge depends on the degree to which changes in the fair value of the hedged instrument or the relative expected cash flows are offset by changes in that of the hedging instrument. Accordingly, the actual effectiveness is gauged by comparing the above-mentioned changes, taking into account the intention of the company at the inception of the hedge.

Hedging is deemed effective when changes in the fair value(or the cash flows) of the hedging instrument almost entirely – i.e. within an interval of between 80% and 125% - offset changes in the value of the hedged item for the hedged risk factor.

Effectiveness is assessed at every reporting date, using:

- Prospective tests, which justify the application of hedge accounting, since they demonstrate the expected effectiveness of the hedge.
- Retrospective tests, which show the degree of effectiveness of the hedge achieved during the reference period. In other words, they measure how actual results deviate from the perfect hedge.

Any hedge ineffectiveness caused by economic circumstances that are expected to return to normal as confirmed by prospective tests is not taken into account.

DERECOGNITION - TERMINATION OF THE HEDGING RELATIONSHIP

If the hedge effectiveness is not proved by the verifications and tests carried out, from that time on hedge accounting, as described above, shall be terminated, the derivative contract shall be reclassified to “Financial assets measured at fair value through profit or loss” and, specifically, to “Financial assets held for trading”.

In case of fair value hedges, the hedged item is measured with the original measurement approach of the category it belongs to; for instruments measured at amortized cost, any accumulated recoveries/losses recognized subsequent to the fair value change of the hedged risk are recognized in the Income Statement under interest income and interest expense throughout the residual life of the hedged item, based on the effective interest rate. If the hedged item is sold or repaid, the fair value portion that has not yet been amortized shall be immediately recognized in the Income Statement.

Furthermore, the hedging relationship terminates when:

- The derivative matures, is terminated or exercised.
- The hedged item is sold, matures or is repaid.
- The hedged future transaction is no longer highly probable.

Hedging of portfolios of assets and liabilities

The hedging of portfolios of assets and liabilities (“macrohedging”) and its consistent recognition can be done after:

- Identifying the portfolio to be hedged and breaking it down by maturity.
- Designating the item to be hedged.
- Identifying the interest rate risk to be hedged.
- Designating the hedging instruments.
- Determining effectiveness.

The portfolio hedged against interest rate risk may comprise both assets and liabilities. This portfolio is broken down by maturity in terms of collection or repricing of the interest rate, after analyzing the cash flow structure. Fair value changes occurred in the hedged item are recognized in the Income Statement under item “90 Net gains (losses) on hedging activities” and in the Balance Sheet under item “60. Fair value change of financial assets in macro-hedge portfolios” or under item “50. Fair value change of financial liabilities in macro-hedge portfolios”. Fair value changes occurred in the hedged item are recognized in the Income Statement under item “90. Net gains (losses) on hedging activities” and in the Balance Sheet under asset item “50. Hedging Derivatives” or under liability item “40. Hedging derivatives”.

In case of early termination of fair value macro hedging, the accumulated recoveries/losses are recognized in the Income Statement under interest income or interest expense throughout the residual duration of the original hedging relationships, granted that it is verified that the related requirements are met.

5. Equity investments

CLASSIFICATION

This item reports equity investments held in associates and joint arrangements that are recognized using the equity method.

Joint arrangements are arrangements of which two or more parties share control under contractual or other agreements which require unanimous consent of all the parties sharing control in order for material financial and management decisions to be made. The requirement for unanimous consent means that any party with joint control of the arrangement can prevent any of the other parties, or a group of the parties, from making unilateral decisions (about the relevant activities) without its consent.

Associates are companies in which the Group exercises a significant influence, holding, directly or indirectly, at least 20% of the voting rights (including “potential” voting rights that may be exercised) or having the power to participate in determining its financial and management policies, despite holding less than 20% of the voting rights, owing to specific legal ties, such as being party to a shareholders’ agreement.

Significant influence is not ascribed to interests equal to or higher than 20%, in which the Company holds only equity rights to a portion of the return on the investments, does not have a say in the investee’s management policies and can exercise governance rights only to the extent required to protect its equity investment.

RECOGNITION

These financial assets are initially recognized at the settlement date. At initial recognition, these financial assets are recognized at cost, including any goodwill paid upon acquisition which, therefore, is not separately recognized.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

Equity investments are measured using the equity method. After initial recognition, the carrying amount of the financial asset is increased or decreased in order to recognize the portion of profit and losses of the investees attributable to the Group and realized after the equity investment acquisition, as the balancing item of the Consolidated Income Statement item “250. Gains (losses) on equity investments”. Dividends received from an investee are recognized as a reduction in the book value of the equity investment.

Where there is evidence that the value of an equity investment may be impaired, its recoverable value is determined, taking into account the present value of future cash flows that the equity investment could generate, including its value upon divestment.

If the recoverable amount is lower than the carrying amount, the difference is recognized in the Income Statement.

If the reasons for the impairment are removed subsequent to an event occurred after the impairment loss recognition, a writeback is taken to the Income Statement.

DERECOGNITION

Equity investments are derecognized in case of any sale that transfers all rights and rewards associated with their ownership.

In case significant influence or joint control can no longer be exercised, any residual investment shall be reclassified to the portfolios of financial assets in accordance with the IFRS 9.

6. Property, Plant and Equipment

CLASSIFICATION

“Property, plant and equipment” includes land, operating property, investment property, technical plants, furniture, furnishings and equipment of any type, works of art and property, plant and equipment inventories governed by IAS 2.

These assets are held to be used in production or supply of goods and services (property, plant and equipment used in operations in accordance with IAS 16), or to be rented out to third parties or for investment purposes (investment property governed by IAS 40) and are intended to be used for longer than one period.

This item also reports the rights-of-use of property, plant and equipment assets acquired with lease contracts in which the Bank is the lessee, irrespective of their specific legal form.

RECOGNITION

“Property, plant and equipment” items are initially recognized at cost, which includes, in addition to the purchase cost, all costs directly attributable to purchasing and placing the asset in service. Extraordinary maintenance expenses that increase the future economic benefits generated by such assets are recognized as an increase in the value of the assets, while ordinary maintenance costs are recognized in the Income Statement.

The initial measurement of the right-of-use asset includes the present value of future lease payments, the lease payments made on or before the lease contract effective date, initial direct costs and any estimated costs for dismantling, removal or restoration of the lease underlying asset, less any lease incentives received by the lessee.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

Property, plant and equipment assets, including investment property and right-of-use assets, are measured at cost less depreciation and impairment.

These assets are systematically depreciated over their useful life on a straight-line basis, as reported in the table below:

Description	Duration
Land	No depreciation
Operating property	33 Years ⁽¹⁾
Other investment property	
- Other	33 Years ⁽¹⁾
- High-end property and property inventories (IAS2)	No depreciation
Furniture, fittings, alarm systems and vehicles	From 4 to 10 years
Computers and electronic equipment	From 3 to 10 years
Works of art	No depreciation

(1) It is specified that, in few specific cases and for specific property units, their useful life, appropriately calculated, may have different duration.

Lease right-of-use assets are depreciated on a straight-line basis over the lease term.

Properties are depreciated at a rate based on a useful life deemed fit to appropriately represent the deterioration of the assets over time due to use, taking into account any extraordinary maintenance costs, which increase the value of the asset, and ordinary maintenance costs, which maintain the value of the assets for longer periods of time. However, the assets' remaining useful life is verified on a regular basis.

The depreciation cost for property, plant and equipment is recognized in the Income Statement in the item "210 Net adjustments of/recoveries on property, plant and equipment".

The following assets are not depreciated:

- land, whether acquired separately or incorporated in the value of the building, since it has an indefinite useful life. Where its value is incorporated in the value of the building, under the components approach, the land is considered separable from the building. The division between the value of the land and the value of the building is based on appraisals by independent experts, only for buildings entirely owned by, and, therefore, fully available to the Group, including the land.
- High-end property.
- Property, plant and equipment inventories under IAS 2 measured at the lower between their cost and net realizable value, that is to say their market value net of completion and selling costs.
- Works of art, as they have indefinite useful life and their value does not normally decrease over time.

If there is evidence of impairment of the asset, the asset's book value is compared to its recoverable value, that is to say the higher between their fair value and their value in use. For more exhaustive reporting, please refer to paragraph "16 Other Information - Method to calculate impairment losses - Other non-financial assets".

Any adjustments are recognized in the Income statement under item "210 Net adjustments of/recoveries on property, plant and equipment".

If the reasons for impairment cease to exist, a write-back is recognized. The book value following the writeback shall not exceed the value the asset would have had, net of depreciation, in the absence of the prior write-down.

DERECOGNITION

Property, plant and equipment items are derecognized when disposed of or when the asset is permanently withdrawn from use and no future benefits are expected from its disposal.

7. Intangible assets

CLASSIFICATION

Intangible assets are non-monetary assets that are identifiable and not physical, stem from legal or contractual rights, are held to be used for several years and are expected to generate future economic benefits. The main types of intangible assets are:

- Software acquired from external sources or with licence for use.
- In-house developed software.
- Residual goodwill recognized as the difference between purchase cost and the fair value of the assets and liabilities acquired and contingent assets and liabilities recognized upon acquisition in accordance with the IFRS 3 determination criteria.
- The intangibles representing business with Customers are recognized subsequent to the application of IFRS 3.

RECOGNITION

Separately acquired and internally generated intangible assets are initially recognized at cost adjusted by any ancillary expenses, only if the economic benefits from the asset are likely to be generated and if its cost can be reliably determined. Otherwise, the intangible asset cost is recognized in the Income Statement for the period in which it is borne. Intangible assets acquired through business combinations are recognized at fair value as at the acquisition date.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

After initial recognition, intangible assets are recognized net of the accumulated amortization and of any accumulated impairment losses. Intangible assets' useful life is assessed as finite or indefinite.

Intangible assets with finite useful life are amortized over their useful life and are tested for impairment every time signals of possible impairment are detected. The amortization period and approach for intangible assets with finite useful life are reassessed at least at the end of every year. Changes in the expected useful life or in the modalities with which the future economic benefits linked to the assets occur, are recognized through the change of the period or amortization approach, as the case may be, and are considered as accounting estimate changes. Amortization of intangible assets with finite useful life is recognized in the Income Statement in the item "220 Net adjustments of/recoveries on intangible assets".

Generally, software useful life is estimated as being five years. In compliance with IAS 38, some large projects have been specifically identified and their useful life has been measured as being ten years. Intangibles consisting of business with Customers and recognized under IFRS 3 are assigned finite useful life, determined based on the available time series on the rates of customer turnover.

Intangible assets with indefinite useful life, including goodwill are not amortized, but are tested for impairment annually, both at individual level and at a cash-generating unit level.

The amount of any impairment is calculated based on the difference between the recoverable amount of the cash-generating unit and its carrying amount.

This recoverable amount is the higher of the fair value of the cash-generating unit, net of any selling costs, and its value in use. Any subsequent adjustments are recognized in the Income Statement.

DERECOGNITION

Intangible assets are derecognized from the Balance Sheet when disposed of or when no future economic benefits are expected to be generated by the asset.

Gains or losses resulting from the derecognition of intangible assets are calculated as the difference between the net disposal revenue and the book value of the intangible asset and are recognized in the income statement for the year in which the derecognition is made.

8. *Non-current assets/liabilities held for sale and discontinued operations*

RECOGNITION, CLASSIFICATION, MEASUREMENT AND DERECOGNITION

“Non-current assets held for sale and discontinued operations” and “Liabilities in respect of assets held for sale” report non-current assets or groups of assets/liabilities which are in the process of being divested and for which a sale is considered highly probable. In case of transactions subject to authorization to be issued by Supervisory Authorities, the Group’s accounting policy, since it attaches an essential value to such authorization, provides for “Non-current Assets/Liabilities and discontinued operations” to be recognized as from the date of receipt of the such authorization (whether express or tacit).

These assets/liabilities are measured at the lower between their book value and their fair value net of disposal costs, except for some types of assets – comprising for instance all financial instruments in IFRS 9 scope of application – to which, in accordance with IFRS 6, the measurement bases as per the reference standard shall continue to be applied.

Income and expenses linked to assets and liabilities held for sale and discontinued operations, if linked to discontinued operations under IFRS 5), are presented in the income statement, net of tax effects, in item “320. Profit (Loss) after tax from discontinued operations”, while if linked to single non-current assets held for sale, they are recognized in the most appropriate item in the income statement.

“Discontinued operations” must be understood as an important self-standing part of business or geographical area of operations, also within a single coordinate divestment programme, or a subsidiary that has been acquired solely in order to be resold.

Non-current assets held for sale and discontinued operations are written off upon disposal.

9. *Current and Deferred Taxes*

These items report current and deferred tax assets and current and deferred tax liabilities, respectively, as regards income taxes.

Income taxes, calculated in accordance with the Italian tax legislation, are recognized on an accrual basis, consistently with the recognition of the costs and revenues generating them. Therefore, they represent the expense, equal to the balance of current and deferred tax assets and current and deferred tax liabilities, for taxes on income for the period. Income taxes are recognized in the Income Statement, except for those related to items debited or credited directly in equity, for which the related taxes are recognized, for consistency purposes, in equity.

The effects of current taxes and deferred tax assets and liabilities are recognized at the applicable tax rates.

Income taxes are calculated on the basis of forecasts of the current tax liability and deferred tax assets and liabilities. Specifically, deferred tax assets and liabilities are calculated on the basis of temporary differences – without time restrictions – between the value attributed to an asset or a liability pursuant to the Italian Civil Code and the corresponding values used for tax purposes.

In March 2016, the national tax consolidation scheme was adopted, with effects since the 2015 tax period, by the Crédit Agricole Group in Italy; such scheme was introduced with Article 6 of Italian Legislative Decree No. 147 of 14 September 2015, according to which also the Italian “sister” companies, whose controlling Company is resident in a EU Member State, may exercise the option for consolidated taxation. This regime provides for the consolidated companies to transfer their taxable income (or their tax loss) to the Consolidating Entity Crédit Agricole Italia, which calculates a single taxable income or a single tax loss of the Group for the Italian corporate income tax (IRES), as the algebraic sum of the income and/or losses of the single Companies, and recognizes a single tax account payable to or receivable from the Italian Inland

Revenue Agency. In the consolidating entity's financial statements, the intra-group balances resulting from the tax consolidation scheme are reported under item "Financial assets measured at amortized cost - due from banks or customers" in an amount equal to the Corporate Income Tax (IRES) net of withholdings due and payments on account made (in the "Financial liabilities measured at amortized cost - due to banks or customers" item if the payments on account made are higher than the amounts due). In the same financial statement items, the scheme member entities recognize the receivable or payable balances resulting from their respective taxable income contributions to the consolidating entity.

Deferred tax liabilities are calculated using the so-called balance-sheet liability method.

Deferred tax assets, relating to deductible temporary differences or future tax benefits that can be gained by carrying forward tax losses, are recognized to the extent their recovery is deemed likely and after the probability test, which is to be run on a yearly basis, in accordance with IAS 12.

Deferred tax liabilities are recognized for all taxable temporary differences, except for the reserves subject to tax deferral arrangements, since the amount of available reserves already subject to taxation makes it likely that no taxable operations will be carried out.

Deferred tax assets and liabilities are recognized in the Balance Sheet with open balances without any offsetting, the former under the "Tax Assets" item, the latter under the "Tax Liabilities" one.

Deferred tax assets and liabilities are systematically measured to reflect any changes in tax regulations or rates, as well as in any other situation specifically applying to the Company. The effects are recognized in the Income Statement, except when these regard changes in the temporary differences in items for which accounting policies require recognition directly in equity, in which case the change in the deferred tax liability or asset is taken directly to equity.

Having regard to the Pillar 2 rules published by the Organization for Economic Co-operation and Development (OECD), the Group has applied the exception to the recognition and disclosure on deferred tax assets and liabilities related to the Pillar 2 income taxes, in accordance with IAS 12. Further disclosure is given in paragraph 1 Pillar II – GloBE in Section 1 - Statement of compliance with the International Accounting Standards/International Financial Reporting Standards.

10. Provisions for risks and charges

This item comprises provisions for risks and charges when the following conditions are met:

- A present obligation (legal or implicit) exists resulting from a past event.
- It is likely that resources will have to be used in order to generate the economic benefits necessary to fulfil the obligation.
- The obligation amount can be reliably estimated.

If the time factor is significant, provisions for risks and charges are discounted. The allocation to provision is recognized in the Income Statement, which also reports interest expense accrued on provisions that have been discounted.

PROVISIONS FOR RISKS AND CHARGES REGARDING COMMITMENTS AND GUARANTEES GIVEN

This sub-item of the "provisions for risks and charges" item reports credit risk allowances recognized for commitment to disburse funds and for guarantees given within the scope of application of the impairment rules pursuant to IFRS 9. In principle, for these cases, the same methods apply for the allocation to the three credit risk stages and for the calculation of the expected loss as reported with regard to financial assets measured at amortized cost or at fair value through other comprehensive income.

POST-EMPLOYMENT BENEFITS

Pension plans, created pursuant to corporate agreements, qualify as "defined-benefit plans".

The liabilities referring to these plans and the relating social security costs for employees currently on staff are determined based on actuarial assumptions by applying the Projected Unit Credit (PUC) method. Under

this method, future outlays are projected based on analyses of time series and the demographic curve and the discounting of these cash flows using market interest rates, as set forth in the relevant tables in the Note to the Financial Statements.

Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation.

Actuarial gains and losses, defined as the difference between the liability book value and the present value of the commitments as at the reporting date, are fully recognized directly in equity, under the item "Valuation reserves".

OTHER PROVISIONS

Other provisions for risks and charges include provisioning for legal or other obligations associated with employment relationships or disputes, including tax disputes, resulting from a past event for which a cash outflow to settle the obligation is likely, granted that its amount can be reliably estimated.

Where the time factor is significant, provisions are discounted using current market rates. The amount allocated to provision is recognized in the Income Statement under item "200. Net provisions for risks and charges" and reports the increases in the provisions due to the passage of time.

This item also reports long-term employee benefits, the liabilities for which are determined using the same actuarial assumptions described for post-employment benefits. Actuarial gains and losses are immediately recognized in full in the Income Statement.

11. Financial liabilities measured at amortized cost

CLASSIFICATION

The "Due to banks", "Due to customers" and "Debt securities issued" items report all forms of interbank and customer funding, repurchase agreements and funding through certificates of deposit, bonds and other funding instruments issued, less any amounts repurchased.

This item also reports lease liabilities recognized by the entity as the lessee.

RECOGNITION

These financial liabilities are initially recognized upon the signing of the relevant contract, which is usually the date of receipt of the funds raised or of the issue of debt securities.

These financial liabilities are initially recognized at fair value, which usually is equal to the amount collected or the issue price plus any additional expenses/income that can be directly attributed to the single financing or issue transaction. Internal administrative expenses are excluded

Repurchase agreements or reverse repurchase agreements are recognized as funding or lending transactions. Specifically, repurchase agreements are recognized as liabilities for the spot amount received, whereas reverse repurchase agreements are recognized as assets for the spot amount paid.

Lease liabilities are recognized based on the present value of future lease payments still to be made as at the lease contract effective date in accordance with IFRS16.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

After initial recognition, these financial liabilities are measured at amortized cost with the effective interest rate method. The result of the application of this method is taken to the income statement in item "20 Interest and similar expenses". Accrued interest income on financial liabilities is recognized under item "10 Interest and similar income".

This does not apply to short-term liabilities which are recognized in the amount collected since the time factor is negligible.

After the lease contract effective date, the lessee shall redetermine its lease liabilities in order to take account of the changes to lease payments; the amount of the redetermined lease liabilities shall be recognized as an adjustment to the right-of-use assets

DERECOGNITION

Financial liabilities are derecognised when they mature or are settled. Liabilities are also derecognized when previously issued securities are repurchased.

The difference between the liability book value and the amount paid to purchase such liability is recognized in the Income Statement under item 100 "Gains (Losses) on sale or repurchase of financial liabilities".

The subsequent placement of repurchased securities on the market is treated as a new issue and is recognized at the new placement price, with no effect through profit or loss.

12. Financial liabilities held for trading

RECOGNITION

These financial instruments are recognized, at the date of subscription or at the date of issue, at cost, which is equal to the instrument fair value, without taking into account any directly attributable transaction costs or income.

CLASSIFICATION

This item also reports the negative value of derivative contracts held for trading, as well as the negative value of derivatives that are embedded in complex contracts but that are not strictly connected to such contracts.

It also includes liabilities originating from technical overdrafts generated by securities trading.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

All liabilities held for trading are measured at fair value through profit or loss.

For more information on fair value measurement, please refer to paragraph 16 "Other Information - Fair Value Measurement" and to "Part A.4 - Fair value reporting".

Gains and losses on trading and any capital gains and losses on measurement of the trading book are recognized in the Income Statement under item "80. Net gains (losses) on trading activities".

DERECOGNITION

Financial liabilities held for trading are derecognized when the contractual rights to the relevant cash flows expire or when the financial liability is sold with substantial transfer of all risks and rewards of ownership.

13. Financial liabilities designated at fair value

The Crédit Agricole Italia Banking Group has not exercised the fair value option for financial liabilities.

Financial liabilities may be designated at fair value if one of the following conditions is met:

- This classification allows any “accounting mismatching” to be eliminated or significantly reduced.
- They belong to groups of liabilities that are managed and their performance is measured based on fair value, in accordance with an appropriately documented risk management strategy.

14. Foreign currency transactions

RECOGNITION

Transactions in a foreign currency are initially recognized in the reporting currency by translating the foreign currency amount at the exchange rate in force on the date of the transaction.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

At each financial reporting date, foreign currency items are measured as follows:

- Monetary items are translated at the exchange rate in force as at the reporting date.
- Non-monetary items measured at historical cost are translated at the exchange rate in force as at the transaction date.
- Non-monetary items measured at fair value are translated at the exchange rate in force as at the reporting date.

Exchange rate differences resulting from the settlement of monetary items or from the translation of monetary items at exchange rates other than the initial translation rate, or the translation of previous Financial Statements, are recognized in the Income Statement for the period in which they emerge.

When gains or losses relating to a non-monetary item are recognized in equity, the exchange rate difference for the item is also recognized in equity.

Conversely, when gains or losses are recognized in the Income Statement, the related foreign exchange difference is also recognized in the Income Statement.

15. Insurance assets and liabilities

The Financial Statements of the Group do not report any assets or liabilities bearing insurance risks.

16. Other Information

ADJUSTMENT TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES IN MACRO-HEDGE PORTFOLIOS

These items report changes in the fair value of financial assets and liabilities macro-hedged against interest rate risk, based on their respective balances, either positive or negative. The recognition of hedges is reported in point 4 “Hedging” of this section.

LEASES

IFRS 16 “Leases” requires entities to determine whether a contract is (or contains) a lease, based on the right to control the use of an identified asset for a given period of time; therefore, rental, hire, lease or loan for use contracts are in the scope of application of the standard.

Leases in which the Group is the lessee

IFRS 16 provides for a single lessee accounting model, requiring lessees to apply it to both operating and finance leases, with the recognition of a Right of Use (“RoU”).

Therefore, for all leases in which it is the lessee, the reporting entity shall recognize the items listed below in its balance sheet:

- Future lease payments, which shall be recognized under financial liabilities as Lease Liability, which reports the obligation to make future payments and is discounted at the incremental borrowing rate (the liability decreases in accordance with payments made and increases by the amount of accrued interest due).
- The right of use, recognized under Property, plant and equipment (RoU Asset) to be calculated as the sum of the lease liability, the initial direct costs, any payments made on or before the contract effective date (net of any lease incentives received) and of dismantling and restoration costs.

The following are recognized in the income statement:

- The expenses for depreciation of right of use asset over the lease term on a straight-line basis.
- Interest expense accrued on the financial liability.

In case of any subsequent “finance” sublease, the related right-of-use asset is derecognized and the account receivable for the financial sublease is concomitantly recognized, amounting to the total contractual rent income discounted at the head lease contract date; interest income shall accrue on the recognized receivable, while any differences between the derecognized right of use and the recognized receivable shall be immediately taken to the income statement. Therefore, the head lease liability continued to be recognized and interest expenses shall accrue on it. In case of “operating” sublease, the rent income accrued and collected as the lessor shall be recognized in the income statement, continuing to recognize the right-of-use and the head lease liability, along with the related effects on profit or loss. An intermediate lessor shall assess whether the sublease is a finance or operating lease within the scope of the asset consisting in the right of use rather than in the underlying actual asset.

The Group exercised the options for the exemptions provided for by the standard listed below:

- Exclusion of short-term lease contracts, i.e. with duration of less than 12 months).
- Leases of low-value assets (lease contracts for assets with unit value of less than Euro 5 thousand).

Furthermore, it is specified that, based on the IFRS 16 requirements and the clarifications given by IFRIC (document “Cloud Computing Arrangements” of September 2018), software shall not fall in the IFRS 16 scope; therefore, all software shall be recognized in accordance with IAS 38 and the related requirements.

Leases in which the Group is the lessor

In accordance with IFRS 16, leases are considered finance leases if they transfer all risks and rewards of ownership; otherwise, leases are classified as operating leases.

For finance lease contracts entered into by the Crédit Agricole Italia Banking Group as the lessor, the leased assets are recognized as receivables in the Balance Sheet with a value equal to the lease net investment, while interest income (financial components of lease fees) is recognized in the Income Statement.

For operating leases, the lease payments accrued are recognized under the “Other income” item.

Sale and leaseback transactions

In a sale and leaseback transaction, an entity (seller-lessee) sells an asset to another entity (buyer-lessor) which then leases it back to the seller-lessee; therefore, under the lease contract, the seller-lessee keeps its right to use of the sold asset.

In order to determine the appropriate accounting treatment under IFRS 16, it must first be assessed whether the transaction qualifies as a sale complying with the IFRS 15 requirements.

If the transfer of the asset by the seller-lessee is assessed as a sale, the seller-lessee shall assess the asset consisting of the right of use under the leaseback at the percentage of the previous book value of the asset consisting of the right of use retained by the seller-lessee. Consequently, the seller-lessee shall recognize only the amount of the gains or losses referring to the rights transferred to the buyer-lessor. If the fair value

of the consideration for the sale of the asset is not equivalent to the fair value of the asset or if the lease payments due are not at market prices, the sale proceeds at fair value shall consider that the below-market-price conditions shall be recognized as an advanced payment on the lease payments due and higher-than-market-price conditions shall be recognized as an additional loan supplied by the buyer-lessor to the seller-lessee. If the transaction does not qualify as a sale under IFRS 15, the seller-lessee shall continue to recognize the transferred asset and a financial liability under IFRS 9 for the transfer proceeds; the buyer-lessor shall recognize a financial asset under IFRS 9 amounting to the transfer price.

TREASURY SHARES

Shares issued and bought back are recognized as a direct reduction in equity. No gain or loss from the purchase, sale, issue or repayment of those instruments shall be taken to the Income Statement. Each and every amount paid or received for those instruments shall be recognized directly in equity.

No company of the Banking Group holds shares in the Parent Company. Any treasury shares held by companies consolidated on a line-item basis and recognized under the "Treasury shares" item in the separate financial statements shall be reclassified under the "Reserves" item in the consolidated financial statements.

OTHER ASSETS

This item reports assets that cannot be classified under other asset items in the Balance Sheet. By way of example, this item may report:

- Gold, silver and precious metals.
- Accrued income other than capitalized on the related financial assets.
- Receivables associated with the supply of non-financial goods and services.
- Tax liabilities other than those recognized under item "110. Tax assets".

It also reports leasehold improvement expenses other than those recognized under item "90. Property, plant and equipment", as they cannot be separated from the assets they refer to and, therefore, cannot be used independently. It can also report any remaining assets ("debt balance") of transit and suspended items not recognized in the relevant accounts as long as their total amount is negligible. The costs of renovating leased property are capitalized in consideration of the fact that, for the duration of the lease, the lessee company has control over and enjoys the future economic benefits of the assets. The aforementioned costs are normally amortized in 5 years. The balancing item in the Income Statement of the above amortization is recognized under "Other operating expenses".

Tax liabilities recognised in item "Other assets": purchase of Tax Credits from customers

The Crédit Agricole Italia Banking Group designed and implemented a service for the purchase of tax credits from Customers in accordance with the instructions given by the competent Authorities in document "Accounting treatment of the tax credits associated with the "Cure Italy" and "Relaunch" Italian Law Decrees purchased from the direct beneficiaries thereof or from previous purchasers" published on 5 January 2021 by the Coordination table between Consob, the Bank of Italy and Ivass regarding the application of the IAS/IFRS.

In accordance with the applicable legislation and given that the accounting of tax credits purchased from a third party is not governed by any specific IAS/IFRS, the aforementioned policy makes reference to the accounting rules laid down by IFRS 9, provides for the purchased tax credits to be recognized as assets in the Balance Sheet under item 120 "Other assets", initially at their fair value, equal to the purchase price paid to the Customers. For the tax credits, the Crédit Agricole Italia Group has also adopted the Business Models given below:

- "Hold to collect", whereby the Crédit Agricole Italia Group recognizes the tax credits that were purchased to be held in order to be offset in the future. The tax credits under this business model are recognized with the amortized cost method under other assets and the income component of the rebate (delta between the credit nominal value and cash outflow) are recognized in the Income Statement under item 10 "Interest and similar income".
- "Hold to collect and sell", with first-time adoption as of 2023, whereby the Crédit Agricole Italia Group recognizes tax credits purchased in order to be offset in the future or to be sold. The tax credits under this business model are recognized at fair value through other comprehensive income.

Considering the constraints laid down by the applicable legislation concerning the use in time of the purchased tax credits, their amount has been determined based on future offsettable payments estimated first of all on a historical basis and in accordance with the applicable legislation currently in force, for the years in which the tax credits will be offset. It is pointed out that the total amount of tax credits that may be purchased under both the HTC and the HTCS Business Models shall be within the limits of the estimated tax capacity for future FYs. In order to mitigate the potential risk consisting in failure to offset the purchased tax credits, the estimate has been decreased by a conservative percentage of the annual offsetting capacity.

ACCRUALS AND DEFERRALS

Accrued income and prepaid expenses and accrued expenses and deferred income for the period on assets and liabilities are recognized as adjustments to the assets and liabilities they refer to.

EMPLOYEE SEVERANCE BENEFITS

Until 31 December 2006, the employee severance benefits of Italian companies were considered defined-benefit plans. The regulation of these benefits was amended by Italian Law No. 296 of 27 December 2006 (Italy's "2007 Finance Act") and subsequent Decrees and Regulations issued in the first months of 2007. In the light of such amendments, this item is now to be considered a defined-benefit plan exclusively for the portions accrued before 1 January 2007 (and not yet settled as at the reporting date), whereas, after such date, it is treated as a defined-contribution plan.

Therefore, with reference to the defined-benefit plan component the benefit cost is calculated separately for each plan using the actuarial unitary credit projection method. Under this method, future outlays are projected based on an analysis of time series and the demographic curve, and the discounting of these cash flows using a market interest rate. Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation.

The plan servicing costs are recognized under personnel costs, include interests accrued, while the actuarial gains and losses, including the revaluation based on the relevant ISTAT (the Italian National Institute of Statistics) Index of the portions accrued in previous years, are recognized in a special equity reserve.

Having regard to the Employee severance benefit portions accrued in the reporting period, based on the employees' choice, the amounts are allocated to supplementary pension schemes or to the Treasury fund managed by INPS (Italian Social Security Institute). The portions allocated to the defined-contribution plan are calculated based on the contributions due for each year without applying actuarial calculation methods.

RECOGNITION OF REVENUES AND COSTS

Revenues are recognised when realized or when it is probable that future benefits will be received and these future benefits can be reliably determined. Specifically:

- interest revenues are recognized on an accrual basis, using the contractual interest rate or the effective interest rate where the amortized cost method is applied.
- Default interest, if any is contractually provided for, is recognized in the Income Statement only upon collection.
- Dividends are recognized in the income statement when their distribution is authorized.
- Revenues from intermediation of financial instruments held for trading, calculated as the difference between the transaction price and the instrument fair value, are recognized in the Income Statement when the transaction is recognized, if the fair value can be determined with reference to parameters or transactions recently observed in the same market in which the instrument is traded.

- Fees and commissions that are an integral part of the effective yield on a financial instrument are recognised as an adjustment to the yield on the instrument and included in its effective interest rate.
- Fees and commission income from services are recognized, based on existing contractual agreements, in compliance with IFRS 15.

The net income from a transaction associated with the provision of services is recognised under Fee and Commission income at the time of transfer of control of the service to the customer, if this can be reliably estimated. This transfer may occur as the service is provided (ongoing service) or on a specific date (one-off service).

- Fee and commission income from ongoing services (fees and commissions on payment instruments, for example) shall be recognised through profit or loss according to the degree of progress of the service provided.
- Fees and commissions collected or paid as consideration for one-off services shall be fully recognized through profit or loss when the service is provided.

Fees and commissions to be paid or collected, or not yet earned, shall be progressively recognized as the performance obligation is satisfied over time. These estimates shall be updated at every reporting date. In practice, this condition can result in the deferred recognition of certain items of performance-related fee and commission income until such income has been definitively acquired.

Costs are recognized in the Income Statement on an accrual basis; the costs regarding the obtainment and performance of contract with customers are recognized in the Income Statement in the periods in which the related revenues are recognized.

CONTRIBUTIONS TO THE SINGLE RESOLUTION FUND

The Bank Recovery and Resolution Directive (BRRD – 2014/59/EU) lays down the resolution rules applying since 1 January 2015 to all the banks within the European Union.

The relevant measures shall be financed by the National Resolution Fund, which, on 1 January 2016, was merged into the Single Resolution Fund – SRF, managed by the Single Resolution Board – SRB.

As at 31 December 2023 the Single Resolution Fund reached the target level of financial means in compliance with Article 69(1) of Regulation (EU) no. 806/2014 (SRMR), equal to at least 1 % of the amount of covered deposits of all credit institutions authorised in all of the participating Member States. That target was achieved thanks to the payment of ex-ante annual contribution by the authorized institutions in the Member States; in normal conditions, under Council Implementing Regulation (EU) 2015/81, the contribution obligation may also have been fulfilled with irrevocable payment commitments (IPC). To secure full payment of the total contributions, intermediaries are required to give eligible assets as collateral, which may consist only of cash.

With the payment of the contribution for FY 2023, the phase aimed at ensuring the the fund's minimum endowment equal to 1% of covered deposits (the *target level*) ended and, therefore, for FY 2024 no ex-ante contribution was to be paid by the Member States' institutions. Nonetheless, the Single Resolution Board shall verify on a year basis whether the financial means available in the SRF have decreased below the target level and, based on the outcome of its verification, it shall assess whether it is necessary to collect additional contributions.

Ex-ante contributions have been recognized in the Income Statement under "Other administrative expenses". In accordance with IFRIC 21 "Levies" based on which the occurrence of the obligating event triggers recognition of the liability regarding the payment of a levy, as it is the moment in which the annual accrued portion of the obligation arises.

CONTRIBUTIONS TO THE DEPOSIT GUARANTEE SCHEME

The Deposit Guarantee Scheme Directive - 2014/49/EU (DGSD) laid down an harmonized regulatory framework applying throughout the European Union on deposit guarantee schemes.

The Deposit Guarantee Scheme provides a coverage of Euro 100,000 per depositor. In Italy, it is managed by the Interbank Deposit Protection Fund. The Scheme required member banks to give an *ex-ante* contribution in order to achieve the target level of financial means, i.e. 0.8% of the amount of the covered deposits of all authorized credit institutions in all Member States, by 3 July 2024.

For the last contribution year, the Interbank Deposit Protection Fund's statute (Article 42-*bis*) provided for the amount of the contribution due by the individual banks to be proportional to the amount of their covered deposits as at 31 March 2024 (rather than as at 30 September, which was the reference date for the years from 2015 to 2023) over the total deposits of the Italian Banks that are members of the Fund, and the level of risk of the individual bank vs. the level of risk of all the other member banks as at 31 March 2024.

If the Scheme does not have the resources to intervene where needed, an extraordinary contribution (ex-post) may be requested.

These contributions are recognized in the Income Statement under "Other administrative expenses". In accordance with IFRIC 21 "Levies" based on which the occurrence of the obligating event triggers recognition of the liability regarding the payment of a levy, as it is the moment in which the annual accrued portion of the obligation arises.

BUSINESS COMBINATIONS

Business combinations are recognized in accordance with IFRS 3 "Business Combinations".

This standard requires business combinations to be recognized using the "acquisition method" of accounting, based on which assets, liabilities and contingent liabilities of the acquiree are measured at acquisition-date fair value.

Any portion of the price paid exceeding the acquisition-date fair values shall be recognized as goodwill or as other intangible assets; if the price is lower than acquisition-date fair value, the difference shall be taken to the Income Statement (badwill).

The "acquisition method" shall be applied from the acquisition date, i.e. the date on which control over the acquiree is actually obtained. Therefore, profit or losses of a subsidiary acquired in the period are reported in the Consolidated Financial Statements starting from the date of its acquisition. Likewise, profit or losses of a subsidiary sold in the period are reported in the Consolidated Financial Statements up to the date on which control is transferred.

Business combinations between entities under common control are not within IFRS 3 scope of application, nor are they governed by other IFRSs; therefore, these business combinations are defined in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Business combinations between entities under common control do not fall into the IFRS 3 scope of application. In the absence of any IAS/IFRS that specifically apply to the combination, IAS 8 provides for the preparers of the entity's financial statements to use their judgment in applying an accounting policy that ensures relevant, reliable and prudent information and that reflects the economic substance of the business combination.

Therefore, "intra-group" business combinations or business combinations between "entities under common control" within the Crédit Agricole Italia Banking Group are recognized on a predecessor basis of accounting, i.e. preserving continuity of the acquiree's value in the acquirer's financial statements. Specifically, the values of the acquired assets and liabilities are recognized based on the amounts reported in the consolidated financial statements. If the price paid for the acquisition of the equity investment is different from the book value of the transferred entity, the difference is recognized through equity by the acquirer company.

FAIR VALUE MEASUREMENT

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price) on the main (or more advantageous) market, irrespective of whether this price can be directly observed or is estimated using a valuation technique. Fair value is calculated for each financial asset or liability. As an exception, it can be estimated at a portfolio level, if the strategy for risk management and monitoring allows it and if appropriate documentation is provided. However, certain fair value parameters are calculated on a net basis, when a group of financial assets and financial liabilities is managed based on its net exposure to market or credit risks. This is the case for calculation of Credit Valuation Adjustment (CVA) or Debt Valuation Adjustment (DVA) for derivatives.

More exhaustive reporting on these parameters is given in Part A.4 Fair value reporting of the Note to the Financial Statements.

ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

For financial instruments, fair value is determined using prices from financial markets in the case of financial instruments listed in active markets, or using internal measurement models for other financial instruments.

A market is considered active if quoted prices, representing actual and regular market transactions occurring during an appropriate reference period, are readily and regularly available from sources such as stock exchanges, stockbrokers, intermediaries, industry companies, pricing services or authorized bodies. Collective investment schemes (EFT), spot exchange transactions, futures, options and equity securities listed on a regulated market are considered as traded on a market. Bonds for which at least two executable prices can be detected on a quotation service with a bid-asking spread that is less than an interval deemed consistent are also considered as quoted. Otherwise, all securities, derivatives and hedge funds that do not belong to the above categories are not considered as traded on an active market.

For financial instruments traded on active markets, the price is used which is defined as “official”, as at the closure of the reference period. In the case of financial instruments for which the bid-ask spread is immaterial, or for financial assets and liabilities capable of offsetting market risk, a “mid price” is used, i.e. the average market price (on the last day of the reference period) instead of the bid or ask price.

Where there is no active, liquid market, the fair value of financial instruments is defined mainly by using standard measurement techniques designed to establish what the transaction price would have been on the measurement date in an arm's length trade carried out for normal market reasons. In incorporating all the factors that operators would consider in setting the price, development of the valuation models takes into account the time value of money at the risk-free rate, the volatility of the financial instrument, as well as, where applicable, exchange rates, commodity prices and stock prices.

With finance products for which the fair value determined with measurement techniques cannot guarantee a sufficient degree of reliability, it is prudentially calculated as the fair value at the reference date communicated by the parties with which the transactions were signed.

The measurement method chosen for a financial instrument is applied consistently over time and may only be altered if significant changes in market conditions or the subjective condition of the issuer of the financial instrument occur.

For bonds and derivative contracts, valuation models have been set, which refer to market parameters, to the time value of money and to risk-free rates, as well as, where the case, the foreign exchange rates and commodity prices.

Specifically, fixed-rate bonds are measured using the discounted cash flow method pursuant to the security contractual scheme; floating-rate bonds are measured by discounting back future cash flows estimated on the basis of the forward rates with the application of index-linking parameter.

Derivative contracts are measured using specific calculation algorithms and specific numerical procedures according to the type of the different categories of transactions.

Stocks are measured considering the direct transactions, that is, significant transactions on the security registered in a sufficiently short timeframe with respect to the time of measurement and in constant market conditions, comparable transactions by companies operating in the same sector and supplying the same type of products/services as the associated company being evaluated provides, application of the average of significant stock exchange multiples of companies of a comparable financial size to the financial aggregates of the investee and, finally, financial, income and equity measurement methods.

Having regard to units in unquoted funds, the NAV communicated by the asset management undertaking is reduced by a discount determined in accordance with market practices.

ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS

For financial instruments held for sale and for those assets and liabilities recognized at cost or amortized cost, the fair value given as disclosure in the Note to the Financial Statements is calculated as follows:

- For quoted assets and liabilities, the fair value is equal to the closing price (without adjustments) on active markets in the reference period.
- The fair values of medium/long-term assets and liabilities not hedged and at floating rate are measured by discounting future cash flows, taking account of the liquidity and issue spread.
- A good approximation of the fair value of demand or short-term assets and liabilities is their book value as initially recognized and net of collective/individual writedowns.
- The book value of non-performing loans (bad loans, unlikely-to-pay and past-due positions) is deemed to be a reasonable *fair value* approximation.
- For the Senior notes under the securitizations and for the Agricole Basket Bond security, the measurement is based on the Discounted Cash Flow Model, with the discounting of expected cash flows (including principal plus interests, estimated based on the latest available business plan and following the payment cascade defined in the securitization prospectus) at a discount rate that takes into account the risk free rate component plus an issue, liquidity and credit spread.

For the fair value measurement of medium/long-term and fixed-rate securities and structured securities hedged for interest risk, the book value determined for hedge accounting purposes already takes into account the interest rate risk measurement and, therefore, the fair value determination does not take into account any change in own credit rating was taken into account, considering it within the Group.

The fair value of real estate assets is calculated making reference to appraisals by independent experts, considering transactions at current prices in an active market for similar properties in the same geographical area and under the same conditions for leases and other contracts.

AMORTIZED COST MEASUREMENT

The amortized cost of a financial asset or financial liability is the amount at which it was measured at initial recognition minus principal repayments, plus or minus the cumulative amortization, calculated using the effective interest method, of any difference between the initial amount and the amount at maturity, and minus any impairment loss.

The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the financial asset or liability up to maturity or the subsequent repricing date to the present value of the financial asset or liability. To calculate the present value, the effective interest rate is applied to future cash flows or payments over the life of the financial asset or liability or for a shorter period of time under certain conditions (for example, changes in market rates).

Subsequent to initial recognition, the amortized cost method makes it possible to allocate revenues and costs pertaining to the instruments over their expected lifetime. The determination of the amortized cost varies according to whether the financial assets/liabilities being measured are at fixed or variable rate, and - in the latter case - according to whether the rate variability is known or not beforehand. For fixed-rate instruments, or instruments with fixed rate over specified time ranges, future cash flows are measured using the known interest rate (single or variable) over the life of the loan. For floating rate financial assets and liabilities whose variability is not known ahead of time (e.g. because it is linked to an index), cash flows are determined using the last known rate. Each time the rate is changed, the amortization schedule is recalculated, as is the effective rate of return over the entire useful life of the instruments, i.e. to maturity.

Measurement at amortized cost applies to financial assets measured at amortized cost and to financial assets measured at fair value through other comprehensive income, as well as to financial liabilities measured at amortized cost.

Financial assets and liabilities are initially recognized at fair value, which is normally equal to the amount received or paid, including, for instruments measured at amortized cost, directly attributable transaction costs, fees and commissions. Transaction costs are marginal internal or external costs or revenues that are directly attributable to the issue, acquisition or disposal of a financial instrument and that cannot be charged to the customer. These fees and commissions, which must be directly attributable to individual financial assets or liabilities, affect the original effective rate of return and cause the effective interest rate associated with the transaction to vary from the contractual interest rate. Transaction costs do not include costs and revenues that apply, indiscriminately, to more than one transaction and do not include components relating to events that could occur over the life of the instruments that are not certain at the time the instrument is initially prepared, such as: commissions for retrocession, failure to use a credit line, early repayment.

Furthermore, the amortized cost calculation does not take account of the costs that the Group would bear independently of the transaction (for example, administrative costs), of the costs that, though specifically attributable to the transaction, fall within normal loan management practices (for example, activities associated with disbursement of the loan), as well as fees and commissions for services collected for the completion of Structured Finance operations, which would however have been collected irrespectively of the subsequent financing of the transaction (such as, for example, arrangement fees and commissions).

With specific regard to loans, the fees and commissions paid to the distribution channels, the fees paid for advisory services/assistance for the organization of and/or participation in syndicated loans, the costs incurred for the mortgage loans acquired under subrogation are all costs attributable to the financial instruments.

With regard to securities not measured at “fair value through profit or loss”, transaction costs include fees and commissions on contracts with stockbrokers operating in Italian markets, fees and commissions paid to intermediaries operating in foreign stock and bond markets based on set fee and commission schedules.

For securities issued, amortized cost is calculated taking into account fees and commissions for placing debenture loans paid to third parties, legal expenses, fees paid to stock exchanges and fees paid to auditors for work done on each individual issue, while the amortized cost includes fees and commissions paid to rating agencies, legal and advice/audit expenses for the annual update of prospectuses, expenses for the use of indices and fees and commissions that arise during the life of the debenture loan issued.

Following initial measurement, financial assets and liabilities are measured at amortized cost, reporting effective interest rates that are higher or lower than the nominal rates.

As regards hedging, the derivative financial instruments and the related financial assets or liabilities hedged are measured at fair value for the hedged risk component through profit or loss.

However, if the hedging relationship ends, the hedged item is measured with the original measurement approach of the category it belongs to; for instruments measured at amortized cost, any accumulated recoveries or losses recognized subsequent to the fair value change of the hedges risk are recognized in the Income Statement under interest income or interest expense throughout the residual life of the hedged item, based on the effective interest rate. If the hedged item is sold or repaid, the fair value portion that has not yet been amortized shall be immediately recognized in the Income Statement in item “90. Net gains (losses) on hedging activities”. Moreover, as previously stated in the sections on financial assets and liabilities measured at amortized cost, the amortized cost method does not apply to short-term financial assets and liabilities since the impact of discount is negligible, and does not apply to loans without a specified maturity or loans subject to revocation.

IMPAIRMENT OF OTHER NON-FINANCIAL ASSETS

Property, plant and equipment and intangible assets with a finite useful life are tested for impairment if there is evidence that the book value of the asset can no longer be recovered.

The recoverable amount is calculated for each single asset, except in case this asset generates cash flows that are not widely independent of those generated by other assets or groups of assets.

If the carrying amount of an asset is higher than its recoverable amount, that asset is impaired and consequently recognized at its recoverable amount. The recoverable amount is the higher of the fair value of the property, plant and equipment or intangible assets net of sale expenses and the value in use.

The fair value of property is mainly determined on the basis of appraisals by independent experts. The appraisal is updated whenever there is a change in the property market trend that could affect the validity of the previous estimates and, in any case, every three years. Having specific regard to investment property, where the market value is lower than the net carrying amount. Reference thresholds have been identified referring to the negative spread of the market value vs. the net carrying amount, which signal potential problems and, therefore, if breached, they trigger additional investigations whether there asset must be written down or not.

For other Property, plant and equipment items and intangible assets (other than goodwill), the Group determines the value in use as the present value of the estimated future cash flows using a discount rate before-taxes reflecting market data (the present value of money and asset-specific risks).

The methods used for the impairment testing of goodwill are reported in paragraph 10.3 - Assets.

SEGMENT REPORTING METHOD

The Crédit Agricole Italia Banking Group is required to present segment reporting, in accordance with IFRS 8.

The sectors of economic activity covered by segment reporting are determined based on the Group's organizational and management structure.

The Group's business segments are:

- Retail/Private Banking (which includes the Financial Advisors channel and the Digital Business Unit).
- Corporate Banking.
- Other/Non-recurring elements.

For segment reporting purposes, management figures, appropriately reconciled with the data presented in the reclassified Financial Statement figures, have been used.

A.3 REPORTING ON TRANSFERS BETWEEN FINANCIAL ASSET PORTFOLIOS

A.3.1 Transfers between portfolios

This case does not apply.

A.4 FAIR VALUE REPORTING

QUALITATIVE DISCLOSURES

CLASSIFICATION OF FINANCIAL INSTRUMENTS AND OF NON-FINANCIAL ASSETS/LIABILITIES

Reporting on the *fair value* hierarchy as required by IFRS 13 applies to financial instruments and to non-financial assets/liabilities that are measured at *fair value* (irrespective of whether they are so measured on a recurring or non-recurring basis).

The standard classifies fair value into three different levels based on the observability of the inputs used for its measurement:

- **Level 1:** Fair value equal to quoted prices (with no adjustments) in active markets. Level 1 includes financial instruments that are quoted on active markets.

Specifically, these financial instruments are stocks and bonds quoted in active markets, investment schemes quoted in active markets (EFT) and derivatives traded in regulated markets.

Markets are considered active if the quotations are easily and regularly available on the stock exchange, from brokers, intermediaries, price quotation services or regulatory agencies and these prices represent actual transactions that are regularly carried out in the market on an arm's length basis.

- **Level 2:** Fair value determined using measurement models that are based on observable or indirectly observable market inputs (for example determining the yield curve based on interest rates that are directly observable on the market at a given reference date). Level 2 includes:
 - Stocks and bonds that are quoted on markets considered not active or that are not quoted on an active market, but whose fair value is determined using a measurement model based on observable or indirectly observable inputs;
 - Financial instruments whose fair value is determined with measurement models using observable market inputs.
- **Level 3:** determined, to a significant extent, using inputs that do not meet the set observability requirements. The fair value of some complex instruments that are not traded in active markets is determined with measurement techniques based on inputs that are not observable on the market or using the measurement communicated by qualified market players. They are mainly complex interest rate instruments, stock derivatives and structured loans, where the measured correlation or volatility inputs are not directly comparable to market inputs.

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

Level 2: this level includes all financial instruments for which there is no active market, but whose measurement is based on observable market inputs. Therefore, measurement models that refer to observable market inputs have been set.

Specifically, fixed-rate bonds relating to financial assets or liabilities are measured using the discounted cash flow method pursuant to the security contractual scheme; floating-rate bonds are measured by discounting back future cash flows estimated on the basis of the forward rates with the application of index-linking parameter.

Derivative contracts are measured using specific calculation algorithms according to the type of the different categories of transactions. The adopted approaches are the ones normally used in the market for those derivative instruments, which are mainly plain vanilla ones.

Level 3: this level includes all financial instruments for which there is no active market and whose measurement is not based on observable market inputs or using the measurement communicated by qualified market players.

CREDIT VALUATION ADJUSTMENT (CVA) AND DEBIT VALUATION ADJUSTMENT (DVA)

In accordance with the IFRS 13 regulatory framework, derivatives shall be priced based on market factors, as well as on the possible effects of the risk of the counterparty's default, which comprises the risk associated to the counterparty's creditworthiness, by calculating the Credit Valuation Adjustment (CVA) and the Debit Valuation Adjustment (DVA).

CVA is the adjustment to an OTC derivative contract entered into by the Bank with an external counterparty, which reflects the possible loss resulting from the worsening of the credit rating/default of the counterparty. In a mirror-like way, the DVA expresses the CVA from the external counterparty's standpoint and consists in an adjustment to the derivative fair value based on the change in the Bank's credit rating.

Based on the above, the value of a portfolio of OTC derivatives that are in force with a market counterparty is equal to the value of the same risk-free portfolio less the CVA plus the DVA.

As provided for by IFRS13, in certain conditions, risk mitigation tools may be used, such as ISDA master agreements and Credit Support Annexes (CSA). By signing ISDA Master Agreements, which are framework agreements that amount to the reference international standard on OTC derivatives, the Bank can calculate the CVA and DVA by netting set or by counterparty, after assessing the netting effect potentially resulting from such Agreements, rather than calculating it by single derivative. Much in the same way, risks can be mitigated by finalizing Credit Support Annexes (CSA), which are attached to the ISDA Mater Agreement and provide for the deposit with the creditor of an amount equal to the mark-to-market value of the exposure as collateral. Such collateral allows the present exposure and the consequent risk to be reduced and must be periodically reviewed in order to verify its consistency.

In accordance with IFRS 13, the Crédit Agricole Italia Banking Group has adopted a model implemented by its French Parent Company Crédit Agricole SA; in addition to the effects of any changes in the counterparty's credit rating (Credit Valuation Adjustment - CVA), this model also expresses any changes in the Group's own credit rating (Debit Valuation Adjustment - DVA).

In accordance with the model, the calculation of the CVA depends on the exposure, on the probability of default (PD) and on the Loss Given Default (LGD) of the counterparties. This model provides for the use of a forward-looking PD as a function of the type of counterparty, to which a CDS spread or a CDS proxy is assigned. For this purpose, external counterparties are classified into three categories:

- The first category includes the counterparties for which CDS input parameters are directly observable in the market.
- The second category includes counterparties for which there is no official quoted parameter, but to which a CDS proxy can be assigned, based on the observable market value that is given to counterparties with the same characteristics in terms of economic activity sector, rating and geographical area.
- The third category includes the counterparties to which a proxy cannot be assigned and for which, therefore, historical data are used.

On the other hand, the DVA calculation depends on the Bank's exposure, probability of default (PD) and Loss Given Default (LGD) and this measure expresses the potential earnings from the change in the market prices of the relevant derivative, due to the worsening of the creditworthiness/default of the Bank. In this case, a PD is used.

As at 31 December 2024, the CVA value for the Crédit Agricole Italia Banking Group, calculated in accordance with the method reported above, was Euro -3.36 million.

Similarly, as at 31 December 2024, the DVA value was Euro +0.98 million.

The difference between the CVA and DVA amounts as calculated (equal to Euro -2.38 million for the Group), net of the same component already recognized as at 31 December 2023 (equal to Euro -0.30 million), is a negative income component.

A.4.2 Processes and sensitivity of measurement

The Finance Function of Crédit Agricole Italia S.p.A. is responsible for defining the fair value levels of the financial instruments recognized. Choosing between the above methods is not an option, since they shall be applied in a hierarchical order: absolute priority is given to official prices that are available on active markets for assets and liabilities to be measured (Level 1) or for assets and liabilities that are measured using techniques based on parameters that are observable on the market (Level 2); lower priority is given to assets and liabilities whose fair value is determined based on measurement techniques referring to parameters that are unobservable on the market and, thus, more discretionary (Level 3).

IFRS 13 also requires that, for recurring fair value measurements classified as Level 3 of the fair value hierarchy, a narrative description be given of the sensitivity of the fair value measurement to changes in unobservable inputs, if a change in those inputs could result in a significantly higher or lower fair value measurement.

Indeed, unobservable inputs that can affect the measurement of financial instruments classified as Level 3 mainly consist in estimates and assumptions underlying the models used to measure investments in equity securities and OTC derivatives. For these investments no quantitative sensitivity analysis of the fair value based on the change in unobservable inputs was carried out, since either the fair value was obtained from third-party sources making adjustments mainly linked to their liquidity, or resulted from a model whose inputs are specific for the entity being measured (for example the company equity values) and for which alternative values cannot be reasonably assumed.

Reference is made to the breakdown analysis of the composition of these cases, which is reported in the next section on quantitative disclosures.

A.4.3 Fair value hierarchy

For the assets and liabilities recognized, the Finance Function assesses whether transfers between fair value levels have occurred and reviews the fair value categorization at each reporting date.

The Finance Function moves financial instruments from Level 1 to Level 2 only in case of financial instruments that are quoted in a regulated but not active market and that can be measured using the Group's internal standard pricing models. The Finance Function makes transfers to Level 3 only for financial instruments that are no longer listed in a regulated market and that cannot be measured using standard internal pricing models of the Group.

A.4.4 Other information

The cases provided for by IFRS 13 at paragraphs 51, 93 item (i) and 96 did not apply to the Group.

QUANTITATIVE DISCLOSURES

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 level

Financial Assets/Liabilities measured at fair value	31 Dec. 2024			31 Dec. 2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss o/w	80	134,630	157,998	103	198,400	153,014
a) financial assets held for trading	80	134,630	-	90	198,400	1
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	157,998	13	-	153,013
2. Financial assets measured at fair value through other comprehensive income	3,487,359	211,271	41,836	3,615,360	211,271	42,099
3. Hedging derivatives	-	754,018	12	-	863,622	25
4. Property, Plant and Equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	3,487,439	1,099,919	199,846	3,615,463	1,273,293	195,138
1. Financial liabilities held for trading	-	136,796	-	-	198,241	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	1,672,836	-	-	2,061,837	77,703
Total	-	1,809,632	-	-	2,260,078	77,703

Key:

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

In 2024 there were no significant transfers of assets and liabilities between fair value levels.

The impact of applying CVA and DVA on the fair value measurement of the derivatives held by the Crédit Agricole Italia Banking Group for trading and hedging came to Euro -2.38 million.

A.4.5.2 Changes for the year in assets measured at fair value on a recurring basis (level 3)

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible Assets
	Total	Of which: a) financial assets held for trading	Of which b) financial assets designated at fair value	Of which c) other financial assets mandatorily measured at fair value				
1. Opening balance	153,013	1	-	153,013	42,099	25	-	-
2. Increases	44,564	3	-	44,561	992	-	-	-
2.1 Purchases	30,959	-	-	30,959	305	-	-	-
2.2 Gains	-	-	-	-	-	-	-	-
2.2.1 Income Statement	13,300	2	-	13,298	-	-	-	-
- of which: capital gains	6,512	-	-	6,512	-	-	-	-
2.2.2 Equity	-	X	X	X	687	-	-	-
2.3 Transfers from other levels	-	-	-	-	-	-	-	-
2.4 Other increases	305	1	-	304	-	-	-	-
3. Decreases	39,579	4	-	39,576	1,255	13	-	-
3.1 Sales	2,688	3	-	2,685	523	-	-	-
3.2 Repayments	21,689	-	-	21,689	92	-	-	-
3.3 Losses	-	-	-	-	-	-	-	-
3.3.1 Income Statement	15,079	1	-	15,078	-	13	-	-
- of which: capital losses	15,079	-	-	-	-	-	-	-
3.3.2 Equity	-	X	X	X	640	-	-	-
3.4 Transfers to other levels	-	-	-	-	-	-	-	-
3.5 Other decreases	123	-	-	124	-	-	-	-
4. Closing balance	157,998	-	-	157,998	41,836	12	-	-

A.4.5.3 Changes for the year in liabilities measured at fair value on a recurring basis (level 3)

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging derivatives
1. Opening balance	-	-	77,703
2. Increases	-	-	-
2.1 Issues	-	-	-
2.2 Losses recognized in:	-	-	-
2.2.1 Income Statement	-	-	-
- of which Capital losses	-	-	-
2.2.2 Equity	X	-	-
2.3 Transfers from other levels	-	-	-
2.4 Other increases	-	-	-
3. Decreases	-	-	77,703
3.1 Repayments	-	-	77,703
3.2 Repurchases	-	-	-
3.3 Gains recognized in:	-	-	-
3.3.1 Income Statement	-	-	-
- of which Capital gains	-	-	-
3.3.2 Equity	X	-	-
3.4 Transfers to other levels	-	-	-
3.5 Other decreases	-	-	-
4. Closing balance	-	-	-

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

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	31 Dec. 2024				31 Dec. 2023			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortized cost	75,854,167	5,056,999	4,495,211	66,928,097	71,765,202	4,645,549	2,331,597	62,458,213
2. Investment property	126,481	-	-	168,804	153,756	-	-	183,896
3. Non-current assets held for sale and discontinued operations	1,478	-	-	1,478	9,104	-	-	9,104
Total	75,982,126	5,056,999	4,495,211	67,098,431	71,928,062	4,645,549	2,331,597	62,651,609
1. Financial liabilities measured at amortized cost	80,012,195	-	76,267,257	3,683,323	81,770,827	-	78,017,108	3,658,739
2. Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-
Total	80,012,195	-	76,267,257	3,683,323	81,770,827	-	78,017,108	3,658,739

Key:

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

The book value recognized for non-performing loans, classified at Level 3 of the fair value hierarchy is assumed to be a reasonable approximation of the fair value. For more details, please see Part A.2 – Part reporting on the main financial statement items – Impairment for credit risk – ECL governance and measurement. On the other hand, it is pointed out that the fair value of performing loans, classified at Level 3, as reported in the table, has been calculated based on models that use mainly unobservable inputs (e.g: internal risk parameters). Therefore, for these loans (stage 1 and stage 2), also because there is no secondary market, the fair value recognized, for disclosure purposes only, could be significantly different from the prices of any disposals.

A.5 – REPORTING ON “DAY ONE PROFIT/LOSS”

Paragraph 28 of IFRS 7 governs the specific situation where, in case of purchase of a financial instrument that is measured at fair value but not listed on an active market, the transaction price, which generally is equal to the fair value best estimate upon initial recognition, is different from the fair value determined based on the measurement techniques used by the entity.

In this case, a measurement gain/loss is realized upon acquisition, which shall be adequately reported by financial instrument class.

It is pointed out that this case does not apply to the Group Consolidated Financial Statements.

PART B - INFORMATION ON THE CONSOLIDATED BALANCE SHEET

ASSETS

Section 1 – Cash and cash equivalents – Item 10

1.1 CASH AND CASH EQUIVALENTS: BREAKDOWN

	31 Dec. 2024	31 Dec. 2023
a) Cash	483,083	484,601
b) Current accounts and demand deposits with Central Banks	4,570,000	9,524,997
c) Current accounts and deposits with Banks	243,405	374,052
Total	5,296,488	10,383,650

Item b) Current accounts and demand deposits with Central Banks also reports the overnight and tom-next deposits with the Bank of Italy.

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

2.1 FINANCIAL ASSETS HELD FOR TRADING: BREAKDOWN BY TYPE

The decrease in item “Derivative instruments” resulted mainly from the change in measurement component.

Items/Values	31 Dec. 2024			31 Dec. 2023		
	L1	L2	L3	L1	L2	L3
A. On-balance-sheet assets						
1. Debt securities	80	-	-	89	-	-
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	80	-	-	89	-	-
2. Equity securities	-	-	-	1	-	1
3. Units of O.I.C.R. collective investment undertakings	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements for lending purposes	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	80	-	-	90	-	1
B. Derivatives						
1. Financial Derivatives	-	134,630	-	-	198,400	-
1.1 held for trading	-	134,630	-	-	198,400	-
1.2 associated with fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit Derivatives	-	-	-	-	-	-
2.1 held for trading	-	-	-	-	-	-
2.2 associated with fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total (B)	-	134,630	-	-	198,400	-
Total (A+B)	80	134,630	-	90	198,400	1

Key:

L1 = Level 1

L2 = Level 2

L3 = Level 3

**2.2 FINANCIAL ASSETS HELD FOR TRADING: BREAKDOWN BY DEBTOR/
ISSUER/COUNTERPARTY**

Items/Values	31 Dec. 2024	31 Dec. 2023
A. On-balance-sheet assets		
1. Debt securities	80	89
a) Central Banks	-	-
b) Public administration bodies	77	87
c) Banks	3	2
d) Other financial companies	-	-
of which: insurance undertakings	-	-
e) non-financial corporations	-	-
2. Equity securities	-	2
a) Banks	-	-
b) Other financial companies	-	-
of which: insurance undertakings	-	-
c) non-financial corporations	-	2
c) Other issuers	-	-
3. Units of O.I.C.R. collective investment undertakings	-	-
4. Loans	-	-
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance undertakings	-	-
e) non-financial corporations	-	-
f) Households	-	-
Total (A)	80	91
B. Derivatives		
a) Central counterparties	-	-
b) Other	134,630	198,400
Total (B)	134,630	198,400
Total (A+B)	134,710	198,491

The trading book consists mainly of Over-The-Counter derivatives traded on a matched basis (back-to-back trading). The mismatch vs. the measurement of derivatives held for trading recognized in the “Financial liabilities held for trading” item resulted from the CVA/DVA application to fair value measurement, as reported in section A.4 “Fair value reporting” of the part on Accounting Policies.

2.5 OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE: BREAKDOWN BY TYPE

Items/Values	31 Dec. 2024			31 Dec. 2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	-	-	954	-	-	1,345
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	954	-	-	1,345
2. Equity securities	-	-	6,817	13	-	5,803
3. Units of O.I.C.R. collective investment undertakings	-	-	150,227	-	-	145,865
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total	-	-	157,998	13	-	153,013

Item 1.2 “Other debt securities” reports the 5% retained portion of the mezzanine and junior notes within the securitization of a NPL portfolio.

Item 2 “Equity securities”, amounting to Euro 6,817 thousand, reports the investments in the following companies: Friulia for Euro 4,772 thousand, Foolfarm for Euro 1,000 thousand, Finapp for Euro 500 thousand, Blue Economy for Euro 323 thousand, Ener2Crowd for Euro 166 thousand and Flowpay for Euro 56 thousand.

2.6 OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE: BREAKDOWN BY DEBTOR/ISSUER

Items/Values	31 Dec. 2024	31 Dec. 2023
1. Equity securities	6,817	5,816
of which: banks	-	13
of which: other financial companies	323	4,897
of which: non-financial corporations	6,494	906
2. Debt securities	954	1,345
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	954	1,345
of which: insurance undertakings	-	-
e) non-financial corporations	-	-
3. Units of O.I.C.R. collective investment undertakings	150,227	145,865
4. Loans	-	-
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance undertakings	-	-
e) non-financial corporations	-	-
f) Households	-	-
Total	157,998	153,026

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

3.1 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: BREAKDOWN BY TYPE

Items/Values	31 Dec. 2024			31 Dec. 2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	3,487,359	-	-	3,615,157	-	-
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	3,487,359	-	-	3,615,157	-	-
2. Equity securities	-	211,271	41,836	203	211,271	42,099
3. Loans	-	-	-	-	-	-
Total	3,487,359	211,271	41,836	3,615,360	211,271	42,099

Key:

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

As at the reporting date, the exposure in debt securities came to a total of Euro 3,487 million and consisted of Italian government securities.

Among equity securities at level 2, the item reports 8,438 shares in the Bank of Italy, equal to 2.81% of its entire share capital. As at the reporting date their book value was Euro 211 million.

These shares resulted mainly from the share capital increase that the Bank of Italy made in 2013 in accordance with Italian Decree Law no. 133 of 30 November 2013, converted with Italian Law no. 5 of 29 January 2014, which determined the issue of new shares.

Level-3 equity securities include the equity investments in Alba Leasing S.p.A. amounting to Euro 20,564 thousand, Crédit Agricole Group Infrastructure Platform amounting to Euro 3,508 thousand, Cassa di Risparmio di Volterra amounting to Euro 3,196 thousand and Astaris SFP amounting to Euro 1,864 thousand.

3.2 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: BREAKDOWN BY DEBTOR/ISSUER

Items/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Debt securities	3,487,359	3,615,157
a) Central Banks	-	-
b) Public administration bodies	3,487,359	3,615,157
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance undertakings	-	-
e) Financial companies	-	-
2. Equity securities	253,107	253,573
a) Banks	214,467	214,467
c) Other issuers:	38,640	39,106
- other financial companies	23,341	23,344
of which: insurance undertakings	-	-
- non-financial corporations	15,299	15,762
- other	-	-
3. Loans	-	-
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance undertakings	-	-
e) non-financial corporations	-	-
f) Households	-	-
Total	3,740,466	3,868,730

Line 2.a) Banks reports also the value of the shareholding in the Bank of Italy amounting to Euro 211 million.

3.3 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: GROSS VALUE AND TOTAL ADJUSTMENTS

	Gross value					Total adjustments				Total partial write-offs (*)
	Stage 1	of which: Low credit risk instruments	Stage 2	Stage 3	POCI assets	Stage 1	Stage 2	Stage 3	POCI assets	
Debt securities	3,492,990	3,492,990	-	-	-	5,631	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 31 Dec. 2024	3,492,990	3,492,990	-	-	-	5,631	-	-	-	-
Total 31 Dec. 2023	3,620,769	3,620,769	-	-	-	5,612	-	-	-	-

(*) Value to be stated for disclosure purposes.

Section 4 – Financial assets measured at amortized cost – Item 40

4.1 FINANCIAL ASSETS MEASURED AT AMORTIZED COST: BREAKDOWN BY TYPE OF DUE FROM BANKS

Type of transactions/Values	31 Dec. 2024						31 Dec. 2023					
	Book value			Fair value			Book value			Fair value		
	Stage 1 and 2	Stage 3	POCI assets	L1	L2	L3	Stage 1 and 2	Stage 3	POCI assets	L1	L2	L3
A. Claims on Central Banks	671,060	-	-	-	671,060	-	661,846	-	-	-	661,846	-
1. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Reserve requirement	638,208	-	-	X	X	X	628,994	-	-	X	X	X
3. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	32,852	-	-	X	X	X	32,852	-	-	X	X	X
B. Due from Banks	3,824,232	18	-	-	3,824,151	100	1,669,475	378	-	-	1,669,751	102
1. Loans	3,824,132	18	-	-	3,824,151	-	1,669,375	378	-	-	1,669,751	2
1.1 Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2 Time deposits	1,337,562	-	-	X	X	X	3,069	-	-	X	X	X
1.3 Other loans:	2,486,570	18	-	X	X	X	1,666,306	378	-	X	X	X
- Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
- Loans for leases	-	-	-	X	X	X	-	-	-	X	X	X
- Other	2,486,570	18	-	X	X	X	1,666,306	378	-	X	X	X
2. Debt securities	100	-	-	-	-	100	100	-	-	-	-	100
2.1 Structured Securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	100	-	-	-	-	100	100	-	-	-	-	100
Total	4,495,292	18	-	-	4,495,211	100	2,331,321	378	-	-	2,331,597	102

Key:

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

The increase in item 1.2 “Time deposits” resulted from new originations to Crédit Agricole S.A., while the increase in item 1.3 “Other loans” - Other resulted from new originations to Crédit Agricole Auto Bank S.p.A..

4.2 FINANCIAL ASSETS MEASURED AT AMORTIZED COST: BREAKDOWN BY TYPE OF LOANS TO CUSTOMERS

Type of transactions/ Values	31 Dec. 2024						31 Dec. 2023					
	Book value			Fair value			Book value			Fair value		
	Stage 1 and 2	Stage 3	POCI assets	L1	L2	L3	Stage 1 and 2	Stage 3	POCI assets	L1	L2	L3
Loans	64,805,345	830,996	-	-	-	66,296,530	62,966,798	1,052,674	-	-	-	61,767,385
1.1 Current accounts	2,751,572	73,017	-	X	X	X	2,938,288	120,214	-	X	X	X
1.2 Repurchase agreements for lending purposes	-	-	-	X	X	X	-	-	-	X	X	X
1.3 Mortgage loans	42,938,603	617,409	-	X	X	X	42,239,669	787,572	-	X	X	X
1.4 Credit cards, personal loans and loans repaid by automatic deductions from salaries/pensions	145,536	1,103	-	X	X	X	220,861	2,158	-	X	X	X
1.5. Lease loans	2,881,858	37,186	-	X	X	X	2,793,110	47,991	-	X	X	X
1.6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
1.7 Other loans	16,087,776	102,281	-	X	X	X	14,774,870	94,739	-	X	X	X
Debt securities	5,255,562	466,954	-	5,056,999	-	631,467	4,897,483	516,548	-	4,645,549	-	690,726
2.1 Structured Securities	30,032	-	-	-	-	29,683	19,222	-	-	-	-	-
2.2. Other debt securities	5,225,530	466,954	-	5,056,999	-	601,784	4,878,261	516,548	-	4,645,549	-	690,726
Total	70,060,907	1,297,950	-	5,056,999	-	66,927,997	67,864,281	1,569,222	-	4,645,549	-	62,458,111

Key:

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

As regards the values in the first and second stages, the most significant sub-items are reported below:

- item “3 Mortgage loans” also reports loans pledged as collateral for the issues of covered bonds amounting to Euro 14.9 billion;
- item “5 Lease loans” reports lease receivables resulting from finance sublease transactions on property lease contracts;
- item “2 Other debt securities” mainly reports Italian Government securities.

4.3 FINANCIAL ASSETS MEASURED AT AMORTIZED COST: BREAKDOWN BY DEBTOR/ISSUER OF LOANS TO CUSTOMERS

Type of transactions/Values	31 Dec. 2024			31 Dec. 2023		
	Stage 1 and 2	Stage 3	POCI assets	Stage 1 and 2	Stage 3	POCI assets
1. Debt securities	5,255,562	466,954	-	4,897,483	516,548	-
a) Public administration bodies	5,036,894	-	-	4,655,255	-	-
b) Other financial companies	156,242	466,694	-	206,223	516,273	-
of which: insurance undertakings	-	-	-	-	-	-
c) non-financial corporations	62,426	260	-	36,005	275	-
2. Loans to:	64,805,345	830,996	-	62,966,798	1,052,674	-
a) Public administration bodies	253,656	1,241	-	273,157	44	-
b) Other financial companies	5,636,577	13,758	-	4,888,889	23,163	-
of which: insurance undertakings	194,155	-	-	122,956	1	-
c) non-financial corporations	25,085,860	439,927	-	25,163,919	632,685	-
d) Households	33,829,252	376,070	-	32,640,833	396,782	-
Total	70,060,907	1,297,950	-	67,864,281	1,569,222	-

4.4 FINANCIAL ASSETS MEASURED AT AMORTIZED COST: GROSS VALUE AND TOTAL ADJUSTMENTS

	Gross value					Total adjustments				Total partial write-offs (*)
	Stage 1	of which: Low credit risk instruments	Stage 2	Stage 3	POCI assets	Stage 1	Stage 2	Stage 3	POCI assets	
Debt securities	5,246,501	5,246,501	17,033	472,480	-	7,522	350	5,526	-	-
Loans	62,458,655	-	7,232,251	2,032,605	-	71,957	318,413	1,201,590	-	37,421
Total 31 Dec. 2024	67,705,156	5,246,501	7,249,284	2,505,085	-	79,479	318,763	1,207,116	-	37,421
Total 31 Dec. 2023	62,843,599	4,904,792	7,768,256	3,001,997	-	81,355	334,898	1,432,397	-	40,308

(*) Value to be stated for disclosure purposes.

Section 5 – Hedging derivatives – Item 50

5.1 HEDGING DERIVATIVES: BREAKDOWN BY TYPE OF HEDGE AND BY LEVEL

	Fair value 31 Dec. 2024			NV 31 Dec. 2024	Fair value 31 Dec. 2023			NV 31 Dec. 2023
	L1	L2	L3		L1	L2	L3	
A. Financial Derivatives	-	754,018	12	17,165,165	-	863,622	25	13,589,001
1) Fair value	-	754,018	12	17,165,165	-	863,622	25	13,589,001
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	754,018	12	17,165,165	-	863,622	25	13,589,001

Key:

NV = notional value

L1 = Level 1

L2 = Level 2

L3 = Level 3

5.2 HEDGING DERIVATIVES: BREAKDOWN BY HEDGED PORTFOLIO AND BY TYPE OF HEDGE

Transactions/Type of hedge	Fair value							Cash flows		Investments In foreign operations
	Micro-hedging						Macro- hedging	Micro- hedging	Macro- hedging	
	Debt securities and interest rates	Equity securities and equity indices	Foreign exchange and gold	Credit	Commodities	Other				
1. Financial assets measured at fair value through other comprehensive income	42,095	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortized cost	498,780	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	540,875	-	-	-	-	-	-	-	-	-
1. Financial liabilities	213,155	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	213,155	-	-	-	-	-	-	-	-	-
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Hedging interest rate risk has the objective of immunizing the Banking Book from changes in the fair value of funding and lending, caused by adverse movements in the yield curve.

The “Hedging Derivatives” item referring to financial liabilities measured at amortized cost came to Euro 498,780 thousand, of which Euro 463,517 thousand for hedging mortgage loans and Euro 35,263 thousand for hedging securities measured at amortized cost. Specifically, the hedged item is limited to the portion referring to interest rate risk.

The “Hedging Derivatives” item referring to financial liabilities consisted of Euro 95,028 thousand for hedges on demand deposits and of Euro 118,127 thousand for debenture loans, limited to interest rate risk. Hedging uses IRS in which the fixed-rate leg equalizes the debenture loan rate and the variable-rate leg is determined as Euribor +/- spread. To hedge sight deposits, a “fictitious” bond-equivalent is simulated, which is designed to identify the hedged item obtained by modeling the financial statements item hedged.

Section 6 – Fair value change of financial assets in macro-hedge portfolios – Item 60

6.1 FAIR VALUE CHANGE OF HEDGED ASSETS: BREAKDOWN BY HEDGED PORTFOLIO

Adjustments to hedged assets/Values	31 Dec. 2024	31 Dec. 2023
1. Positive fair value change	165,281	90,535
1.1 of specific portfolios:	165,281	90,535
a) financial assets measured at amortized cost	165,281	90,535
b) financial assets measured at fair value through other comprehensive income	-	-
1.2 total	-	-
2. Negative fair value change	330,082	419,138
2.1 of specific portfolios:	330,082	419,138
a) financial assets measured at amortized cost	330,082	419,138
b) financial assets measured at fair value through other comprehensive income	-	-
2.2 total	-	-
Total	-164,801	-328,603

The hedged assets are to two types:

1. Variable-rate mortgage loans with CAP option. Hedging uses IRO traded in order to hedge the risk that a variable-rate mortgage loan contract, once having reached its cap, becomes a fixed-rate item, with subsequent increase in the Bank's financial leverage;
2. Fixed-rate mortgage loans. The hedging purpose is to manage interest rate risk within the wider scope of measuring the impacts that changes in interest rates generate on the bank's assets and liabilities (interest rate gap analysis). That purpose is pursued by entering into Interest Rate Swaps, which essentially convert the fixed interest rates collected on mortgage loans to Customers into variable rates;

For both types of assets, macro-hedges are used on open sets of mortgage loans.

Section 7 – Equity investments – Item 70

7.1 EQUITY INVESTMENTS: DISCLOSURE ON EQUITY INVESTMENTS IN OTHER ENTITIES

Name	Registered Office	Operating HQ	Type of control (1)	Equity investment		% of votes available (2)
				Investor	% held	
Investees subject to significant influence						
1. Fiere di Parma Spa	Parma, Italy	Parma, Italy	4	Crédit Agricole Italia	26.42%	
2. Valtellina Golf Club S.p.A	Caiolo (SO), Italy	Caiolo (SO), Italy	4	Crédit Agricole Italia	43.08%	
3. Global Broker S.p.A.	Milan, Italy	Milan, Italy	4	Crédit Agricole Italia	30.00%	
4. BDX S.p.A.	Collecchio (PR), Italy		4	Crédit Agricole Italia	15.00%	
5. Blank S.p.A.	Milan, Italy		4	Crédit Agricole Italia	49.00%	

(1) Type of control:

- 1 = Majority of the voting rights in the General Meeting of Shareholders
- 2 = dominant influence in the ordinary General Meeting of Shareholders.
- 3 = agreement with other shareholders
- 4 = Investee subject to significant influence
- 5 = unitary management pursuant to Article 26, paragraph 1, of Italian Legislative Decree 87/92
- 6 = unitary management pursuant to Article 26, paragraph 2, of Italian Legislative Decree 87/92
- 7 = Joint arrangements
- 8 = other type of control

(2) The percentage of available votes is stated only when it is not equal to the equity investment held.

7.2 SIGNIFICANT EQUITY INVESTMENTS: BOOK VALUE, FAIR VALUE AND DIVIDENDS RECEIVED

The information on equity investments with significant minority interests is given in Part A - Section 3, point 4.

7.3 SIGNIFICANT EQUITY INVESTMENTS: ACCOUNTING DATA

The information on equity investments with significant minority interests is given in Part A - Section 3, point 4.

7.4 NON-SIGNIFICANT EQUITY INVESTMENTS: ACCOUNTING DATA

Name	Book value of equity investments	Total assets	Total liabilities	Total revenues	Profit (Loss) after tax from continuing operations	Profit (loss) from discontinued operations (before tax)	Profit (Loss) for the period (1)	Other income components after tax (2)	Comprehensive income (3) = (1) + (2)
Investees subject to significant influence									
1. Fiere di Parma Spa	23,373	101,370	31,983	48,458	7,369	-	7,369	-	7,369
2. Valtellina Golf Club S.p.A.	-	2,535	5,135	191	-34	-	-34	-	-34
3. Global Broker S.p.A.	447	4,288	2,495	1,554	-56	-	-56	-	-56
4. BDX S.p.A.	2,766	14,959	10,215	16,520	805	-	805	-	805
5. Blank S.p.A.	1,544	-	-	-	-	-	-	-	-

The accounting data of non-significant equity investments refer to financial statements approved by the General Meetings of their respective shareholders.

The company Blank S.p.A. was incorporated on 14 December 2023 and, therefore, its first Annual Report and Financial Statements will be prepared as at 31 December 2024.

7.5 EQUITY INVESTMENTS: CHANGES FOR THE YEAR

	Total 31 Dec. 2024	Total 31 Dec. 2023
A. Opening balance	25,803	33,197
B. Increases	4,059	9,644
B.1 Purchases	-	5,126
B.2 Recoveries	-	-
B.3 Revaluations	3,616	1,563
B.4 Other changes	443	2,955
C. Decreases	1,732	17,038
C.1 Sales	600	15,433
C.2 Adjustments	-	71
C.3 Impairment	1,082	-
C.4 Other changes	50	1,534
D. Closing balance	28,130	25,803
E. Total revaluations	3,155	426
F. Total adjustments	777	998

The increases in equity investments resulted mainly from the revaluation of Fiere di Parma.

The decreases resulted from the full sale of the equity investment in Rajna Immobiliare S.r.l. for Euro 600 thousand and to the measurement of consolidated entities using the equity method.

7.6 KEY CONSIDERATIONS AND ASSUMPTIONS TO DETERMINE WHETHER JOINT CONTROL OR SIGNIFICANT INFLUENCE EXISTS

The existence of significant influence was assessed based on IFRS 10.

Investees are considered jointly controlled (joint arrangements) when there are contract arrangements in place under which control is shared by and between the Group and one or more other investors, that is to say, when decisions on the investee's relevant activities require unanimous approval by all investors sharing control.

Investees are considered subject to significant influence (associates) when the Group holds at least 20% of the voting rights (including "potential" voting rights) or, even though holding a lower percentage of the voting rights, it has the power to participate in determining the investee's financial and management policies based on specific legal ties, such as being a party to shareholder agreements providing for vote pooling.

Significant influence is not ascribed to interests equal to or higher than 20%, in which the Company holds only equity rights to a portion of the return on the investments, does not have a say in the investee's management policies and can exercise governance rights only to the extent required to protect its equity investment.

7.7 COMMITMENTS REFERRING TO EQUITY INVESTMENTS IN JOINT ARRANGEMENTS

As at 31 December 2024, there were no commitments referring to joint arrangements.

7.8 COMMITMENTS REFERRING TO EQUITY INVESTMENTS IN ENTITIES SUBJECT TO SIGNIFICANT INFLUENCE

As at 31 December 2024, there were no commitments referring to entities subject to significant influence

7.9 DISCLOSURE OF SIGNIFICANT RESTRICTIONS

As at 31 December 2024, there were no significant restrictions pursuant to IFRS 12, paragraphs 13 and 22 a).

Section 9 – Property, plant and equipment – Item 90

9.1 OPERATING PROPERTY, PLANT AND EQUIPMENT: BREAKDOWN OF ASSETS MEASURED AT COST

Assets/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Owned	676,951	709,375
a) land	175,348	174,191
b) buildings	405,499	436,186
c) furniture	11,806	12,279
d) electronic plants	5,780	7,576
e) other	78,518	79,143
2. Rights of use acquired through leases	272,014	276,286
a) land	-	-
b) buildings	252,180	257,310
c) furniture	-	-
d) electronic plants	-	-
e) other	19,834	18,976
Total	948,965	985,661
of which: obtained through the enforcement of guarantees received	-	-

9.2 INVESTMENT PROPERTY: BREAKDOWN OF ASSETS MEASURED AT COST

Assets/Values	Total 31 Dec. 2024				Total 31 Dec. 2023			
	Book value	Fair value			Book value	Fair value		
		L1	L2	L3		L1	L2	L3
1. Owned	124,041	-	-	166,365	150,454	-	-	180,594
a) land	39,230	-	-	47,520	53,438	-	-	56,558
b) buildings	84,811	-	-	118,845	97,016	-	-	124,036
2. Rights of use acquired through leases	2,440	-	-	2,440	3,302	-	-	3,302
a) land	-	-	-	-	-	-	-	-
b) buildings	2,440	-	-	2,440	3,302	-	-	3,302
Total	126,481	-	-	168,805	153,756	-	-	183,896
of which: obtained through the enforcement of guarantees received	21,749	-	-	23,056	22,415	-	-	24,720

Key:

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

The assets obtained through the enforcement of received guarantees consisted of buildings with the related plots of land, which were previously granted under finance leases, were returned to the Group subsequent to the termination of the related contracts and for which no credit claim remains towards the contractual obligors.

9.5 INVENTORIES OF PROPERTY, PLANT AND EQUIPMENT GOVERNED BY IAS 2: BREAKDOWN

Assets/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Inventories of assets obtained through the enforcement of guarantees received	5,939	5,922
a) land	-	-
b) buildings	5,939	5,922
c) furniture	-	-
d) electronic plants	-	-
e) other	-	-
2. Other inventories of property, plant and equipment	6,786	10,581
Total	12,725	16,503
of which: measured at fair value net of sale costs	3,440	7,198

Item "2. ITEM "Other inventories of property, plant and equipment" reports all properties held of any legal basis other than those obtained through the enforcement of guarantees received, which are governed by IAS 2.

9.6 OPERATING PROPERTY, PLANT AND EQUIPMENT: CHANGES FOR THE YEAR

	Land	Buildings	Furniture	Electronic equipment	Other	Total
A. Opening gross balance	174,191	1,326,198	229,241	126,335	485,362	2,341,327
A.1 Total net impairment writedowns	-	632,702	216,962	118,759	387,243	1,355,666
A.2 Opening net balance	174,191	693,496	12,279	7,576	98,119	985,661
B. Increases	7,618	70,909	2,892	2,370	14,960	98,749
B.1 Purchases	-	56,273	2,869	2,370	12,001	73,513
B.2 Capitalized improvement expenses	-	7,742	-	-	-	7,742
B.3 Recoveries	-	-	-	-	-	-
B.4 Fair value gains recognized through:	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-
b) Profit or loss	-	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-
B.6 Transfers from investment property	7,618	6,798	X	X	X	14,416
B.7 Other changes	-	96	23	-	2,959	3,078
C. Decreases	6,461	106,726	3,365	4,166	14,727	135,445
C.1 Sales	1,126	1,166	306	-	4,387	6,985
C.2 Depreciation	-	33,733	3,058	4,166	8,361	49,318
C.3 Impairment losses recognized through:	629	1,236	-	-	-	1,865
a) Equity	-	-	-	-	-	-
b) Profit or loss	629	1,236	-	-	-	1,865
C.4 Fair value losses recognized through:	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-
b) Profit or loss	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-
C.6 Transfers to	4,706	17,197	-	-	-	21,903
a) Investment property	4,706	17,197	X	X	X	21,903
b) Non-current assets held for sale and discontinued operations	-	-	-	-	-	-
C.7 Other changes	-	53,394	1	-	1,979	55,374
D. Closing net balance	175,348	657,679	11,806	5,780	98,352	948,965
D.1 Total net impairment writedowns	-	670,354	220,248	122,925	9,740	1,023,267
D.2 Closing gross balance	175,348	1,328,033	232,054	128,705	108,092	1,972,232
E. Measurement at cost	-	-	-	-	-	-

All property, plant and equipment assets are measured at cost adjusted by the related depreciation and any losses/recoveries.

9.6BIS CHANGES FOR THE PERIOD IN PROPERTY PLANT AND EQUIPMENT RECOGNIZED APPLYING IFRS 16

	Land	Buildings	Furniture	Electronic equipment	Other	Total
A. Opening gross balance	-	394,984	-	-	27,566	422,550
A.1 Total net impairment writedowns	-	137,677	-	-	8,590	146,267
A.2 Opening net balance	-	257,307	-	-	18,976	276,283
B. Increases	-	56,369	-	-	5,424	61,793
B.1 Purchases	-	56,273	-	-	2,489	58,762
B.2 Capitalized improvement expenses	-	-	-	-	-	-
B.3 Recoveries	-	-	-	-	-	-
B.4 Fair value gains recognized through:	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-
b) Profit or loss	-	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	X	X	X	-
B.7 Other changes	-	96	-	-	2,935	3,031
C. Decreases	-	69,489	-	-	4,566	74,055
C.1 Sales	-	-	-	-	-	-
C.2 Depreciation	-	16,036	-	-	2,613	18,649
C.3 Impairment losses recognized through:	-	57	-	-	-	57
a) Equity	-	-	-	-	-	-
b) Profit or loss	-	57	-	-	-	57
C.4 Fair value losses recognized through:	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-
b) Profit or loss	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-
C.6 Transfers to	-	-	-	-	-	-
a) Investment property	-	-	X	X	X	-
b) Non-current assets held for sale and discontinued operations	-	-	-	-	-	-
C.7 Other changes	-	53,396	-	-	1,953	55,349
D. Closing net balance	-	244,187	-	-	19,834	264,021
D.1 Total net impairment writedowns	-	149,931	-	-	10,981	160,912
D.2 Closing gross balance	-	394,118	-	-	30,815	424,933
E. Measurement at cost	-	-	-	-	-	-

9.7 INVESTMENT PROPERTY: CHANGES FOR THE YEAR

	Total 31 Dec. 2024	
	Land	Buildings
A. Opening balance	53,438	100,318
B. Increases	4,706	19,056
B.1 Purchases	-	1,119
B.2 Capitalized improvement expenses	-	723
B.3 Fair value gains	-	-
B.4 Recoveries	-	-
B.5 Positive foreign exchange differences	-	-
B.6 Transfers from operating property	4,706	17,197
B.7 Other changes	-	17
C. Decreases	18,914	32,123
C.1 Sales	2,470	25,126
C.2 Depreciation	-	-14,720
C.3 Fair Value losses	-	-
C.4 Adjustments for impairment	8,140	11,936
C.5 Negative foreign exchange differences	-	-
C.6 Transfers to:	8,304	7,591
a) operating property	7,618	6,798
b) Non-current assets held for sale and discontinued operations	686	793
C.7 Other changes	-	2,190
D. Closing balance	39,230	87,251
E. Measurement at fair value	47,520	121,205

Property, plant and equipment assets are measured at cost adjusted by the related depreciation and any losses/recoveries.

9.7BIS CHANGES FOR THE PERIOD IN PROPERTY PLANT AND EQUIPMENT RECOGNIZED APPLYING IFRS 16

	Total 31 Dec. 2024	
	Land	Buildings
A. Opening balance	-	3,302
B. Increases	-	1,136
B.1 Purchases	-	1,119
B.2 Capitalized improvement expenses	-	-
B.3 Fair value gains	-	-
B.4 Recoveries	-	-
B.5 Positive foreign exchange differences	-	-
B.6 Transfers from operating property	-	-
B.7 Other changes	-	17
C. Decreases	-	1,999
C.1 Sales	-	-
C.2 Depreciation	-	-192
C.3 Fair Value losses	-	-
C.4 Adjustments for impairment	-	-
C.5 Negative foreign exchange differences	-	-
C.6 Transfers to:	-	-
a) operating property	-	-
b) Non-current assets held for sale and discontinued operations	-	-
C.7 Other changes	-	2,191
D. Closing balance	-	2,439
E. Measurement at fair value	-	2,439

9.8 INVENTORIES OF PROPERTY, PLANT AND EQUIPMENT GOVERNED BY IAS 2: CHANGES FOR THE YEAR

	Inventories of property, plant and equipment obtained through the enforcement of guarantees received					Other inventories of property, plant and equipment	Total
	Land	Buildings	Furniture	Electronic equipment	Other		
A. Opening balance	-	5,922	-	-	-	10,581	16,503
B. Increases	-	924	-	-	-	3	927
B.1 Purchases	-	895	-	-	-	-	895
B.2 Recoveries	-	-	-	-	-	-	-
B.3 Positive foreign exchange differences	-	-	-	-	-	-	-
B.4 Other changes	-	29	-	-	-	3	32
C. Decreases	-	907	-	-	-	3,798	4,705
C.1 Sales	-	562	-	-	-	3,798	4,360
C.2 Adjustments for impairment	-	345	-	-	-	-	345
C.3 Negative foreign exchange differences	-	-	-	-	-	-	-
C.4 Other changes	-	-	-	-	-	-	-
D. Closing balance	-	5,939	-	-	-	6,786	12,725

9.9 COMMITMENTS FOR PURCHASES OF PROPERTY, PLANT AND EQUIPMENT

As at 31 December 2024, there were no commitments for purchases of property, plant and equipment.

Section 10 – Intangible assets – Item 100

10.1 INTANGIBLE ASSETS: BREAKDOWN BY TYPE OF ASSET

Assets/Values	Total 31 Dec. 2024		Total 31 Dec. 2023	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	X	1,315,925	X	1,315,925
A.1.1 Group	X	1,315,925	X	1,315,925
A.1.2 Minority shareholders	X	-	X	-
A.2 Other intangible assets	263,609	-	267,382	-
of which software	176,380	-	167,675	-
A.2.1 Assets measured at cost:	263,609	-	267,382	-
a) Internally generated intangible assets	9,309	-	6,222	-
b) Other assets	254,300	-	261,160	-
A.2.2 Assets measured at fair value:	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
Total	263,609	1,315,925	267,382	1,315,925

The cost of intangible assets with finite life is amortized on a straight-line basis over their useful life.

The useful life of all software in general has been set at 5 years, but, for some types of software, specifically identified, the useful life has been estimated in 10 years.

Intangible assets representing business with customers have been assigned a finite useful life, based on the time series available on the rate of customer turnover in the retail segment, of 15 years as regards the transactions finalized in 2011, of 13 years for the transactions finalized in 2017 and of about 8 years for the transaction finalized in 2021.

10.2 INTANGIBLE ASSETS: CHANGES FOR THE YEAR

	Goodwill	Other intangible assets: internally generated		Other intangible assets other:		Total
		Finite	Indefinite	Finite	Indefinite	
A. Opening balance	1,315,925	96,982	-	1,405,149	-	2,818,056
A.1 Total net impairment write downs	-	90,760	-	1,143,989	-	1,234,749
A.2 Opening net balance	1,315,925	6,222	-	261,160	-	1,583,307
B. Increases	-	5,121	-	89,423	-	94,544
B.1 Purchases	-	-	-	89,423	-	89,423
B.2 Increases in internally generated intangible assets	X	5,121	-	-	-	5,121
B.3 Recoveries	X	-	-	-	-	-
B.4 Fair value gains	-	-	-	-	-	-
- through equity	X	-	-	-	-	-
- through profit and loss	X	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	-	2,034	-	96,283	-	98,317
C.1 Sales	-	-	-	-	-	-
C.2 Adjustments	-	2,034	-	96,283	-	98,317
- Amortization	X	2,034	-	96,283	-	98,317
- Impairment write downs:	-	-	-	-	-	-
+ Equity	X	-	-	-	-	-
+ Profit and loss	-	-	-	-	-	-
C.3 Fair Value losses:	-	-	-	-	-	-
- through equity	X	-	-	-	-	-
- through profit and loss	X	-	-	-	-	-
C.4 Transfers to non-current assets held for sale	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. Closing net balance	1,315,925	9,309	-	254,300	-	1,579,534
D.1 Total net adjustments	-	92,794	-	1,255,023	-	1,347,817
E. Closing gross balance	1,315,925	102,103	-	1,509,323	-	2,927,351
F. Measurement at cost	-	-	-	-	-	-

Key:

DEF: finite life

INDEF: indefinite life

10.3 INTANGIBLE ASSETS: OTHER INFORMATION

To test intangible assets with indefinite useful life for impairment, the latest 2025-2029 income forecasts were used (source: Crédit Agricole S.A. Department of Economic Studies, which independently designs the economic scenarios), which already factor in the events that characterized FY 2024, approved by the Bank's Board of Directors at its meeting held on 10 December 2024.

Crédit Agricole Italia Board of Directors approved, pursuant to IAS 36, the negative outcomes of the impairment test on intangible assets with indefinite useful life (goodwill recognized in the consolidated and separate financial statements as at 31 December 2024).

It was also verified that there was no evidence of impairment regarding intangible assets with finite useful life, in accordance with the approach more exhaustively described below.

For intangible assets with finite useful life, the Directors deemed nonetheless appropriate to perform an additional verification, confirming the exercise of the impairment test, also including the assets in the carrying amount to be compared with the recoverable amount.

Analysis of intangible assets with finite useful life

The book value as in the consolidated financial statements as at 31 December 2024 regarding intangible assets with finite useful life, resulting from the business combinations made by the Group was of Euro 73 million. Said assets are broken down below, reporting also their analysis.

Intangible assets resulting from the business combination made in 2011

The value of the intangible assets recognized in the consolidated financial statements as at 31 December 2024 is Euro 11 million.

At the end of 2024, the performance of the elements regarding business with customers, that constitute the intangible assets recognized in the consolidated financial statements as at 31 December 2024 was verified. The amortization period for said components is 15 years. Based on the evidence found on the changes in the components of the intangible asset recognized, no evidence of impairment was found vs. its book value.

Intangible assets resulting from the business combination made in 2017

The value of the intangible assets in the consolidated financial statements as at 31 December 2024 was of Euro 38 million and comprises business with customers resulting from the acquisition of Cassa di Risparmio Cesena, Cassa di Risparmio di Rimini and Cassa di Risparmio di San Miniato.

The performance of the elements that constitute the intangible assets recognized in the consolidated financial statements as at 31 December 2024 was verified. The amortization period for said components is 13 years. Based on the evidence found on the changes in the components of the intangible asset recognized, no evidence of impairment was found vs. its book value.

Intangible assets resulting from the business combination made in 2021

In 2021, within Creval business combination, an intangible asset with finite useful life was recognized, which, as at 31 December 2024, was recognized in the consolidated financial statements for a remaining amount of Euro 24 million.

At the end of 2024 the performance of the elements that constitute the intangible assets recognized in the consolidated financial statements as at 31 December 2024 was verified. The amortization period for said components is 8 years. Based on the evidence found on the changes in the components of the intangible asset recognized, no evidence of impairment was found vs. its book value.

Impairment testing of goodwill

As required by IASs/IFRSs, the goodwill resulting from the purchases of Crédit Agricole FriulAdria, of the 173 Crédit Agricole Italia branches and of the 29 Crédit Agricole FriulAdria branches (made in 2007), of the 81 Crédit Agricole Italia branches and of the 15 Crédit Agricole FriulAdria branches (made in 2011) and of Crédit Agricole Carispezia (made in 2011) was tested for impairment. Consistently with the segment reporting given in the Annual Report and Consolidated Financial Statements, the goodwill determined after the allocation of the purchase price paid within the above-described transactions was initially allocated, in the Group consolidated financial statements, to the two Cash Generating Units (CGU) identified in the Retail and Private Banking Business Segment and in the Corporate Banking Segment. After having been written down in the previous years, the goodwill paid within the above-described transactions is now fully allocated to the Retail Banking, Private Banking and Financial Advisors CGU for an amount of Euro 1,316 million.

The CGU value in use was determined in accordance with the method used by the Crédit Agricole S.A. Group, namely the Dividend Discount Model (“DDM”) in its Excess Capital version. The DDM estimates the company value as the sum of the present value of the theoretical future cash flows distributed to shareholders in the explicit period and the Terminal Value. Specifically, in its “Excess Capital” variant, this method provides for the economic value of a financial company to be calculated by discounting a dividend flow determined based on full compliance with the capital requirements set by the Supervisory Authority.

For the calculation of future cash flows, starting from the 2025 expected performance, a model has been used, which consists of two stages:

- For the first stage (2025-2029), the following forecasts have been used: the 2025 Budget for 2026-2029 and medium and long-term financial forecasts.
- The second stage considers the Terminal Value: the cash flow after taxes for the last year was, therefore, projected into perpetuity using a long-term growth rate “g” (2.00%). This rate falls in an interval that is consistent with the industry measurement practices.

The forecasts used in the impairment test provided for growth rates that are consistent with the Italian banking industry performance taking into account the Group’s positioning and record of performances. The profitability ratios considered are also in line with those of the Italian banking industry.

The cash flows (after taxes) thus determined have then been discounted at a rate (k_e) calculated based on the Capital Asset Pricing Model (i.e. based on a risk-free rate plus the product of the beta coefficient multiplied by the risk premium), totalling 9.3% (vs. 9.4% in 2023).

Allocated own funds have been measured based on a 10.36% rate of the RWAs, in accordance with the regulatory requirements set for full operation, which fully implement the Systemic Risk Buffer (SyRB), expected as of June 2025.

The components of the discount rate k_e and the relating comparison with the parameters used in 2023 are reported below:

	2024	2023
Cost of equity (k_e)	9.31%	9.40%
of which risk-free rate	2.94%	2.96%
of which Beta	1.2	1.2
of which risk premium	5.31%	5.33%

Specifically, these parameters:

- risk-free rate: 2.94% in 2024, represents the average yield in the last 15 years of the 10Y BTP 1benchmark;
- beta: 1.2 equal to the beta used by the Parent Company CA.sa;
- risk premium: 5.31% in 2024, determined based on the 15-year surveys of infoproviders Datastream and Kepler.

The value in use of the Retail-Private Banking Business Segment, equal to 77.5% of the consolidated value was determined based on the average weight of the CGU on the profit for period over the last 10 years.

For the CGU the calculation showed a value in use higher than the related book value, with a positive difference of Euro 2,008 million. Furthermore, that positive difference was calculated considering also intangible assets with finite useful life in the book value. If those assets were excluded, the positive difference would increase coming to a figure of Euro 2,081 million.

Sensitivity to variations in the used parameters was also analyzed. Specifically, this sensitivity analysis was developed calculating the threshold levels of each parameter above which impairment would arise.

The analysis results show that, as regards risk premium, the book value is equal to the value in use at a much higher level than the one used for the test (8.39%), and the same can be said for the risk-free rate (6.64%) and for the beta parameter (1.90); therefore, the discount rate level at which book value and the value in use are equal is higher by over 350 basis points from the present level (about 13%).

Lastly, also in case the long-term growth rate “g” were set at zero, the Retail Banking, Private Banking and Financial Advisors CGU would continue to have a value in use higher than its book value.

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

11.1 DEFERRED TAX ASSETS: BREAKDOWN

	31 Dec. 2024	31 Dec. 2023
14.1 Gross deferred tax assets	1,089,443	1,410,001
A1. Loans and receivables (including asset-backed securities)	163,748	292,020
A2. Other financial instruments	727	1,320
A3. Goodwill	267,511	321,505
A4. Long-term liabilities	-	-
A5. Property, plant and equipment	5,708	9,116
A6. Provisions for risks and charges	88,506	101,454
A7. Entertainment expenses	-	-
A8. Staff expenses	51,248	64,384
A9.1 Tax losses	2,023	63,099
A9.2 Tax losses convertible into tax credits	-	-
A10. Unused tax receivables to be deducted	-	-
A11. Other	509,972	557,103
B. Offset against deferred tax liabilities		
C. Net deferred tax assets:	1,089,443	1,410,001

As regards the recognition of DTAs, especially those relating to tax losses, the probability test was carried out and confirmed their full recoverability.

First of all, it is to be pointed out that a significant portion of the recognized DTAs consists of so-called “convertible” DTAs, i.e. DTAs whose recoverability does not depend on future profit or loss, as they may be converted in true tax credits, receivable from the Inland Revenue Agency in case of statutory or tax losses. Considering the amount of convertible DTAs, impaired DTAs came to approximately Euro 664 million.

For the probability test calculation, profits and losses for tax purposes in the coming FYs were simulated, starting from the assumed profit or losses for those FYs and taking into account, for that purpose, the permanent increases and decreases that can be estimated, as well as the release of temporary differences, both positive and negative, expected for that period.

Besides the recovery of the aforementioned temporary differences, the calculation also showed that the DTA for tax losses can be recovered over a modest time horizon, which, in the most likely scenario, is one year. Other possible scenarios of more severe, albeit reasonable, stress were also assumed, taking into account decreases in profits or higher recovery of temporary difference assets than deemed likely, and recoverability within five years was confirmed.

Furthermore, as regards Italian Corporate income tax (IRES) DTAs, it is to be considered that the companies of the Crédit Agricole Italia Banking Group are members of a tax consolidation scheme under Article 117 *et seq.* of Italian Presidential Decree 917/86, which includes also other resident entities that are directly or indirectly controlled by Crédit Agricole S.A. A tax profit is expected on the tax consolidation scheme in the coming FYs, which is further ground supporting the recoverability of the recognized DTA for IRES.

11.2 DEFERRED TAX LIABILITIES: BREAKDOWN

	31 Dec. 2024	31 Dec. 2023
A. Gross deferred tax liabilities:	44,844	49,731
A1. Capital gains spreading	4,389	7,802
A2. Goodwill	-	-
A3. Property, plant and equipment	-	-
A4. Financial instruments	3,978	4,738
A5. Staff expenses	-	-
A6. Other	36,477	37,191
B. Offset against deferred tax assets		
C. Net deferred tax liabilities	44,844	49,731

11.3 CHANGES IN DEFERRED TAX ASSETS (THROUGH PROFIT OR LOSS)

	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Opening balance	1,389,320	1,671,641
2. Increases	55,021	72,943
2.1 Deferred tax assets recognized in the year	37,520	65,558
a) referring to previous years	-	-
b) due to change in accounting policies	-	-
c) Recoveries	-	-
d) other	37,520	65,558
2.2 New taxes or increases in tax rates	1	391
2.3 Other increases	17,500	6,994
3. Decreases	376,956	355,264
3.1 Deferred tax assets derecognized in the year	355,766	345,640
a) reversals	355,766	345,640
b) writedowns for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	21,190	9,624
a) conversion into tax credits pursuant to L. 214/2011	-	5,004
b) other	21,190	4,620
4. Closing balance	1,067,385	1,389,320

11.4 CHANGES IN DEFERRED TAX ASSETS PURSUANT TO ITALIAN LAW 214/2011

	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Opening balance	605,340	768,119
2. Increases	116	4,593
3. Decreases	179,924	167,372
3.1 Reversals	179,924	162,368
3.2 Conversion into tax credits	-	5,004
a) from losses for the year	-	-
b) from tax losses	-	5,004
3.3 Other decreases	-	-
4. Closing balance	425,532	605,340

11.5 CHANGES IN DEFERRED TAX LIABILITIES (THROUGH PROFIT OR LOSS)

	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Opening balance	40,715	54,032
2. Increases	15,120	8,463
2.1 Deferred tax liabilities recognized in the year	877	635
a) referring to previous years	-	-
b) due to change in accounting policies	-	-
c) other	877	635
2.2 New taxes or increases in tax rates	-	4
2.3 Other increases	14,243	7,824
3. Decreases	19,282	21,780
3.1 Deferred tax liabilities derecognized in the year	8,769	8,017
a) reversals	8,769	8,017
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	10,513	13,763
4. Closing balance	36,553	40,715

The other increases reported in point 2.3 and the other decreases reported in point 3.3 are increases or decreases determined by correct recognition of deferred tax liabilities after filing the income tax return. For the aforementioned cases, the related balancing item is not represented by income statement items, but by current tax liabilities.

11.6 CHANGES IN DEFERRED TAX ASSETS (THROUGH EQUITY/OCI)

	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Opening balance	20,681	22,745
2. Increases	8,033	6,585
2.1 Deferred tax assets recognized in the year	6,768	5,602
a) referring to previous years	-	-
b) due to change in accounting policies	-	-
c) other	6,768	5,602
2.2 New taxes or increases in tax rates	-	2
2.3 Other increases	1,265	981
3. Decreases	6,656	8,649
3.1 Deferred tax assets derecognized in the year	1,032	7,977
a) reversals	1,032	7,977
b) writedowns for supervening non-recoverability	-	-
b) due to change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	5,624	672
4. Closing balance	22,058	20,681

11.7 CHANGES IN DEFERRED TAX LIABILITIES (THROUGH EQUITY/OCI)

	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Opening balance	9,016	11,233
2. Increases	4,673	17,627
2.1 Deferred tax liabilities recognized in the year	3,997	17,366
a) referring to previous years	-	-
b) due to change in accounting policies	-	-
c) other	3,997	17,366
2.2 New taxes or increases in tax rates	-	1
2.3 Other increases	676	260
3. Decreases	5,398	19,844
3.1 Deferred tax liabilities derecognized in the year	5,115	14,972
a) reversals	5,115	14,972
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	283	4,872
4. Closing balance	8,291	9,016

Section 12 – Non-current assets held for sale and discontinued operations and associated liabilities – Item 120 of Assets and Item 70 of Liabilities

12.1 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS: BREAKDOWN BY TYPE OF ASSET

	31 Dec. 2024	31 Dec. 2023
A. Assets held for sale		
A.1 Financial assets	-	-
A.2 Equity investments	-	-
A.3 Property, plant and equipment	1,478	9,104
Of which from recovery of NPLs	-	-
A.4 Intangible assets	-	-
A.5 Other non-current assets	-	-
Total (A)	1,478	9,104
Of which measured at cost	-	-
Of which measured at fair value level 1	-	-
Of which measured at fair value level 2	-	-
Of which measured at fair value level 3	1,478	9,104
B. Discontinued operations		
B.1. Financial assets measured at fair value through profit or loss	-	-
- Financial assets held for trading	-	-
- Financial assets designated at fair value	-	-
- Other financial assets mandatorily measured at fair value	-	-
B.2. Financial assets measured at fair value through other comprehensive income	-	-
B.3. Financial assets measured at amortized cost	-	-
B.4 Equity investments	-	-
B.5 Property, plant and equipment	-	-
of which: obtained through the enforcement of guarantees received	-	-
B.6 Intangible assets	-	-
B.7 Other assets	-	-
Total (B)	-	-
Of which measured at cost	-	-
Of which measured at fair value level 1	-	-
Of which measured at fair value level 2	-	-
Of which measured at fair value level 3	-	-
C. Liabilities associated with assets held for sale		
C.1 Dye and payables	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	-
Total (C)	-	-
Of which measured at cost	-	-
Of which measured at fair value level 1	-	-
Of which measured at fair value level 2	-	-
Of which measured at fair value level 3	-	-
D. Liabilities associated with discontinued operations		
D.1 Financial liabilities measured at amortized cost	-	-
D.2 Financial liabilities held for trading	-	-
D.3 Financial liabilities designated at fair value	-	-
D.4 Funds	-	-
D.5 Other liabilities	-	-
Total (D)	-	-
Of which measured at cost	-	-
Of which measured at fair value level 1	-	-
Of which measured at fair value level 2	-	-
Of which measured at fair value level 3	-	-

Section 13 – Other assets – Item 130

13.1 OTHER ASSETS: BREAKDOWN

	31 Dec. 2024	31 Dec. 2023
Sundry debits in process	51,549	179,907
Revenue stamps and other instruments	1,170	2,882
Items being processed	133,766	199,964
Accrued income not allocated to other items	11,383	17,265
Prepaid expenses not allocated to other items	82,070	40,519
Protested bills and cheques	5,322	3,572
Leasehold improvements	10,778	11,629
Tax advances paid on behalf of third parties	223,704	133,046
Sundry	116,670	161,939
Purchased tax credits	1,809,110	1,764,287
Total	2,445,522	2,515,010

LIABILITIES

Section 1 – Financial liabilities measured at amortized cost – Item 10

1.1 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST: BREAKDOWN BY TYPE OF DUE TO BANKS

Type of transactions/Values	Total 31 Dec. 2024				Total 31 Dec. 2023			
	BV	Fair value			BV	Fair value		
		L1	L2	L3		L1	L2	L3
1. Due to central banks	-	X	X	X	3,577,560	X	X	X
2. Due to banks	1,971,856	X	X	X	1,712,679	X	X	X
2.1 Current accounts and demand deposits	29,345	X	X	X	39,263	X	X	X
2.2 Time deposits	445,764	X	X	X	104,527	X	X	X
2.3 Loans	1,488,559	X	X	X	1,554,000	X	X	X
2.3.1 Repurchase agreements for funding purposes	-	X	X	X	-	X	X	X
2.3.2 Other	1,488,559	X	X	X	1,554,000	X	X	X
2.4 Liabilities for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
2.5 Lease liabilities	1,932	X	X	X	1,454	X	X	X
2.6 Other due and payables	6,256	X	X	X	13,435	X	X	X
Total	1,971,856	-	1,971,856	-	5,290,239	-	5,290,239	-

Key:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

Item 2.2 “Time deposits” increased due to deposits made by Crédit Agricole S.A..

In 2024 the last TLTRO tranches were repaid for Euro 3.6 billion.

1.2 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST: BREAKDOWN BY TYPE OF DUE TO CUSTOMERS

Type of transactions/Values	Total 31 Dec. 2024				Total 31 Dec. 2023			
	BV	Fair value			BV	Fair value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and demand deposits	59,744,634	X	X	X	59,602,712	X	X	X
2. Time deposits	1,137,011	X	X	X	1,273,398	X	X	X
3. Loans	144,217	X	X	X	155,277	X	X	X
3.1 Repurchase agreements for funding purposes	-	X	X	X	-	X	X	X
3.2 Other	144,217	X	X	X	155,277	X	X	X
4. Liabilities for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
5. Lease liabilities	304,821	X	X	X	319,971	X	X	X
6. Other due and payables	451,333	X	X	X	537,572	X	X	X
Total	61,782,016	-	61,782,016	-	61,888,930	-	61,888,930	-

Key:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

1.3 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST: BREAKDOWN BY TYPE OF DEBT SECURITIES ISSUED

Type of securities/values	Total 31 Dec. 2024				Total 31 Dec. 2023			
	BV	Fair value			BV	Fair value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. Bonds	12,575,000	-	12,513,385	-	10,932,919	-	10,837,939	-
1.1 Structured	-	-	-	-	-	-	-	-
1.2 other	12,575,000	-	12,513,385	-	10,932,919	-	10,837,939	-
2. Other securities	3,683,323	-	-	3,683,323	3,658,739	-	-	3,658,739
2.1 Structured	-	-	-	-	-	-	-	-
2.2 other	3,683,323	-	-	3,683,323	3,658,739	-	-	3,658,739
Total	16,258,323	-	12,513,385	3,683,323	14,591,658	-	10,837,939	3,658,739

Key:

BV = Book value

L1 = Level 1

L2 = Level 2

L3 = Level 3

Item “Bonds” reports covered bonds for Euro 9,794,510 thousand, Senior Non Preferred notes for Euro 2,003,639 thousand and ordinary debenture loans for Euro 776,851 thousand.

Item “Other securities” reports certificates of deposit for Euro 3,521,276 thousand and banker's drafts for Euro 163,047 thousand.

1.4 BREAKDOWN OF SUBORDINATED LIABILITIES/SECURITIES

Characteristics	Issue date	Maturity date	Repayment schedule	Interest rate	Currency	Original amount in the rep. currency	Book value
Tier 2 instrument	11 Dec. 2017	11 Dec. 2027	at maturity	3M Euribor + 162 bps	Euro	400,000	400,996
Tier 2 instrument	02 Aug. 2019	02 Aug. 2029	at maturity	3M Euribor + 213 bps	Euro	80,000	80,658
Tier 2 instrument	15 Dec. 2021	15 Dec. 2031	at maturity	3M Euribor + 266 bps	Euro	80,000	80,185
Tier 2 instrument	12 Apr. 2022	12 Apr. 2032	at maturity	3M Euribor + 314 bps	Euro	150,000	152,055
Tier 2 instrument	14 Dec. 2023	14 Dec. 2033	at maturity	3M Euribor + 374 bps	Euro	215,000	215,594
Tier 2 instrument	20 June 2024	20 Sept. 2034	at maturity	3M Euribor + 277 bps	Euro	45,000	45,077
Tier 2 instrument	27 Sept. 2024	27 Sept. 2036	at maturity	3M Euribor + 258 bps	Euro	80,000	80,047
Tier 2 instrument	17 Dec. 2024	17 Dec. 2036	at maturity	3M Euribor + 227 bps	Euro	190,000	190,378

As at the reporting date total subordinated deposits amounted to Euro 1,244,990 thousands.

1.5 BREAKDOWN OF STRUCTURED LIABILITIES

At the end of 2024 there were no structured liabilities to banks and to customers.

1.6 LEASE LIABILITIES

For reporting on lease liabilities and the breakdown of maturities and cash flows, please see Part M of this Note to the financial statements.

Section 2 – Financial liabilities held for trading – Item 20

2.1 FINANCIAL LIABILITIES HELD FOR TRADING: BREAKDOWN BY TYPE

Type of transactions/Values	Total 31 Dec. 2024					Total 31 Dec. 2023				
	NV	Fair value			FV(*)	NV	Fair value			FV(*)
		L1	L2	L3			L1	L2	L3	
A. On-balance-sheet liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to Customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	-	-	-	-	-	-
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total (A)	-	-	-	-	-	-	-	-	-	-
B. Derivatives										
1. Financial Derivatives		-	136,796	-			-	198,241	-	
1.1 Held for trading	X	-	136,796	-	X	X	-	198,241	-	X
1.2 Associated with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit Derivatives		-	-	-			-	-	-	
2.1 Held for trading	X	-	-	-	X	X	-	-	-	X
2.2 Associated with fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	X	-	136,796	-	X	X	-	198,241	-	X
Total (A+B)	-	-	136,796	-	-	-	-	198,241	-	X

Key:

NV = notional value

L1 = Level 1

L2 = Level 2

L3 = Level 3

Fair value (*) = Fair value calculated excluding value changes resulting from an alteration in the issuer's credit rating after the date of issue.

The decrease in item “Derivative instruments” resulted mainly from the change in measurement component.

2.2 BREAKDOWN OF “FINANCIAL LIABILITIES HELD FOR TRADING”: SUBORDINATED LIABILITIES

As at 31 December 2024, there were no subordinated “Liabilities held for trading”.

2.3 BREAKDOWN OF “FINANCIAL LIABILITIES HELD FOR TRADING”: STRUCTURED LIABILITIES

As at 31 December 2024, there were no structured “Liabilities held for trading”.

Section 4 – Hedging derivatives – Item 40

4.1 HEDGING DERIVATIVES: BREAKDOWN BY TYPE OF HEDGE AND BY HIERARCHY LEVEL

	Fair value 31 Dec. 2024			NV 31 Dec. 2024	Fair value 31 Dec. 2023			NV 31 Dec. 2023
	L1	L2	L3		L1	L2	L3	
A. Financial Derivatives	-	1,672,836	-	20,244,809	-	2,061,837	77,703	22,908,015
1) Fair value	-	1,672,836	-	20,244,809	-	2,061,837	77,703	22,908,015
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	1,672,836	-	20,244,809	-	2,061,837	77,703	22,908,015

Key:

NV = notional value

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.2 HEDGING DERIVATIVES: BREAKDOWN BY HEDGED PORTFOLIO AND BY TYPE OF HEDGE

Transactions/Type of hedge	Fair value							Cash flows		Investments in foreign operations
	Debt securities and interest rates	Equity securities and equity indices	Foreign exchange and gold	Credit	Commodities	Other	Macro-hedging	Micro-hedging	Macro-hedging	
1. Financial assets at fair value through other comprehensive income	13,833	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortized cost	205,795	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	219,628	-	-	-	-	-	-	-	-	-
1. Financial liabilities	1,453,208	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	1,453,208	-	-	-	-	-	-	-	-	-
1. Expected transactions	X	X	X	X		X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X		X	-	X	-	-

Hedging interest rate risk has the objective of immunizing the Banking Book from changes in the fair value of funding and lending, caused by adverse movements in the yield curve.

The “Hedging Derivatives” item referring to financial liabilities measured at amortized cost consisted of Euro 70,268 thousand for hedging securities measured at amortized cost and Euro 135,527 thousand for hedging mortgage loans.

The “Hedging Derivatives” item referring to financial liabilities consisted of Euro 845,126 thousand for hedging own bonds issued and Euro 608,082 thousand for macrohedging of demand deposits; specifically, the hedged item is limited to the portion referring to interest rate risk. Hedging uses IRS in which the fixed-rate leg equalizes the debenture loan rate and the variable-rate leg is determined as Euribor +/- spread. To hedge sight deposits, a “fictitious” bond-equivalent is simulated, which is designed to identify the hedged item obtained by modeling the financial statements item hedged.

Section 5 – Fair value change of financial liabilities in macro-hedge portfolios – Item 50

5.1 FAIR VALUE CHANGE OF HEDGED FINANCIAL LIABILITIES

Fair value change of hedged liabilities /Group components	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Increase in fair value of hedged financial liabilities	96,820	58,466
2. Decrease in fair value of hedged financial liabilities	601,654	849,817
Total	-504,834	-791,351

The part of demand deposits that is considered stable as to liquidity and rate, by the internal model adopted by the Crédit Agricole Italia Banking Group is in the macro-hedge portfolio.

Section 6 – Tax Liabilities – Item 60

Please, see Section 11 - Assets.

Section 8 – Other liabilities – Item 80

8.1 OTHER LIABILITIES: BREAKDOWN

	31 Dec. 2024	31 Dec. 2023
Trade payables	273,959	347,967
Credit transfers ordered and being processed and amounts due to third parties	457,549	728,508
Amounts payable to tax authorities on behalf of third parties	339,673	333,274
Advances on loans to mature	43	69
Adjustments for illiquid items	426,050	-
Personnel expenses	120,924	128,062
Uncapitalized accrued expenses	33,667	54,461
Deferred income not allocated to other items	52,152	35,861
Sundry	239,777	294,319
Total	1,943,794	1,922,521

Section 9 – Employee severance benefits – Item 90

9.1 EMPLOYEE SEVERANCE BENEFITS: CHANGES FOR THE YEAR

	Total 31 Dec. 2024	Total 31 Dec. 2023
A. Opening balance	90,428	98,817
B. Increases	3,124	8,753
B.1 Provision for the year	2,713	3,561
B.2 Other changes	411	5,192
C. Decreases	6,994	17,142
C.1 Severance payments	5,289	16,792
C.2 Other changes	1,705	350
D. Closing balance	86,558	90,428

9.2 OTHER INFORMATION

Information on the characteristics of defined-benefit plans and risks associated with them (IAS 19, paragraph 139)

Pursuant to the Italian legislation, at the date of termination of his/her employment contract with a company, each employee is entitled to a severance package called “*Trattamento di Fine Rapporto*” (Employee Severance Benefits or with the Italian acronym TFR) equal to the sum of the Severance Benefits accrued for each year of work for the employer. The benefit accrued each year is equal to 6.91% of the gross annual pay. This rate is calculated by dividing the ordinary pay by 13.5; to the resulting amount a deduction is made of 0.5%, which is paid directly to the Italian National Social Security Institute (INPS) as a pension contribution.

Moreover, as at 31 December of each year, the Provision for Employees' Severance Benefits is subject to revaluation applying a fixed-rate of 1.5% plus 75% of the increase in the consumer price index for blue-collar and white-collar households for the year.

The revalued amount, thus calculated, is taxed at a 17% rate, as provided for by the Italian 2015 Stability Law (Italian Law No. 190 of 23 December 2014).

Pursuant to the applicable legislation, employees may ask for advances on their Severance Benefits accrued when the employment relation is still going on. This advance may be obtained only once during the employment relation, after at least 8 years on staff and up to 70% of the Employee Severance Benefits accrued as at the date of request.

With the entry into force of Italian 2007 Finance Act, concerning also the Reform of Supplementary Pension Schemes, the measurement of Employee Severance Benefits, in accordance with IAS 19 Revised, shall take account of the impacts of this Act, as well as of the guidelines for their calculation, which were issued by the Italian National Association of Actuaries and by the *Organismo Italiano di Contabilità* (the Italian National Accounting Body).

Given that, in 2006, the Crédit Agricole Italia Banking Group had an average number of employees higher than 50, it has been considered that the portions of employee severance benefits accruing in the future will be paid to a separate entity (supplementary pension scheme, FONDINPS or to the Fund managed by the Italian State Treasury) irrespective of the employees' choice. It was specifically considered that the Fund managed by the Italian State Treasury through the Italian National Social Security Institute (INPS), pursuant to Article 1, paragraph 5, of the Italian 2007 Finance Act “ensures that private sector employees receive the severance benefits as provided for in Article 2120 of the Italian Civil Code, in accordance with the contributions paid to the Fund”.

0.5% supplement to employee severance benefits

For the employees that were formerly employees of the Intesa Sanpaolo Group and were already on staff on 31 December 1990, upon employment termination, an amount supplementing their severance benefits is granted, equal to the 0.5% contribution paid to the Italian National Social Security Institute (INPS) by the workers.

Such supplementary amount accrues on a monthly basis and is revalued in accordance with the ISTAT (the Italian National Institute of Statistics) index for the revaluation of employee severance benefits.

Additional 2.75% revaluation of employee severance benefits

To formerly Intesa employees, in case of employment termination, a supplementary amount is paid which is calculated by applying to the employee severance benefits accrued since 1992, on a yearly basis, an additional fixed revaluation equal to 2.75%. This amount is then revalued, on a yearly basis, according to the reference ISTAT (the Italian National Institute of Statistics) index.

Changes for the year in the defined-benefit plan net liabilities (assets) and in rights to repayment (IAS 19, paragraphs 140 and 141)

The statement of reconciliation for 2024 of the present value of the plan obligation for the Crédit Agricole Italia Banking Group is given below:

Actuarial value of the obligation as at 1 Jan. 2024		90,428
a	Service cost	30
b	Interest cost	2,684
c	Transfer in/out	27
d.1	Actuarial gains/losses from changes in financial assumptions	118
d.2	Actuarial gains/losses from changes in inflationary assumptions	-
d.3	Actuarial gains/losses from demographic experience	-1,425
e	Payments provided for by the Plan	-5,303
Actuarial value of the obligation as at 31 Dec. 2024		86,558

Disclosure of the fair value of the plan assets (IAS 19, paragraphs 142 and 143)

This point does not apply because no assets covering Employee Severance Benefits have been provided for.

Description of the main actuarial assumptions (IAS 19, paragraph 144)

In order to be able to make the required measurements, appropriate demographic and economic assumptions must be used regarding:

- Mortality.
- Invalidity.
- Termination (resignation or dismissal).
- Requests for advances.
- The workers' future economic career (including the assumptions on promotion to higher positions).
- Performance of the actual purchasing power of money.

Specifically, the following assumptions were used:

a) DEMOGRAPHIC TECHNICAL BASES:

- Annual probability of exclusion due to death of employees on staff were calculated based on IPS55;
- Annual probabilities of exclusion due to causes other than death of employees on staff were calculated based on appropriate smoothing of historical data of the Group and, therefore, an annual frequency of turnover of 3.50% was used;
- The annual probability of request for advances on the accrued severance benefits was calculated based on the Group's experience and was assumed as equal to an average annual rate of 3%;
- Retirement is assumed upon meeting the first requirement to qualify for pension.

b) ECONOMIC TECHNICAL BASES:

- b.1 To calculate the present value of the various plans, in compliance with the instructions given by the Parent Company Crédit Agricole SA, the following rates were used:
- Employee severance benefits IBOXX duration 5-7 years 2.93%;
 - Supplement of 0.5% IBOXX duration 5-7 years 2.78%;
 - Additional revaluation of 3.18% IBOXX duration 7-10 years 3.08%.
- b.2 The cost of living index for white-collar and blue-collar households, required for the revaluation of the employee severance benefits amounts allocated to provision, was assumed at 2%, as per the instructions given by Crédit Agricole S.A;
- b.3 The pay line, as a function of seniority, increasing by automatic pay increases only, was calculated, on average, with reference to the Company's employees, based on the interpolation and smoothing of the distribution of pays by seniority and on the national and company collective bargaining agreements;
- b.4 The average annual rate of increase in pay for changes in the minimum wage, is to be seen as related to the fluctuation in the value of money and, therefore, its appreciation, especially in a long-term perspective, is technically difficult; a 2% rate was assumed;
- b.5 Percentage of accrued employee severance benefits requested as advances: 60%. This percentage was inferred based on the Group historical data.

Disclosure of amount, timing and uncertainty of cash flows (IAS 19, paragraphs 145, 146 and 147)

The outcomes of the sensitivity analyses for each one of the above main assumptions are given below:

Discount rate

Actuarial value of the obligation as at 31 Dec. 2024		
Central assumption	+50 bps	-50 bps
86,558	84,272	88,886

Inflation rate

Actuarial value of the obligation as at 31 Dec. 2024		
Central assumption	+50 bps	-50 bps
86,558	88,003	85,125

Turnover rate

Actuarial value of the obligation as at 31 Dec. 2024		
Central assumption	+100 bps	-100 bps
86,558	86,600	86,453

Multi-employer plans (IAS 19, paragraph 148)

This point does not apply because the provision for employee severance benefits is not a Multi-employer plan.

Defined-benefit plans that share risks between various entities under common control (IAS 19, paragraphs 149 and 150)

This point does not apply because the provision for employee severance benefits is not a plan that shares risks between various entities under common control.

Section 10 – Provisions for risks and charges – Item 100

10.1 PROVISIONS FOR RISKS AND CHARGES: BREAKDOWN

Items/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Provisions for credit risk on commitments and financial guarantees given	93,123	80,428
2. Provisions for other commitments and guarantees given	-	-
3. Company pension plans	28,932	30,643
4. Other provisions for risks and charges	373,632	473,272
4.1 legal and tax-related disputes	60,109	62,153
4.2 personnel expenses	159,079	199,209
4.3 other	154,444	211,910
Total	495,687	584,343

10.2 PROVISIONS FOR RISKS AND CHARGES: CHANGES FOR THE YEAR

	Provisions for other commitments and guarantees given	Pension plans	Other provisions for risks and charges	Total
A. Opening balance	-	30,643	473,272	503,915
B. Increases	-	1,948	46,931	48,879
B.1 Provision for the year	-	-	42,499	42,499
B.2 Changes due to passage of time	-	904	4,347	5,251
B.3 Changes due to alterations in the discount rate	-	-	30	30
B.4 Other changes	-	1,044	55	1,099
C. Decreases	-	3,659	146,571	150,230
C.1 Use in the year	-	3,659	111,903	115,562
C.2 Changes due to alterations in the discount rate	-	-	-	-
C.3 Other changes	-	-	34,668	34,668
D. Closing balance	-	28,932	373,632	402,564

10.3 PROVISIONS FOR CREDIT RISK ON COMMITMENTS AND FINANCIAL GUARANTEES GIVEN

	Provisions for credit risk on commitments and financial guarantees given				Total
	Stage 1	Stage 2	Stage 3	POCI	
Commitments to disburse funds	6,651	10,184	-	-	16,835
Financial guarantees given	3,308	10,292	62,688	-	76,288
Total	9,959	20,476	62,688	-	93,123

10.4 PROVISIONS FOR OTHER COMMITMENTS AND GUARANTEES GIVEN

As at 31 December 2018, there were no provisions for other commitments and guarantees given.

10.5 COMPANY DEFINED-BENEFIT PENSION PLANS

1. Information on the characteristics of the entity's defined benefit plans and risks associated with them

Through its Defined-Benefit Pension Plan, Crédit Agricole Italia provides pension schemes that are supplementary or complementary to the pensions paid by INPS (Italian National Social Security Institute) on whatsoever ground, in compliance with the specific Regulation of the Pension Fund.

As at today's date, in accordance with the above Regulation, the employees on staff are not entitled to the benefits provided by the Pension Fund.

The plan is funded by a provision accrued by the Company, determined based on the mathematical reserve, certified annually by an independent actuary. These benefits may consist in a pension assigned directly to the person concerned, in a pension assigned indirectly to the surviving family of the person concerned dying either before or after retirement.

As at 31 December 2024, 466 pensioners, 3 people in service and a deferred member (249 women and 217 men) were the beneficiaries of Crédit Agricole Italia Pension Fund, to whom a gross annual supplementary pension is paid amounting to Euro 7,357. The average age of Crédit Agricole Italia pension plan beneficiaries is 84.4 years.

2. Changes for the year in defined-benefit net liabilities (assets) and in rights to repayment from the plan

The table below reports the 2024 reconciliation figures for Crédit Agricole Italia:

Actuarial value of the obligation as at 1 Jan. 2024		30,643
a	Service cost	-
b	Interest cost	904
c	Transfer in/out	-
d.1	Actuarial gains/losses from changes in financial assumptions	44
d.2	Actuarial gains/losses from changes in demographic assumptions	-
d.3	Actuarial gains/losses from demographic experience	1,000
e	Payments provided for by the Plan	-3,659
Actuarial value of the obligation as at 31 Dec. 2024		28,932

The value of the mathematical reserve is equal to the amount that the Management should have as at the measurement date, based on the assumptions used, in order to meet all the commitments undertaken towards the participants in the plan.

3. Disclosure of the fair value of the plan assets

This point does not apply because no assets covering the plan have been provided for.

4. Description of the main actuarial assumptions

In order to be able to make the required measurements, appropriate demographic and economic assumptions must be used, such as:

- Mortality;
- Probability to have a family;
- Performance of the actual purchasing power of money.

The main economic and demographic assumptions are given below, which have been used for the plan measurement and have been made based on the information provided by the Company subject to assessment and on market data/statistics:

- Annual probability of exclusion due to death of employees not on staff were calculated based on A62;
- For assignment to the surviving family in case of the pensioner's death, differentiated technical bases were used according to the age and gender of the member;
- The cost of living index for white-collar and blue-collar households, required for smoothing the annual pension instalments, was assumed at 2%, in accordance with the instructions given by Crédit Agricole S.A.;
- The annual increase in the plan benefits is governed by the relevant regulation, and, therefore, by the applicable regulations in force for INPS (Italian National Social Security Institute) pensions (automatic smoothing pursuant to paragraph 1, Article 34 of Italian Law No. 448/1998, as amended by paragraph 1, Article 69 of Italian Law No. 388/2000);
- To calculate the Present Value, in compliance with the instructions issued by Crédit Agricole SA, the rate used was IBOXX € Corporate AA (duration 7-10 years) of 3.08%.

5. Disclosure of amount, timing and uncertainty of future cash flows

The results of the sensitivity analyses for each one of the aforementioned main assumptions are given below:

Discount rate

Actuarial value of the obligation as at 31 Dec. 2024		
Central assumption	+50 bps	-50 bps
28,932	27,991	29,937

Mortality rate

Actuarial value of the obligation as at 31 Dec. 2024		
Central assumption	+20 bps	-20 bps
28,932	26,409	32,197

Inflation rate

Actuarial value of the obligation as at 31 Dec. 2024		
Central assumption	+20 bps	-20 bps
28,932	29,486	28,395

10.6 PROVISIONS FOR RISKS AND CHARGES - OTHER PROVISIONS

The breakdown of Other Provisions is as follows:

- Legal disputes: the provision is intended to cover any expenses from lawsuits brought against the Bank and revocatory actions in insolvency and bankruptcy.
- Personnel expenses: the provision covers the expenses for voluntary redundancy incentives.
- Other risks and charges refer mainly to provisions intended to cover the expenses for the integration of Creval, Carismi, Caricesena and Carim, the expenses associated with the disposal of NPL portfolio and other disputes with Customers.

Having regard to tax-related disputes, two disputes on registration tax were pending as at the reporting date concerning transfers made in 2011 to Crédit Agricole Italia S.p.A. followed by the transfer of an equity investments to institutional shareholders, which were reclassified as sales of business units, further challenging also the goodwill amount as defined, for a tax total amount of Euro 11.7 million, plus interest, claimed from the parties jointly and severally involved.

On the transaction reclassification, favourable first -and second-instance court judgements have already been obtained and the Italian Court of Cassation's ruling is pending. Having said that the Group believes that its conduct has always been fair and lawful and expects a favourable outcome of the dispute,, also on the grounds of the aforementioned judgements, considering that the charge - if any - would be shared between the parties jointly and severally involved under specific agreements, on a prudential basis Crédit Agricole Italia has still a provision of Euro 1.15 million. It is to be reported that, after the reporting date, the Italian Court of Cassation sent a notification to the parties stating that the reclassification possibility under Article 20 of Italian Presidential Decree 131/1986 does not apply to the case being disputed. Therefore, the content of the notification gives even stronger ground to expect a favourable outcome of the dispute.

The following disputes were still pending as at the reporting date:

- Three disputes concerning Crédit Agricole Carispezia, which was absorbed in July 2019, on the determination of the IRAP taxable base for fiscal years 2015, 2016 and 2017, for a total amount of Euro 823 thousand, on which unfavourable first-instance judgements were issued, which have been or will be appealed against. Although believing that its conduct has always been fair and lawful, as it will be argued in court, for the three claims the Bank decided to recognize a prudential provision of Euro 862 thousand covering the related charge;
- Other minor disputes totalling Euro 0.7 million, for which the Group believes it has good grounds as its conduct has always been fair and lawful, as substantiated, in several cases, by fully or partially favourable judgements, which, therefore, have not been provisioned for. More specifically:
 - Some disputes on registration tax on legal deeds coming from the merged entity Cassa di Risparmio di Rimini, which, in H2 2024, were further decreased to a total residual amount of Euro 0.11 million;
 - A dispute from Creval, which was merged by absorption in April 2022, concerning failure to repay IRPEG withholdings regarding an absorbed entity for a total amount of Euro 0.2 million. The first-instance judgements were in favour of the Bank, but the tax Authority filed appeal against them.
 - A dispute regarding CAI for Euro 0.4 mln about the use of the Allowance for Corporate Equity (ACE) surplus for the Italian corporate income (IRES) surtax in 2019. The position of the Agenzia delle Entrate (the Italian Inland Revenue Agency) is quite groundless, also based on previous tax practice documents on similar cases and, for that reason, being certain of the legality and correctness of what was done by the Bank, appeal was filed with the first instance competent court.
- For Crédit Agricole Leasing Italia, a set of disputes on the Italian town property tax (on the taxpayer liability) for the real estate lease contracts that were terminated subsequent to which it did not get the asset back, for about Euro 0.76 million. For these types of disputes, considering the uncertain stance of the case law on this matter, albeit favourable provisional judgements have been issued, the Company set aside the related provision for risks.

Lastly, the notice of two assessments was served on Crédit Agricole Italia in its capacity as the designated consolidating entity in the tax consolidation scheme comprising the Italian direct and indirect subsidiaries of Credit Agricole S.A., which actually concern the determination of the income of member entities that do not belong to the Crédit Agricole Italia Banking Group, for a total amount including tax, penalty and interest of Euro 3.5 million. On one claim, a favourable first-instance and second-instance judgements were issued, whereas the other assessment, the notification of which was served in December 2023, has already obtained a favourable first instance judgement. It is also pointed out that any expenses shall be paid for by the tax consolidation member entities, which do not belong to the Crédit Agricole Italia Banking Group.

Section 13 – Parent Company Shareholders' Equity – Items 120, 130, 140, 150, 160, 170 and 180

13.1 “CAPITAL” AND “TREASURY SHARES”: BREAKDOWN

As at 31 December 2024, the Parent Company's share capital, fully paid in, consisted of 1,102,071,064 ordinary shares, with a nominal value of Euro 1 each.

As at 31 December 2024 the Bank held 6,221 treasury shares.

Please, see the Management Report for more exhaustive information on the book Equity, Own Funds and Capital Ratios.

13.2 CAPITAL - NUMBER OF SHARES: CHANGES FOR THE YEAR

Items/Types	Ordinary	Other
A. Shares - opening balance	1,102,071,064	-
- fully paid in	1,102,071,064	-
- partially paid in	-	-
A.1 Treasury shares (-)	6,017	-
A.2 Outstanding shares: opening balance	1,102,065,047	-
B. Increases	-	-
B.1 New issues	-	-
- for a consideration:	-	-
- business combinations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- free of charge:	-	-
- to Employees	-	-
- to Directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	-	-
C. Decreases	204	-
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	204	-
C.3 Disposal of businesses	-	-
C.4 Changes for the year	-	-
D. Outstanding shares: closing balance	1,102,064,843	-
D.1 Treasury shares (+)	6,221	-
D.2 Shares - closing balance	1,102,071,064	-
- fully paid in	1,102,071,064	-
- partially paid in	-	-

13.3 CAPITAL: OTHER INFORMATION

The unit nominal value of the 1,102,071,064 ordinary shares is Euro 1.

13.5 EQUITY INSTRUMENTS: BREAKDOWN AND CHANGES FOR THE YEAR

The “Equity instruments” item reports the issues of Additional Tier 1 instruments for Euro 740 million.

Equity instruments decreased from Euro 815 million to Euro 740 million subsequent to the issue of an Additional Tier 1 (AT1) subordinated instrument for Euro 275 million and the repayment of an Additional Tier 1 (AT1) instrument for Euro 350 million.

Section 14 – Minority interests – Item 190

14.1 BREAKDOWN OF ITEM 190 “MINORITY INTERESTS”

Company name	31 Dec. 2024	31 Dec. 2023
Equity investments in consolidated companies with significant minority interests		
1. Crédit Agricole Leasing Italia S.r.l.	23,530	21,505
2. Crédit Agricole Group Solutions S.c.p.A.	393	393
3. Le Village by CA Parma S.r.l.	365	357
4. Agricola Le Cicogne S.r.l.	1,775	1,775
5. Le Village by CA Triveneto S.r.l.	789	798
6. Le Village by CA Alpi società benefit S.r.l.	253	135
7. Le Village by CA Milano S.r.l.	223	-
8. Le Village by CA Sicilia S.r.l.	198	-
Other equity investments	4	4
Total	27,530	24,967

14.2 EQUITY INSTRUMENTS: BREAKDOWN AND CHANGES FOR THE YEAR

Only Crédit Agricole Italia S.p.A. Issued equity instruments. There were no other equity instruments issued by companies within the consolidation scope.

OTHER INFORMATION

1. Commitments and financial guarantees given

	Notional value on commitments and financial guarantees given				Total 31 Dec. 2024	Total 31 Dec. 2023
	Stage 1	Stage 2	Stage 3	POCI		
Commitments to disburse funds	23,170,972	287,698	136,043	-	23,594,713	24,368,887
a) Central Banks	-	-	-	-	-	-
b) Public administration bodies	421,848	10	-	-	421,858	362,017
c) Banks	2,185,944	-	-	-	2,185,944	2,295,487
d) Other financial companies	2,834,231	23,416	34	-	2,857,681	4,363,714
e) non-financial corporations	16,905,237	208,141	131,341	-	17,244,719	16,381,241
f) Households	823,712	56,131	4,668	-	884,511	966,428
Financial guarantees given	2,867,168	357,140	80,640	-	3,304,948	3,189,950
a) Central Banks	-	-	-	-	-	-
b) Public administration bodies	9,412	2,018	-	-	11,430	12,605
c) Banks	500,558	311	-	-	500,869	519,165
d) Other financial companies	51,039	4,170	3	-	55,212	58,797
e) non-financial corporations	2,230,370	330,683	79,827	-	2,640,880	2,492,837
f) Households	75,789	19,958	810	-	96,557	106,546

2. Other commitments and other guarantees given

	Nominal value	
	Amount as at 31 Dec. 2024	Amount as at 31 Dec. 2023
Other guarantees given	-	-
Of which: non-performing credit exposures	-	-
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) non-financial corporations	-	-
f) Households	-	-
Other commitments	39,264	40,532
Of which: non-performing credit exposures	-	-
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	39,264	40,532
e) non-financial corporations	-	-
f) Households	-	-

3. Assets pledged as collateral for own liabilities and commitments

Portfolios	Amount as at 31 Dec. 2024	Amount as at 31 Dec. 2023
1. Financial assets measured at fair value through profit or loss	-	-
2. Financial assets measured at fair value through other comprehensive income	69,510	33,800
3. Financial assets measured at amortized cost	16,548,970	16,789,584
4. Property, Plant and Equipment	-	-
- of which: property, plant and equipment inventories	-	-

5. Management and intermediation services

Type of services	Amount
1. Trading on behalf of customers	-
a) purchases	-
1. settled	-
2. not yet settled	-
b) sales	-
1. settled	-
2. not yet settled	-
2. Asset management	-
a) individual	-
b) collective	-
3. Custody and administration of securities	113,846,809
a) third-party securities on deposit held for depository bank services (excluding asset management)	-
1. Securities issued by the reporting Bank	-
2. other securities	-
b) other securities of third parties on deposit (excluding asset management): other	54,281,781
1. Securities issued by the reporting Bank	5,447,991
2. other securities	48,833,790
c) third-party securities deposited with third parties	50,543,316
c) proprietary securities deposited with third parties	9,021,712
4. Other transactions	-

6. Financial assets subject to offsetting or subject to master netting agreements or similar arrangements

Technical forms	Gross amount of financial assets (a)	Gross amount of financial liabilities offset (b)	Net amount of financial assets recognized (c=a-b)	Related amounts not subject to offsetting		Net amount (f=c-d-e) 31 Dec. 2024	Net amount as at 31 Dec. 2023
				Financial Instruments (d)	Cash deposits received as collateral (e)		
1. Derivatives	888,660	-	888,660	864,926	-	23,734	124,143
2. Repurchase agreements	-	-	-	-	-	-	-
3. Securities lending	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
Total 31 Dec. 2024	888,660	-	888,660	864,926	-	23,734	X
Total 31 Dec. 2023	1,062,047	-	1,062,047	937,904	-	X	124,143

7. Financial liabilities subject to offsetting or subject to master netting agreements or similar arrangements

Technical forms	Gross amount of financial liabilities (a)	Gross amount of financial assets offset (b)	Net amount of financial liabilities recognized (c=a-b)	Related amounts not subject to offsetting		Net amount (f=c-d-e) 31 Dec. 2024	Net amount 31 Dec. 2023
				Financial Instruments (d)	Cash deposits as collateral (e)		
1. Derivatives	1,809,632	-	1,809,632	864,926	829,570	115,136	378,227
2. Repurchase agreements	-	-	-	-	-	-	-
3. Securities lending	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
Total 31 Dec. 2024	1,809,632	-	1,809,632	864,926	829,570	115,136	X
Total 31 Dec. 2023	2,337,781	-	2,337,781	937,904	1,021,650	X	378,227

IFRS 7 requires specific disclosure on financial instruments that have been offset in the Balance Sheet pursuant to IAS 32 or that may be potentially offset, upon occurrence of specific conditions, but are recognised in the Balance Sheet without any netting as they are governed by “master netting agreements or similar arrangements” that do not comply with all the requirements laid down by IAS 32 paragraph 42.

As regards instruments that may potentially be offset, at the occurrence of certain events, and to be reported in tables 6 and 7, it is pointed out that, for transactions in OTC, the Crédit Agricole Italia Banking Group has signed bilateral netting agreements (ISDA) with all banking counterparties it has OTC derivatives if force with, whereby, if certain conditions are met, claims and obligations relating to OTC derivatives may be offset. Furthermore, the Group has signed Credit Support Annexes (CSA) attached to the ISDA agreements, providing for the exchange of collateral with the counterparties in order to reduce net exposure.

In order to prepare the tables and in accordance with IFRS 7 and with the new regulations on Banks’ financial statements, it is reported that:

- The effects of the potential offsetting of the balance sheet values of financial assets and liabilities are reported in column (d) “Financial instruments”.
- The related cash collaterals are presented in column (e) “Cash deposits received/pledged as collateral”.
- Transactions in derivatives are recognized at fair value.

These effects are calculated for each master netting agreement, to the extent of the exposure stated in column (c).

Based on the preparation methods described above, thanks to the netting agreements and the related collateral, the credit/debt exposure to the counterparties can be significantly reduced, as shown in column (f) “Net amount”.

PART C – INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

Section 1 – Interest – Items 10 and 20

1.1 INTEREST AND SIMILAR INCOME: BREAKDOWN

Items/Technical forms	Debt securities	Loans	Other transactions	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Financial assets measured at fair value through profit or loss:	527	-	-	527	279
1.1 Financial assets held for trading	6	-	-	6	6
1.2 Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	521	-	-	521	273
2. Financial assets measured at fair value through other comprehensive income	89,277	-	X	89,277	79,175
3. Financial assets measured at amortized cost:	107,082	2,978,741	-	3,085,823	2,766,161
3.1 Due from banks	5	417,622	X	417,627	315,454
3.2 Loans to customers	107,077	2,561,119	X	2,668,196	2,450,707
4. Hedging derivatives	X	X	212,547	212,547	238,305
5. Other assets	X	X	152,027	152,027	133,121
6. Financial liabilities	X	X	X	-	8
Total	196,886	2,978,741	364,574	3,540,201	3,217,049
of which: interest income on impaired financial assets	-	47,072	-	47,072	45,708
of which: interest income on finance leases	X	147,446	X	147,446	126,299

1.2 INTEREST AND SIMILAR INCOME: OTHER INFORMATION

1.2.1 Interest income on foreign-currency financial assets

As at 31 December 2024, interest income on foreign-currency financial assets came to Euro 24,482 thousand.

1.3 INTEREST AND SIMILAR EXPENSES: BREAKDOWN

Items/Technical forms	Due and payables	Securities	Other transactions	31 Dec. 2024	Total 31 Dec. 2023
1. Financial liabilities measured at amortized cost	(709,936)	(412,290)	-	(1,122,226)	(913,023)
1.1 Due to central banks	(30,751)	X	X	(30,751)	(176,713)
1.2 Due to banks	(99,755)	X	X	(99,755)	(83,062)
1.3 Due to customers	(579,430)	X	X	(579,430)	(394,578)
1.4 Debt securities issued	X	(412,290)	X	(412,290)	(258,670)
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and provisions	X	X	(263)	(263)	(218)
5. Hedging derivatives	X	X	(640,143)	(640,143)	(558,231)
6. Financial assets	X	X	X	(6)	(15)
Total	(709,936)	(412,290)	(640,406)	(1,762,638)	(1,471,487)
Of which: interest expenses on lease liabilities	(10,257)	X	X	(10,257)	(9,853)

1.4 INTEREST AND SIMILAR EXPENSES: OTHER INFORMATION

1.4.1 Interest expense on foreign-currency liabilities

As at 31 December 2024, interest expense on foreign-currency financial liabilities came to Euro 10,365 thousand.

1.5 DIFFERENTIALS ON HEDGING TRANSACTIONS

Items	31 Dec. 2024	31 Dec. 2023
A. Positive differentials on hedging transactions	767,030	773,669
B. Negative differentials on hedging transactions	(1,194,626)	(1,093,595)
C. Balance (A-B)	(427,596)	(319,926)

Section 2 – Fees and Commissions – Items 40 and 50

2.1 FEE AND COMMISSION INCOME: BREAKDOWN

Type of services/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
a) Financial instruments	277,130	249,886
1. Placement of securities	257,393	232,452
1.1 With firm commitment underwriting and/or based on an irrevocable commitment	-	-
1.2 Without irrevocable commitment	257,393	232,452
2. Receipt and transmission of orders and trading on customers' behalf	18,592	16,526
2.1 Receipt and transmission of orders for one or more financial instruments	18,592	16,526
2.2 Trading on behalf of customers	-	-
3. Other fees and commissions on activities in financial Instruments	1,145	908
Of which: proprietary trading	906	750
Of which: individual portfolio management	252	158
b) Corporate Finance	-	-
1. M&A advice	-	-
2. Treasury services	-	-
3. Other fees and commissions on corporate finance services	-	-
c) Investing advice	6,311	1,167
d) Clearing and settlement	-	-
e) Collective portfolio management	-	-
f) Custody and administration	6,359	6,127
1. Depositary bank services	-	-
2. Other fees and commissions on custody and administration	6,359	6,127
g) Central administrative services for collective portfolio management	-	-
h) Fiduciary activities	-	-
i) Payment services	422,905	435,340
1. Current accounts	253,863	278,559
2. Credit cards	44,364	38,942
3. Debit cards and other payment cards	51,663	49,513
4. Credit transfers and other payment orders	25,609	24,023
5. Other fees and commissions on payment services	47,406	44,303
j) Distribution of third-party services	434,617	413,074
1. Collective portfolio management	-	-
2. Insurance products	373,868	339,990
3. Other products	60,749	73,084
Of which: individual portfolio management	12,854	11,483
k) Structured finance	43,440	45,946
l) Securitization servicing	-	-
m) Commitments to disburse funds	-	-
n) Financial guarantees given	26,806	24,930
Of which: credit derivatives	-	-
o) Financing transactions	14,129	12,856
Of which: for factoring	-	-
p) Foreign exchange trading	7,458	7,053
q) Commodities	-	-
r) Other fee and commission income	71,782	73,457
Of which: for management of multilateral trading facilities	-	-
Of which: management of organized trading facilities	-	-
Total	1,310,937	1,269,836

Item “r) Other fee and commission income” mainly reports fee and commission income from Collection services for Euro 30,764 thousand and fee and commission income on e-money services for Euro 22,900 thousand.

2.2 FEE AND COMMISSION EXPENSE: BREAKDOWN

Services/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
a) Financial instruments	(2,786)	(2,967)
Of which: trading in financial instruments	(2,786)	(2,967)
Of which: placement of financial instruments	-	-
Of which: individual portfolio management	-	-
- ON own account	-	-
- Delegated by third parties	-	-
b) Clearing and settlement	-	-
c) Collective portfolio management	-	-
1. On own account	-	-
2. Delegated by third parties	-	-
d) Custody and administration	(2,844)	(2,411)
e) Collection and payment services	(9,255)	(11,270)
Of which: credit cards, debit cards and other payment cards	(5,246)	(7,343)
f) Securitization servicing	-	-
g) Commitments to receive funds	-	-
h) Financial guarantees received	(11,637)	(12,040)
Of which: credit derivatives	-	-
i) Off-premises distribution of financial instruments, products and services	-	-
j) Foreign exchange trading	-	-
k) Other fee and commission expenses	(22,977)	(21,745)
Total	(49,499)	(50,433)

Item “k) Other fee and commission expenses” mainly reports fee and commission expenses on e-money services for Euro 10,763 thousand,

Section 3 – Dividend and similar income – Item 70

3.1 DIVIDEND AND SIMILAR INCOME: BREAKDOWN

Items/Income	Total 31 Dec. 2024		Total 31 Dec. 2023	
	Dividend income	Similar income	Dividend income	Similar income
A. Financial assets held for trading	13	-	5	-
B. Other financial assets mandatorily measured at fair value	-	3,531	1,108	887
C. Financial assets measured at fair value through other comprehensive income	9,649	-	10,667	-
D. Equity investments	-	-	-	-
Total	9,662	3,531	11,780	887

The main dividend for the reporting year referred to the shareholding in the Bank of Italy, which was classified in the “C Financial assets measured at fair value through other comprehensive income” portfolio (Euro 9,563 thousand).

Similar income relating to “B. Other financial assets mandatorily measured at fair value” mainly consists of income from OICR Collective Investment Undertakings units..

Section 4 – Net gains (losses) on trading activities – Item 80

4.1 NET GAINS (LOSSES) ON TRADING ACTIVITIES: BREAKDOWN

Transactions/Income components	Capital gains (A)	Trading gains (B)	Capital losses (C)	Trading losses (D)	Net gains (losses) [(A+B) - (C+D)]
1. Financial assets held for trading	-	1,245	(2)	(3)	1,240
1.1 Debt securities	-	1,245	(2)	(3)	1,240
1.2 Equity securities	-	-	-	-	-
1.3 Units of O.I.C.R. collective investment undertakings	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Due and payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Other financial assets and liabilities: exchange rate differences	X	X	X	X	10,793
4. Derivatives	126,219	314,947	(127,157)	(309,456)	4,989
4.1 Financial derivatives:	126,219	314,947	(127,157)	(309,456)	4,989
- On debt securities and interest rates	126,219	314,946	(127,157)	(309,455)	4,553
- On equity securities and equity indices	-	-	-	-	-
- On foreign exchange and gold	X	X	X	X	436
- Other	-	1	-	(1)	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges associated with the fair value option	X	X	X	X	-
Total	126,219	316,192	(127,159)	(309,459)	17,022

Section 5 – Net gains (losses) on hedging activities – Item 90

5.1 NET GAINS (LOSSES) ON HEDGING ACTIVITIES: BREAKDOWN

Income components/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
A. Income from:		
A.1 Fair value hedging derivatives	688,162	1,408,025
A.2 Hedged financial assets (fair value)	280,486	540,590
A.3 Hedged financial liabilities (fair value)	1,984	874
A.4 Cash flow hedging financial derivatives	-	-
A.5. Assets and liabilities in foreign currencies	-	-
Total income from hedging activities (A)	970,632	1,949,489
B. Expenses for:		
B.1 Fair value hedging derivatives	(421,042)	(768,140)
B.2 Hedged financial assets (fair value)	(3,064)	(8,633)
B.3 Hedged financial liabilities (fair value)	(558,594)	(1,181,613)
B.4 Cash flow hedging financial derivatives	-	-
B.5. Assets and liabilities in foreign currencies	-	-
Total expenses on hedging activities (B)	(982,700)	(1,958,386)
C. Net gains (losses) on hedging activities (A - B)	(12,068)	(8,897)
of which: fair value adjustments in hedge accounting on net positions	-	-

Section 6 – Gains (losses) on disposal/repurchase – Item 100

6.1 GAINS (LOSSES) ON DISPOSAL/REPURCHASE: BREAKDOWN

Items/Income components	Total 31 Dec. 2024			Total 31 Dec. 2023		
	Gains	Losses	Net gains (losses)	Gains	Losses	Net gain (loss)
A. Financial Assets						
1. Financial assets measured at amortized cost	66,258	(34,950)	31,308	142,398	(69,222)	73,176
1.1 Due from banks	-	-	-	-	-	-
1.2 Loans to customers	66,258	(34,950)	31,308	142,398	(69,222)	73,176
2. Financial assets measured at fair value through other comprehensive income	41,898	(20,536)	21,362	47,124	(21,117)	26,007
2.1 Debt securities	41,898	(20,536)	21,362	47,124	(21,117)	26,007
2.2 Loans	-	-	-	-	-	-
Total assets (A)	108,156	(55,486)	52,670	189,522	(90,339)	99,183
B. Financial liabilities measured at amortized cost						
1. Due to banks	-	-	-	-	-	-
2. Due to Customers	-	-	-	-	-	-
3. Debt securities issued	58	(786)	(728)	50	(1,720)	(1,670)
Total liabilities (B)	58	(786)	(728)	50	(1,720)	(1,670)

Section 7 – Net gains (losses) on financial assets and liabilities measured at fair value through profit or loss – Item 110

7.1 NET CHANGE IN VALUE OF OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS: BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE

There were no financial assets and liabilities designated at fair value

7.2 NET CHANGE IN VALUE OF OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS: BREAKDOWN OF OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE

Transactions/Income components	Capital gains (A)	Gains on realization (B)	Capital losses (C)	Losses on realization (D)	Net gains (losses) [(A+B) - (C+D)]
1. Financial assets	6,685	6,511	(15,078)	101	(1,781)
1.1 Debt securities	6,685	3,850	(12,831)	101	(2,195)
1.2 Equity securities	-	2,661	(187)	-	2,474
1.3 Units of collective investment undertakings	-	-	(2,060)	-	(2,060)
1.4 Loans	-	-	-	-	-
2. Financial assets in foreign currencies: foreign exchange differences	X	X	X	X	-
Total	6,685	6,511	(15,078)	101	(1,781)

Section 8 – Net losses/recoveries for credit risk – Item 130

8.1 NET ADJUSTMENTS FOR CREDIT RISK ON FINANCIAL ASSETS MEASURED AT AMORTIZED COST: BREAKDOWN

Transactions/ Income components	Losses (1)						Recoveries (2)				Total 31 Dec. 2024	Total 31 Dec. 2023
	Stage 1	Stage 2	Stage 3		POCI assets		Stage 1	Stage 2	Stage 3	POCI assets		
			Write-off	Other	Write-off	Other						
A. Due from banks	(168)	-	-	(368)	-	-	15	-	-	-	(521)	156
- Loans	(168)	-	-	(368)	-	-	15	-	-	-	(521)	156
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
B. Loans to and receivables from Customers	(33,019)	(183,491)	(33,098)	(303,549)	-	-	42,642	163,848	111,673	-	(234,994)	(286,323)
- Loans	(29,159)	(183,491)	(33,098)	(303,474)	-	-	40,993	163,848	111,673	-	(232,708)	(287,371)
- Debt securities	(3,860)	-	-	(75)	-	-	1,649	-	-	-	(2,286)	1,048
Total	(33,187)	(183,491)	(33,098)	(303,917)	-	-	42,657	163,848	111,673	-	(235,515)	(286,167)

8.2 NET ADJUSTMENTS FOR CREDIT RISK ON FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: BREAKDOWN

Transactions/ Income components	Losses (1)						Recoveries (2)				Total 31 Dec. 2024	Total 31 Dec. 2023
	Stage 1	Stage 2	Stage 3		POCI assets		Stage 1	Stage 2	Stage 3	POCI assets		
			Write-off	Other	Write-off	Other						
A. Debt securities	(3,225)	-	-	-	-	-	285	-	-	-	(2,940)	(1,601)
B. Loans	-	-	-	-	-	-	-	-	-	-	-	-
- to customers	-	-	-	-	-	-	-	-	-	-	-	-
- to banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	(3,225)	-	-	-	-	-	285	-	-	-	(2,940)	(1,601)

Section 9 – Gains/losses on contract modifications without derecognition – Item 140

9.1 GAINS (LOSSES) ON CONTRACT MODIFICATIONS: BREAKDOWN

Losses on contract modifications came to Euro 1,238 thousand.

This item reports the impacts resulting from contract modifications on medium/long-term loans to customers, which, as they do not classify as substantial in accordance with IFRS 9, do not entail derecognition of the assets, but recognition in the Income Statement of the modifications made to contractual cash flows.

Section 12 – Administrative expenses – Item 190

12.1 PERSONNEL EXPENSES: BREAKDOWN

Type of expense/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
1) Employees	(1,028,686)	(1,016,542)
a) wages and salaries	(739,224)	(703,232)
b) social security contributions	(195,917)	(184,679)
c) severance benefits	(908)	(785)
d) pensions	(59)	-
e) allocation to employee severance benefit provision	(2,713)	(3,561)
f) allocation to provision for post-employment and similar obligations:	(904)	(1,116)
- defined-contribution	-	-
- defined-benefit	(904)	(1,116)
g) payment to external supplementary pension schemes:	(69,032)	(64,981)
- defined-contribution	(69,032)	(64,981)
- defined-benefit	-	-
h) costs from share-based payment agreements	-	-
i) other employee benefits	(19,929)	(58,188)
2) Other staff	(926)	(663)
3) Directors and Auditors	(1,697)	(1,706)
4) Retired personnel	-	-
5) Expense recovery for employees seconded to other companies	(2,797)	(2,561)
6) Expense refund for third parties' employees seconded to the company	(800)	(823)
Total	(1,029,312)	(1,017,173)

12.2 AVERAGE NUMBER OF EMPLOYEES BY CATEGORY

	31 Dec. 2024
Employees:	11,599
a) Senior Managers	138
b) Junior Managers	5,307
c) other Employees	6,154
Other staff	68

The figures reporting the number of employees take account of incoming and outgoing secondments; the "Other staff" figure refers exclusively to non-employees.

12.3 COMPANY DEFINED-BENEFIT PENSION PLANS: COSTS AND REVENUES

Type of expenses/Values	31 Dec. 2024	31 Dec. 2023
Provision for the year	-	-
Changes due to passing of time	(904)	(1,116)

12.4 OTHER EMPLOYEE BENEFITS

These mainly consisted of the costs incurred for incentives to voluntary redundancy, for non-occupational policies, refresher and training, and for employee benefits, as well as contributions to the employees' recreational club.

12.5 OTHER ADMINISTRATIVE EXPENSES: BREAKDOWN

Type of expense/Values	31 Dec. 2024	31 Dec. 2023
Direct and indirect taxes	(177,254)	(161,546)
IT services, data processing	(140,643)	(141,097)
Facility rental and management	(9,576)	(10,392)
Expenses for advisory services	(17,657)	(22,866)
Mail, telegraph and delivery services	(2,727)	(6,550)
Telephone and data transmission	(6,088)	(6,468)
Legal expenses	(5,730)	(4,279)
Property maintenance	(14,305)	(15,535)
Furnishing and plant maintenance	(5,673)	(7,248)
Marketing, promotion and entertainment expenses	(22,193)	(19,258)
Transport services	(10,954)	(14,555)
Lighting, heating and air conditioning	(17,277)	(23,272)
Printed material, stationery and consumables	(5,029)	(5,665)
Staff training expenses and reimbursements	(6,184)	(8,717)
Security services	(3,250)	(4,876)
Information and title searches	(5,503)	(5,739)
Insurance premiums	(248,555)	(244,110)
Cleaning services	(7,764)	(8,952)
Leasing of other property, plant and equipment	(3,413)	(4,625)
Management of archives and document handling	(11,361)	(10,962)
Reimbursement of costs to Group companies	(31,627)	(30,988)
Contributions to support the banking system	(58,000)	(101,038)
Sundry expenses	(35,568)	(26,658)
Total	(846,331)	(885,397)

Section 13 – Net provisions for risks and charges – Item 200

13.1 NET PROVISIONS FOR CREDIT RISK ON COMMITMENTS TO DISBURSE FUNDS AND FINANCIAL GUARANTEES GIVEN: BREAKDOWN

The “Net provisions for credit risk on commitments and guarantees” item came to Euro 12,695 thousand.

13.2 NET PROVISIONS FOR OTHER COMMITMENTS AND OTHER GUARANTEES GIVEN: BREAKDOWN

As at 31 December 2018, there were no provisions for other commitments and guarantees given.

13.3 NET PROVISIONS FOR OTHER RISKS AND CHARGES: BREAKDOWN

The “Net provisions for risks and charges” item for 2024 reports a negative mismatch of Euro 2,202 thousand and consists of Euro 95 thousand in provisions for revocatory actions, Euro 9,488 thousand in provisions for non-lending-related legal disputes and Euro 7,381 thousand in uses of other provisions.

*Section 14 – Net adjustments/writebacks of property, plant and equipment – Item 210***14.1 NET ADJUSTMENTS TO PROPERTY, PLANT AND EQUIPMENT: BREAKDOWN**

Assets/Income component	Amortization (a)	Impairment (b)	Recoveries (c)	Net gains (losses) (a + b - c)
A. Property, plant and equipment:				
1. Operating assets	(92,366)	(1,865)	-	(94,231)
- owned	(43,763)	(1,808)	-	(45,571)
- Rights of use acquired through leases	(48,603)	(57)	-	(48,660)
2. Investment property	(6,795)	(20,076)	-	(26,871)
- owned	(5,300)	(20,076)	-	(25,376)
- Rights of use acquired through leases	(1,495)	-	-	(1,495)
3. Inventories	X	-	-	-
B. Assets held for sale	-	-	-	-
Total	(99,161)	(21,941)	-	(121,102)

*Section 15 – Net adjustments to/recoveries on intangible assets – Item 220***15.1 NET ADJUSTMENTS TO INTANGIBLE ASSETS: BREAKDOWN**

Assets/Income component	Amortization (a)	Impairment (b)	Recoveries (c)	Net gains (losses) (a + b - c)
A. Intangible assets				
of which. software	(69,693)	-	-	(69,693)
A.1 Owned	(98,316)	-	-	(98,316)
- Internally generated	(2,034)	-	-	(2,034)
- Other	(96,282)	-	-	(96,282)
A.2 Rights of use acquired through leases	-	-	-	-
Total	(98,316)	-	-	(98,316)

Section 16 – Other operating expenses and income – Item 230

16.1 OTHER OPERATING EXPENSES: BREAKDOWN

Type of expense/Values	31 Dec. 2024	31 Dec. 2023
Expenses for finance lease transactions	(7,788)	(7,417)
Amortization of expenditure for leasehold improvements	(5,495)	(5,620)
Other expenses	(19,772)	(19,048)
Total	(33,055)	(32,085)

16.2 OTHER OPERATING INCOME: BREAKDOWN

Type of expense/Values	31 Dec. 2024	31 Dec. 2023
Rental income and recovered expenses on real estate	4,803	4,930
Income from finance lease contracts	2,940	2,886
Taxes and levies recovered	155,180	138,642
Insurance costs recovered	249,881	244,333
Other expenses recovered	13,240	10,383
Service recovery	2,979	2,580
Other income	27,086	13,593
Total	456,109	417,347

*Section 17 – Gains (losses) on equity investments – Item 250***17.1 GAINS (LOSSES) ON EQUITY INVESTMENTS: BREAKDOWN**

Income component/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
1) Joint arrangements		
A. Income	-	23
1. Revaluations	-	23
2. Gains on disposal	-	-
3. Recoveries	-	-
4. Other income	-	-
B. Expenses	-	-
1. Writedowns	-	-
2. Writedowns for impairment	-	-
3. Losses on disposal	-	-
4. Other expenses	-	-
2) Investees subject to significant influence		
A. Income	3,955	4,527
1. Revaluations	3,616	1,540
2. Gains on disposal	339	2,934
3. Recoveries	-	-
4. Other income	-	53
B. Expenses	(1,082)	(403)
1. Writedowns	(1,082)	-
2. Writedowns for impairment	-	(403)
3. Losses on disposal	-	-
4. Other expenses	-	-
Net gains (losses)	2,873	4,147

Section 18 – Net gains (losses) from property, plant and equipment and intangible assets measured at fair value – Item 260

18.1 NET GAINS (LOSSES) FROM PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS MEASURED AT FAIR VALUE (OR REVALUED AMOUNT) OR AT THEIR EXPECTED REALIZABLE VALUE: BREAKDOWN

Assets/Income component	Revaluations (a)	Impairment (b)	Foreign exchange differences		Net gain (loss) (a-b+c-d)
			Positive (c)	Negative (d)	
A. Property, plant and equipment:	-	(345)	-	-	(345)
A.1 Operating assets:	-	-	-	-	-
- owned	-	-	-	-	-
- Rights of use acquired through leases	-	-	-	-	-
A.2 Investment property	-	-	-	-	-
- owned	-	-	-	-	-
- Rights of use acquired through leases	-	-	-	-	-
A.3 Inventories	-	(345)	-	-	(345)
B. Intangible assets	-	-	-	-	-
B.1 Owned:	-	-	-	-	-
- Internally generated	-	-	-	-	-
- Other	-	-	-	-	-
B.2 Rights of use acquired through leases	-	-	-	-	-
Total	-	(345)	-	-	(345)

Section 20 – Gains (losses) on disposal of investments – Item 280

20.1 GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS: BREAKDOWN

Income component/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
A. Real estate	2,051	3,072
- Gains on disposal	2,483	3,754
- Losses on disposal	(432)	(682)
B. Other assets	23	(16)
- Gains on disposal	28	102
- Losses on disposal	(5)	(118)
Net gain (loss)	2,074	3,056

Section 21 – Taxes on income from continuing operations: Item 300

21.1 TAXES ON INCOME FROM CONTINUING OPERATIONS: BREAKDOWN

Income components/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Current taxes (-)	(65,318)	(45,291)
2. Changes in current taxes for previous years (+/-)	280	340
3. Reduction in current taxes for the year (+)	355	3,750
3.bis Reduction in current taxes for the year for tax receivables pursuant to Law No. 214/2011 (+)	-	-
4. Change in deferred tax assets (+/-)	(318,246)	(280,082)
5. Change in deferred tax liabilities (+/-)	7,892	19,124
6. Taxes for the year (-) (-1+/-2+3+3bis+/-4+/-5)	(375,037)	(302,159)

21.2 RECONCILIATION OF THEORETICAL TAX LIABILITY AND ACTUAL TAX LIABILITY RECOGNIZED

	31 Dec. 2024
Theoretical taxable income	1,185,314
Income taxes - Theoretical tax liability at the ordinary rate	(325,961)
- effect of expenses that are fully or partially non-deductible and income that is fully or partially non-taxable at 27.5%	21,235
- badwill effect	
- consolidation effect	962
Income tax – actual tax liability	(303,764)
- lower taxes for patent box relief	(67)
- effect of realignment under Art.110 of Italian Decree Law 104/2020	-
- effect of the commission for tax loss/ACE DTA conversion L.178/2021	-
- Effect of deduction and tax credits	305
- Recognition of DTA for tax losses carried forward	-
IRAP - Theoretical tax liability	(65,192)
- effect of income/expenses that do not contribute to the taxable base	(109,184)
- effect of other changes	102,669
- badwill effect	
- consolidation effect	196
- effect of change in the average tax rate	-
IRAP - Actual tax liability	(71,511)
Actual tax liability recognized	(375,037)
of which: actual tax liability on continuing operations	(375,037)
Of which: actual tax liabilities on discontinued operations	-

Section 23 – Profit (loss) for the period attributable to minority interests – Item 340

23.1 BREAKDOWN OF ITEM 340 “PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MINORITY INTERESTS”

Company name	31 Dec. 2024	31 Dec. 2023
Equity investments in consolidated companies with significant minority interests		
1. Crédit Agricole Leasing Italia S.r.l.	2,024	1,804
2. Other equity investments	-31	-62
Total	1,993	1,742

Profit attributable to minority interests came to Euro 1,993 thousand, mainly regarding Crédit Agricole Leasing Italia S.r.l..

Section 25 – Earnings per share

25.1 AVERAGE NUMBER OF ORDINARY SHARES OF DILUTED CAPITAL

This piece of information shall be given by Banks listed on regulated markets.

PART D - COMPREHENSIVE INCOME

BREAKDOWN STATEMENT OF COMPREHENSIVE INCOME

Items	31 Dec. 2024	31 Dec. 2023
10. Profit (Loss) for the period	810,277	709,927
Other income components not reclassified to profit or loss	498	(15,486)
20. Equity securities designated at fair value through other comprehensive income	345	(9,733)
a) Fair value change	(81)	(10,039)
b) Transfers to other equity components (equity securities derecognized)	426	306
30. Financial liabilities designated at fair value through profit or loss (changes in own credit rating):	-	-
a) Fair value change	-	-
b) Transfers to other equity components (equity securities derecognized)	-	-
40. Hedging of equity securities designated at fair value through other comprehensive income	-	-
a) Fair value change (hedged item)	-	-
b) Fair value change (hedging instrument)	-	-
50. Property, Plant and Equipment	-	-
60. Intangible assets	-	-
70. Defined-benefit plans	262	(7,833)
80. Non-current assets held for sale	-	-
90. Share of valuation reserves on equity investments measured using the equity method	(6)	(19)
100. Income taxes for other income components not reclassified to profit or loss	(103)	2,099
Other income components reclassified to profit or loss	(5,714)	10,887
110. Hedging of investments in foreign operations:	-	-
a) changes in fair value	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
120. Foreign exchange differences:	-	-
a) changes in fair value	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
130. Cash flow hedges:	-	-
a) changes in fair value	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
of which: fair value adjustments on net positions	-	-
140. Hedging instruments: (elements not designated) (IAS 1 para. 7 letters g) and h))	-	-
A) value changes	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
150. Financial assets (other than equity securities) measured at fair value through other comprehensive income	(7,919)	17,364
a) fair value changes	3,008	12,199
b) reclassification to profit or loss	(10,927)	5,165
- adjustments for credit risk	2,940	1,601
- gains/losses on disposal	(13,867)	3,564
c) other changes	-	-
160. Non-current assets held for sale	-	-
a) changes in fair value	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
170. Share of valuation reserve on equity investments measured using the equity method:	-	-
a) changes in fair value	-	-
b) reclassification to profit or loss	-	-
- impairment losses	-	-
- profit/losses on disposal	-	-
c) other changes	-	-
180. Income taxes for other income components reclassified to profit or loss	2,205	(6,477)
190. Total other income components	(5,216)	(4,599)
200. Comprehensive income (10+190)	805,061	705,328
210. Consolidated comprehensive income attributable to Minority Interests	(1,993)	(1,741)
220. Consolidated comprehensive income pertaining to the Parent Company	803,068	703,587

PART E - INFORMATION ON RISKS AND RELATIVE HEDGING POLICIES

The Crédit Agricole Italia Banking Group attaches great importance to the measurement, management and control of risks, as an essential factor to achieve sustainable growth.

Crédit Agricole Italia is the operating Parent Company in Italy and is engaged in overall risk guidance and control, acting both as coordinator and as a commercial bank with its own distribution network.

In turn, the system set by Crédit Agricole Italia is based on the Supervisory regulations and on the directions issued by Credit Agricole S.A. concerning its subsidiaries.

Its approach to risks takes account of the features of its main reference market and of the guidelines issued by the Parent Company Crédit Agricole S.A. on the Group's vocation as customer-focused proximity bank, which results in services designed to build and consolidate priority relations with local Customers, by fully understanding their specificities and enhancing their potential for development and growth, as well as by offering lines of dedicated products and services, specialist Branches throughout the geographical areas of operations, by making product specialists available to Customers and by providing training programs that involve also Trade Associations.

The companies of the Group have their own risk management and control structures in compliance with the Group's guidelines, operate in their respective perimeters and benefit from the functions directly performed by Crédit Agricole Italia, when centralized.

RISK APPETITE AND CULTURE DISSEMINATION

The Crédit Agricole Italia Banking Group has designed its Risk Appetite Framework consistently with the guidelines and with the strategic plan of Crédit Agricole S.A.

This framework entails a set of global limits, alert thresholds and indicators that are set out in operational terms by the Group Risk Strategy, on a yearly basis. Then, these limits are submitted to the Boards of Directors of the Parent Company and of the single Entities of the Group for their approval.

The Risk Strategy has the objective to provide for and steer credit risk, operational risk, market and financial risks.

In order to constantly ensure effective risk measurement and effective integration of risk management in the Group's governance and operations, as well as dissemination and sharing of risk culture, the Group's organization includes, on a permanent and fully structured basis, specific Committees and Interdepartmental Working Groups, the members of which are the reference roles of all relevant corporate functions.

To be noted are the Risks and Internal Control Committee and the ALM Committee, which, within their different Risk scopes (Credit Risk, Operational Risk, Financial Risk and Compliance Risk) are responsible for designing and formalizing risk management policies, for structuring and assigning tasks and responsibilities to corporate bodies and functions, for monitoring risk trends and steering the relevant action plans, consistently with the Group's risk appetite and with the guidelines issued by the Parent Company Crédit Agricole and adopted by the Board of Directors.

Going downstream in the organization, important drivers for the dissemination of risk culture are provided by:

- The Operational Risk Manager (ORM), a key role for activity and support, within the reference perimeter, on the identification of operational risks and processing of the relevant practices.
- Preparation of 2.1 controls, which directly involves the relevant structures in defining the scopes to be monitored.
- Scenario analysis and RSA (Risk Self-Assessment, with subsequent implementation of risk mapping), which directly involve the relevant structures in identifying risk and their possible consequences.
- Management support on the outsourcing of important operational functions.
- Specific training.

Risk Appetite Framework

The Crédit Agricole Italia Banking Group has established its Risk Appetite Framework - “RAF” at the Board of Directors meetings held on 19 December 2023 and on 19 March 2024. This risk appetite statement is an integral part and plays a pivotal role in the definition of the Governance framework, since, consistently with the maximum risk that may be taken, it includes the business model and the strategic plan, the risk appetite, tolerance thresholds, risk limits, risk governance policies and the reference processes required to define and implement them.

Furthermore, the set of documents regarding the Group’s Risk Appetite Framework was updated; specifically, in terms of Governance, the following items were revised:

- The RAF Policy, which defines the RAF scope of application, the process to monitor and determine the thresholds, in order to ensure consistency between the Group’s operations, complexity and sizes.
- The Policy on Material Transactions (“Operazioni di Maggior Rilievo”, or with the Italian acronym OMR), which sets forth the methodological approach and the operational aspects of the MRT management process, including the related identification criteria in order to ensure full compliance with the applicable legislation.
- The Stress Test Policy in accordance with Crédit Agricole S.A. guidelines. The document sets forth the annual Stress Test programme of the Group, the Governance and the responsibilities of the various players involved, as well as any improvement areas/points scheduled in the year.
- The Risk Appetite Statement (“RAS”), which sets forth the Risk Management and Governance process and the roles played by the Group’s bodies engaged in management and control functions and the Map of the material risks the Group is exposed to. This document also reports the quantitative ratios/indicators expressing the main risks the Group is exposed to, along with exhaustive description of the logic behind the determination of RAF thresholds and limits. For qualitative risks, the document sets forth the control processes and mitigation tools implemented by the Group.

In 2024, the Crédit Agricole Italia Banking Group carried out the usual process for the identification of material risks, in accordance with the layout received from Crédit Agricole SA, and consistently with information given in the ICAAP document and in the Internal Control Annual Report (ICAR or with the Italian acronym RACI); 17 material risks were identified, falling into the credit risk, financial risks, strategic risk, operational risks, noncompliance and real estate risks macro-categories. Furthermore, the Crédit Agricole Italia Banking Group and Agricole SA have always paid close attention to climate and environmental issues and, in 2024 environmental risk, in its sub-categories of physical risk and energy transition, was included in the Group’s Risk Map, as done in in the previous years.

Furthermore, in 2024 some indicators regarding climate-related and environmental risk were integrated in the RAF.

The Group’s Risk Appetite expresses the risk level that the Group is willing to take for each type of risk. The Group’s risk appetite has been determined based especially on its financial policy and on its risk management policy and is expressed through:

- A selective and responsible funding policy within a conservative lending policy that is set out in the Risk Strategy, consistently with the corporate social responsibility policy and with the system of decision-making powers in force.
- Orientation towards a low risk profile on all main financial risks, with specific focus on limiting the exposure to market risk.
- Strict oversight on exposure to operational risk.
- Orientation towards a low Information Technology (IT) risk profile.
- A system of controls aimed at managing non-compliance risk (identified and monitored).
- Careful measurement of risk-weighted assets.
- Integrated management of the Group’s assets and liabilities.
- Careful mapping of all material or emerging risks that may generate impacts on the Group.

The Risk Appetite Framework structure consists in activities for the monitoring and control of risks, in order to ensure that they are managed, driving continuous development and improvement of the methods and models for their measurement.

To this end, the Crédit Agricole Italia Banking Group uses methods, measurement standards and risk control tools that are consistent throughout the Group and adequate to the type and extent of the risks taken, involving and informing the corporate bodies of the subsidiaries about the choices made as regards risk management procedures and policies.

Within the RAF, limits and alert thresholds are set on Solvency, Liquidity, Asset Quality, Profitability, Credit/Concentration, interest Rate, operational and Compliance main ratios/indicators, which are fit to verify the affordability of the Group's Budget and MTP on a continuous basis, as well as to identify the first alerts in case such ratios/indicators worsen, in order for all corrective actions to be triggered and to return to normal operation.

Moreover, the Group's risk appetite is also expressed by the management of qualitative risks, concerning the Group's strategy and operations, especially based on the Company's will to pursue sustainable development and effective management of risks. The Group has implemented a set of operational limits that are laid down in its Risk Strategy and have become an integral part of the RAF. These indicators allow better classification and monitoring of the risks taken, ensuring pervasiveness of the RAF model.

Lastly, in 2024, within the RAF ordinary operation, opinions were given on the consistency of any Material Transactions (*Operazioni di Maggior Rilievo* - or with the Italian acronym OMR) with the RAF and with the risk management policy at the Group level.

In general terms, the Risk Appetite Framework of the Crédit Agricole Italia Banking Group is structured as follows:

- Risk Appetite (risk target): level of risk (overall and by type) that the Group is willing to take in order to pursue its strategic objectives.
- Risk Tolerance (tolerance threshold): maximum allowed deviation from the Risk Appetite; the tolerance threshold has been set in order to ensure that, in all cases, the Group has sufficient margins to operate, also in stress scenarios, within its risk capacity.
- Risk Capacity (maximum risk that can be taken): the maximum level or risk that the Group is technically able to take without violating any regulatory requirements or other restrictions laid down by its Shareholders or by the Supervisory Authority.
- Risk Profile: the risk actually taken, as measured at a given point in time.
- Risk Limits: the structuring of risk objectives into alert thresholds and operational limits, set in accordance with the proportionality principle, by types of risk, business units and/or lines, product lines, types of Customers.

The Group's risk profile is monitored and submitted, with specific periodic reports, to the Risk and Internal Control Committee (RICC or with the Italian acronym CRCI) and to the Boards of Directors of the Parent Company Crédit Agricole Italia and of the other Entities of the Group, as well as to the Controlling Company Crédit Agricole S.A..

In case the Tolerance and Capacity levels of the RAF ratios/indicators are exceeded, an escalation process is provided for, which has been designed to involve the corporate roles responsible for defining the corrective actions needed to return to the normal risk levels. That process updated at least on a yearly basis.

Climate-related and environmental risks

The Crédit Agricole Italia Banking Group is implementing the forward-looking action plans that it defined at the beginning of 2021, pursuing the goal of progressively including climate-related and environmental factors in its business model and strategy, in its governance and organization, in its risk management system and in its disclosure to the market, in accordance with the ECB "Guide on climate-related and environmental risks - Supervisory expectations relating to risk management and disclosure" and in accordance with the instructions given by the Parent Company.

The Crédit Agricole Italia Banking Group has adopted a sustainability governance framework on four levels: a specific Board Committee, a Managerial Committee, the Sustainability function as the unit in charge of coordinating the various project activities and a network of owners belonging to operational structures and - in an independent position - to control structures. The structures engaged in control functions have extended their scope of activity also to ESG matters applying the model based on three lines of defence.

The actions deployed in 2024 concerned the training of the Board and of personnel, the remuneration policies, the lending policies and processes, the development and marketing of products and services, the provision of investment advisory services, the monitoring of exposures and management reporting, data collection and management, the development of IT applications, disclosure to the public and reporting to the Supervisory Authorities. Furthermore, climate-related and environmental risk indicators have been included in the Risk Appetite Framework (RAF).

Furthermore, the Crédit Agricole Italia Banking Group shares, with its French Parent Company, the Net-Zero Banking Alliance commitments in order to align the emissions of the various portfolios with the achievement of climate neutrality by 2050, and, to this end, pursues the objective of providing support to its Customers in their transition process.

As already done by the ECB and by other national Supervisory Authorities, in April 2022 the Bank of Italy published its “Supervisory expectations for climate-related and environmental risks”, which are a first set of supervisory expectations regarding the integration of climate-related and environmental risks into business strategies, governance and control frameworks, the risk management framework and in the disclosure to be given by supervised banking and financial intermediaries.

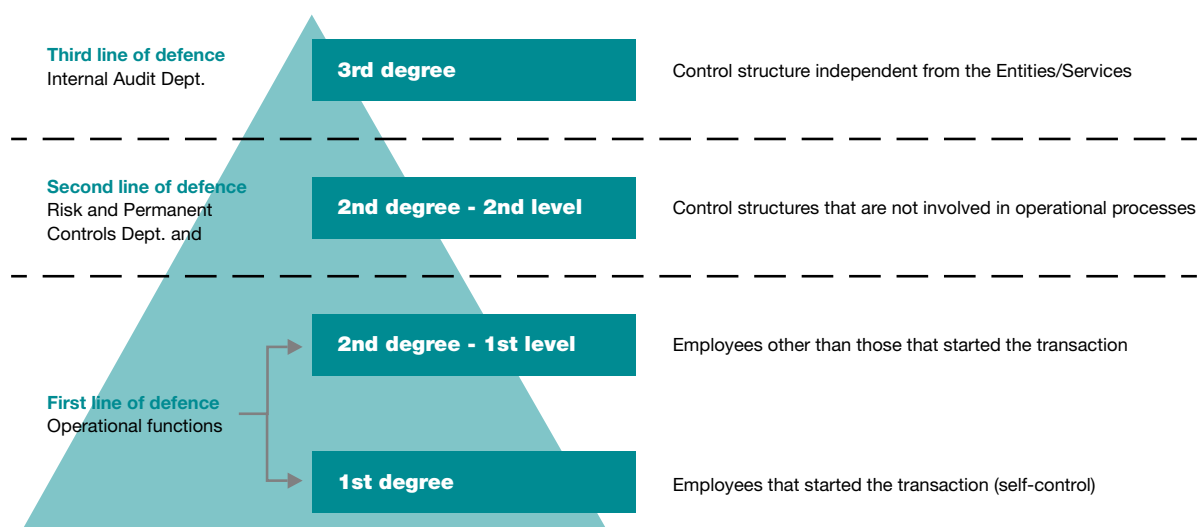
In order to meet the “Supervisory expectations for climate-related and environmental risks” of the Bank of Italy, Crédit Agricole Italia continued to implement the related action plans. In 2024, amongst the activities carried out, the following are worth mentioning: monitoring of exposures and management reporting, contribution to the disclosure to the public and to supervisory reporting, training on this matters.

The Risk Management continues to monitor, on an ongoing basis, the action plans and the monitoring outcome is reported also to the Board.

Internal control framework

The Internal Control Framework of the Crédit Agricole Italia Banking Group implements the instructions given by the Italian Supervisory Authority (see Bank of Italy Circular no. 285 of 17 December 2013 as updated) and the guidelines given by Crédit Agricole S.A., which entail compliance with the requirements and expectations laid down in document Supervisory Authority ACPR “*Arrêté du 3 novembre 2014 relatif au contrôle interne des entreprises du secteur de la banque, des services de paiement et des services d’investissement*”, of the French Supervisory Authority ACPR.

The Internal Control Framework is implemented with the three defence lines set out in the chart below:



- First line of defence:
 - 1st degree controls: performed continuously, at the start of any transaction and throughout the process for its validation, by the employees that carry it out and by the persons they report to on a solid line, or performed by the automated systems for transaction processing;
 - 2nd degree - level 1 controls: performed by employees other than those that started the transaction;

- Second line of defence:
 - 2nd degree – level 2 controls: performed by the specialist structures engaged in last-level permanent controls, independent from structures and roles with business executive functions.
 - 1- and 2.1-degree controls aim at identifying, correcting and preventing any irregularities or anomalies in operations. 2.2-degree controls may be performed also based on the evidence found within lower-degree controls and, therefore, they may express also outcomes of lower degree controls.
- Third line of defence:
 - 3rd degree periodic controls performed by the Internal Audit Function.

The Internal Control Framework adopted by the Crédit Agricole Italia Banking Group results from a process involving:

- The definition of the scope of control and the areas of responsibility of the different players appointed.
- The identification of the main risk zones, based on risk mapping.
- The implementation of the procedures to classify operating activities, decision-making powers and controls.
- The exercise of permanent controls at the different degrees and levels provided for monitoring correct implementation of the procedures and detection of any early warnings and non-performing instances.
- The exercise of periodic control by the Internal Audit Function.
- The implementation of a specific system for reporting to the corporate bodies and the top management engaged in governance and control functions.

The configuration of the Internal Control Framework is harmonized and formalized in the entire Group through the internal normative system.

The organization of the Crédit Agricole Italia Banking Group includes three main structures that are engaged in control functions and are independent; within their scope of action and in accordance with their functions, these structures ensure constant control on all corporate operations and on the risks generated by such operations:

- The Risk Management and Permanent Controls Function (which includes the Validation Unit) and the Compliance Function, which are responsible for second degree – second level controls.
- The Internal Audit Function, which is responsible for third-degree controls.

Moreover, in accordance with the provisions of Article 154-*bis* of the Italian Consolidated Act on Finance, the Manager in Charge has the task of monitoring and overseeing the internal controls system relating to accounting and financial reporting.

The risk management and permanent controls governance function

In 2024 the Risk Management and Permanent Controls Function was engaged in the main projects listed below:

- Go-live of new C1 calibration grids and adoption of a new rating model for non-retail counterparties, within the Return to Compliance Plan (RTCP); progressive monitoring of the overall portfolio evolution.
- Constant activity for corporate rating of non-retail counterparties in order to reduce the unrated and past due portion of the portfolio, in terms of both number and exposures for IFRS 9 purposes.
- Contribution to the training of the Relationship Managers on the Anadefi corporate rating official framework.
- Daily and weekly survey of counterparties with material downgrading of their ratings and subsequent referral to the commercial structure and lending chain for analysis and thorough assessment.
- Adoption of new C2 grids on LBO transactions and the DAFNE project (future rating framework) and calculation model updating.
- Participation in preparatory activities for the go-live of the new C2 grids on LBO transactions and in coordinated committees and workshops.
- Definition of the requirements for the automated production of the ECB Loan Tape (to be made available to the Regulator during its audits) and implementation of a contingency solution developed in a lab environment pending full automation.
- Evolution in the reporting produced by the Function on the various customer segments and risk scopes in order to strengthen the forecasting capacity and Risk steering.
- Continuation of the portfolio thematic analyses. In this scope, worth mentioning is the stress test exercise on the Individuals portfolio, given the increase in interest rates, identifying priority customers for derisking/

reclassification.

- Strengthening the second-level permanent controls on credit risk also complying with specific requests emerged within the SREP scope.
- Supplementing the reporting flows to Crédit Agricole S.A. (i.e. CRR flows) with the information on leveraged loans and rolling out the updated and enhanced framework of second-level regulatory controls on credit risk by resuming sectoral Portfolio reviews, with special regard to the real estate promoters and leveraged loans segments.
- Continuing with the activity to provide support to the Collective Bodies responsible for loans, in order to monitor the asset quality and compliance with the Group's Risk Strategies, besides the issuing of independent opinions on lending proposals and on the other matters provided for by the relevant internal policies and by the applicable regulations.
- Continuing with the activity of the Lending Central Teams in cooperation with the Commercial and Credit structures for collective review of corporate counterparties that showed problems or that may have problems because of sector-specific or macroeconomic events.
- Issuing of independent opinions on the assessment of Lending Policies and Regulations, with special regard to their consistency with the Risk Strategy, with the rules set by the Parent Company and with the Supervisory requirements and expectations.
- Evolution in the CRR reporting flows, in accordance with the instructions given by Crédit Agricole S.A..
- Assessment of the regulatory compliance and IT actions for full implementation of the definition of forbearance in processes and tools.
- Maintenance of the risk parameters in the IFRS 9 scope.
- Start of a project aimed at enhancing the efficiency of the early warning process supplementing it with new information sources and new methods for model estimate.
- Interaction with the Regulator on matters regarding the revalidation of the new Retail segment models and start of the activities to put said models into operation, which were validated by the ECB in June 2022 (Retail Material Model Change, the application for which had been submitted to the ECB in July 2020 and an IMI mission was undergone in H1 2021).
- Carrying out the activities needed in order to submit an application to the ECB for the inclusion of the former-Creval portfolio in the credit risk measurement models of the Crédit Agricole Italia Banking Group and for the IRB validation of the corporate portfolio (known as Return to Compliance Plan).
- Completion of the activities for full compliance with the fortieth update of the Bank of Italy Circular 285 and start of the first analyses to implement the DORA regulation.
- Preparation of opinions on Material Transactions (*Operazioni di Maggiori Rilievo* or OMR) made by the Group with the assessment of their impacts on the main financial ratios.
- Integration of climate-related and environmental risk indicators in the Risk Appetite Framework.
- Enhancement of second-level permanent controls on financial risks.
- Continuous maintenance of the market risk monitoring tools and fixing of any troubles.
- Go-live of the updated and enhanced framework of second-level controls on liquidity risk, in accordance with the guidelines given by Crédit Agricole S.A..
- Preparation of specific opinions on all the transactions made by the Group generating impacts on the financial risk ratios and indicators and requiring an independent opinion to be given by the Risk Management.
- Continuation with the activities for full implementation of the controls system in the MIFID scope.
- Full review of the internal normative instruments for the control of outsourced activities.
- Upgrading of the permanent control framework on accounting controls in accordance with the guidelines given by Crédit Agricole S.A..
- Monitoring of developments in the applicable legislation and regulations in the Basel IV scope, also participating in an interfunctional Work Group – in synergy with the Group Risk Management of Crédit Agricole S.A.– to define the new methods to calculate the capital requirement for operational risks.
- Implementation and automation of the controls on the loss data collection process.
- Taking part in projects of Crédit Agricole S.A.'s Group Risk Management on the automation and evolution of Operational Risk management (e.g. New application for reporting operational risk events).
- Continuing to monitor the action plans regarding the ECB's 13 expectations on climate-related and environmental risks and the Bank of Italy's 12 expectations.

- Continuing the activity for the assessment, monitoring and reporting of transition and physical risks in order to represent the exposures to climate-related and environmental risks, the outcomes of which are reported on a quarterly basis to the Board. The assessment covers both loans backed by collateral and unsecured ones, and risk levels are assigned using the place hazard mapping of the Italian territory.
- Preparation of specific opinions on all the Group's operations and transactions concerning sustainability matters and requiring an independent opinion to be given by the Risk Management Function.
- Conducting the first stress test exercise on climate risk.
- Adoption of the guidelines to manage and measure Model Risk in compliance with Crédit Agricole S.A. standards.
- Continuation and strengthening of all the activities aimed at:
 - Verification and implementation of the developments in the applicable national legislation and of the measures deployed by the Supervisory Authorities to respond to the economic crisis still ongoing;
 - Close monitoring, for prudential purposes, of the economic sectors hit by the crisis;
 - Close monitoring of the main indicators concerning financial risks, both regulatory and management ones;
 - Validation of the new lending policies for Performing Customers, including the system of lending decision-making powers, which is based on the weighted authorized amount principle;
 - Validation of credit risk internal models within the AIRB Return to Compliance Project;
 - Monitoring of regulatory and management Risk Models currently in production;
 - Monitoring of proper application of the applicable legislation on model risk.

In 2025, the main projects will concern:

- Continuing with sectoral Portfolio reviews, in cooperation with the Sales and Lending structures, with special regard to the sectors worst hit by the macroeconomic tensions or structurally at higher risk.
- Continuing with the activity of the Lending Central Teams.
- Confirmation of the second-level regulatory audits planning to dedicated over one third of the control activities to Non-Performing Loans, whereas, as regards Performing Loans, priority will be given to the stage 1 positions on the watchlist, to those concerned by the Forbearance requirements, as well as the departures from the lending policies, rating downgrading, vulnerable sectors and expired review time. Having regard to Non-Performing Loans, constant control will be kept not only on the appropriateness of recovery and classification processes, but also on the developments in the provisions and on their adequacy based on the calendar provisioning.
- Further strengthening of credit risk reporting on the different customer segments, given the ever-changing macroeconomic scenario.
- Further strengthening of the activities to classify and monitor credit risk associated with leverage transactions, implementing new IT tools.
- Supplementing the present systems for the use of Corporate ratings by extending the adopted approaches as provided by the internal normative instruments (namely, Methodological Note G20 and some Project Finance models).
- Continuing the organizational, testing and analysis activities in preparation for the go-live of the new DAFNE framework (scheduled for the end of 2025).
- Contributing to the training of Relationship Managers on the new DAFNE framework replacing Anadefi.
- Continuing the activities within the Return to Compliance Plan.
- Implementing the retail models validated by the ECB in June 2022 (Retail Material Model Change).
- IT automation of «ECB Loan Tape» (containing information to be given to the Regulator in case of audits).
- Continuing with the revision of the early warning framework started in 2022.
- Maintenance of the risk parameters in the IFRS 9 scope.
- Completion of the revision of the PD/LGD specific models for provisioning on Performing Loans in accordance with IFRS 9.
- Monitoring and alignment of the new Basel IV regulatory framework for the calculation of capital requirements.
- Supplementing the reporting flows to Crédit Agricole (i.e. CRR flows) with information on leveraged loans (LL) and start of the general revision of the framework of the reporting flows to the Parent Company from a Basel IV perspective.
- Implementation of new information flows feeding the Parent Company's database (i.e. the Collecte Flash project) concerning the scopes given below: ESG /Moratoria /SRB Valuation /Financial Conglomerates.

- Change of the ECAI rating provider for the Corporate portfolio (from CERVED to CRIF).
- Enhancement of quantitative and methodological control activities on the relevant perimeter.
- Revision of the permanent controls application.
- Continuing to strengthen control and monitoring of financial risks by implementing the internal tools for the pricing of derivatives sold to Customers.
- Continuing to strengthen control and monitoring on financial risks and the related monitoring tools based on any requests made by the Regulator or the Parent Company and taking into account the ever-changing economic and financial scenario.
- Continuing to strengthen the permanent controls on financial risks, based on the internal normative instruments set by the Parent Company and to be implemented in the Crédit Agricole Italia Banking Group.
- Start of the activities aimed at implementing the new tool to calculate risk measures and to prepare the reporting required by the Fundamental Review of the Trading Book (FRTB) effective as of 1 January 2026.
- Monitoring of and alignment to the developments in the applicable legislation and regulations on Loss Data Collection (e.g. collection of data on losses associated with environmental events).
- Participation in projects of the Group Risk Department of Crédit Agricole S.A. and in Work Groups of Crédit Agricole Italia in the Basel IV scope.
- Implementation and automation of the internal controls on the proper operation of the Loss Data Collection process, also strengthening the audits in case of reallocation of activities not in the scope of responsibility of the Operational Risk and Permanent Controls Division.
- Within a specific corporate project, the necessary activities for full alignment to the DORA regulation will be carried out.
- Start of the first analysis in order to take charge of the DORA Regulation concerning digital operational resilience for the financial sector, which entered into force on 16 January 2023 and will be fully applicable as of 17 January 2025.
- Setting up a skill center in order for it to structure centralized oversight on the monitoring of IT security measures of the Group's IT providers and of their subcontractors.
- Conducting the EBA regulatory stress test exercise.
- Strengthening and continuing the analysis, monitoring and reporting of physical and transition risks.
- Continuing and fine-tuning of the activities to monitor the Net Zero Banking Alliance trajectories.
- Updating of the materiality assessment of climate-related and environmental risks.
- Strengthening of the internal reporting intended to represent the exposures to climate-related and environmental risks.
- Preparing and strengthening the framework of permanent controls on sustainability matters.
- Continuing to monitor the action plans regarding the ECB's 13 expectations on climate-related and environmental risks and the Bank of Italy's 12 expectations.
- IMA and Transaction Score validation process.
- Monitoring of the regulatory and management Risk Models currently in production, with special regard to the activities to close the ECB recommendations on this matter still outstanding.

The above activities will be carried out in cooperation with the relevant structures of Crédit Agricole S.A..

The Compliance Function

The Compliance Function of Crédit Agricole Italia controls non-compliance risk at a central level, also for the Companies of the Crédit Agricole Italia Banking Group:

On that background, the Compliance Function:

- Sets and steers, on a continuous basis, the policies for non-compliance risk prevention, by monitoring the relevant legislation and by assessing and measuring the impact of non-compliance risks on processes and procedures in order to prevent any violation of the legislation and regulations falling in the Function's scope of responsibility; furthermore, if necessary, it asks for organizational and procedural changes;

- Ensures the effectiveness of the anti-money-laundering arrangement and the related operating, control and reporting activities, in order to prevent money laundering and terrorist financing risks.
- Oversees all matters regarding the applicable legislation on “international sanctions”.
- Manages, prevents and mitigates risks of fraud, bribery and corruption, transparency, usury, conflicts of interest, market abuse, risks of non-compliance with the General Data Protection Regulation, personal data protection and ICT compliance risks; it also provides expert advice on the aforementioned risks.
- Provides the relevant reporting to the Bodies engaged in strategic oversight, management and control functions of the Group’s entities and to Crédit Agricole S.A..

The Compliance Function performs its control activities for all the entities of the Crédit Agricole Italia Banking Group in accordance with an annual plan of second-level controls, which is designed with a risk-based approach and abiding by the directions given by Crédit Agricole SA.; therefore, it sets, as regards the matters it is responsible for, risk mitigation activities and then verifies their proper implementation.

Within its responsibility and action scopes, the Compliance Function also oversees the implementation of specific innovative projects, in order to ensure compliance by design.

The Crédit Agricole Italia Banking Group has strengthened its system for prevention and management of bribery and corruption risks, implementing a specific anti-corruption arrangement that aims at establishing a culture of prevention and fight against bribery and corruption risks throughout the Group, with a “zero tolerance” approach to any and all behaviours that are not ethical, in general, and to any bribery and corruption risks.

Furthermore, having regard to compliance and personal data protection matters, the Compliance Function is the point of contact for and maintains the relationships with the Supervisory Authorities and Regulators.

The Internal Audit Function

The general framework of the work principles and methods of the Internal Audit Function of the Crédit Agricole Italia Banking Group is set out in the “Charte d’audit” document. The document is based on the “Charte d’Audit de l’Inspection Générale Groupe” and is consistent with the specific organizational structure of the Italian Group and with the Italian applicable legislation and regulations.

The perimeter of the Crédit Agricole Italia Banking Group in the internal audit scope consists of the companies of the Group and of the Outsourced Critical and Important Functions.

The Charte d’audit is reviewed every year, as required by the internal audit professional standards, is submitted to the Audit Committee for Internal Control to obtain its opinion before submitting it to the Board of Directors for approval.

The Internal Audit Function of Crédit Agricole Italia is the corporate structure responsible for the internal audit of the Crédit Agricole Italia Banking Group. The Function’s activity falls within a wide external regulatory framework. In accordance with the applicable Italian legislation and regulations, the Function performs the internal audit activities provided for by the Bank of Italy Supervisory Provisions, Circular no. 285 Title IV, Chapter 3.

In accordance with the French applicable legislation and regulations, the structure is one of the components of the “periodic control” system required under the “l’arrêté du 3 novembre 2014”.

Within the applicable legislation and regulations set out above, the Structure has adopted the “International Standards for the Professional Practice of Internal Auditing” (the “International Standards”), which lay down the essential requirements to be met by the Internal Audit Function and its work. The International Standards, along with the related “Implementation Guides for the Professional Practice of Internal Auditing”, are an integral part of the tools used by the Function.

The Internal Audit Function of Crédit Agricole Italia is independent from any operational structure or role of the Bank and of its subsidiaries.

In order to ensure the appropriate independence in exercising the Function, the Internal Audit Function Holder (Chief Audit Executive or CAE) reports on a solid line to the Bank’s Board of Directors. The independence of the Internal Audit Function is guaranteed also by the role of the Chief Executive Officer, who ensures

management oversight and actual availability of the operational levers and of the appropriate financial and human resources for the Function's effective operation.

The Inspection Générale Groupe (IGL or Inspection Générale), the Internal Audit Function of Crédit Agricole S.A. is responsible for steering and coordinating the activities of the Internal Audit Function; therefore, it defines the implementation guidelines for harmonized application in all the Companies of the Group (without prejudice to full compliance with the local legislation) of the audit model, methods and tools.

The CAE is appointed by the Company's Board of Directors, which also sets his or her remuneration in accordance with the relevant corporate policies, after obtaining the opinion of the Board of Auditors; his or her appointment may be terminated with the same methods and explicit reason.

The activities performed by the Internal Audit Function of the Crédit Agricole Italia Banking Group are assurance activities pursuant to the applicable professional standards and pursue the purpose of verifying:

- The adequacy and effectiveness of controls whereby the reliability of accounting, management and operation data of the audited scopes can be assured.
- Risk management and the related exposure level, specifically of credit risk, market risk, liquidity risk, interest rate risk, intermediation risk, settlement risk, anti-money-laundering risk, terrorist financing risk and of the various components of operational risk, including internal or external fraud risks, business continuity risk, legal risk, non-compliance risk and model risk.
- Compliance of operations and abidance by procedures.
- Proper implementation of the set corrective actions.
- The quality and effectiveness of the general functioning of the corporate organization.

In accordance with the Italian regulations, the Internal Audit Function pursues the objective of "detecting any breaches or violations of procedures and of the applicable legislation and regulations, as well as to periodically assess the completeness, adequacy, proper operation (in terms of efficiency and effectiveness) and the reliability of the internal controls system and of the information system (ICT audit), at frequencies set beforehand based on the nature and severity of risks".

Through the internal audits, a professional and independent opinion is given to the Board of Directors, the Board of Auditors and the Heads of the audited units on the operation and the controls system of the audited entities.

The Internal Audit Function has the task of performing follow-ups to verify proper implementation of the recommendations given, as well as of all the recommendations issued by the Parent Company Crédit Agricole S.A. and by the Regulators on the Crédit Agricole Italia Banking Group's perimeters.

The Function also provides support and assistance to other corporate structures (advisory activities), the nature and extent of which are agreed with the structures concerned and which aim at improving governance, risk management and organization control processes, with no decision-making responsibility lying with the Internal Audit Function.

The Internal Audit Function ensures a good level of coordination of its activities with those of the other control functions, namely "Risk Management and Permanent Controls" and "Compliance". Specifically, coordination is ensured through:

- Regular alignment meetings.
- Sending its audit reports.
- Acquiring the mapping, tableaux de bord, and product indicators.
- Providing support in processing any cases of suspected significant fraud, conducting the necessary investigations.
- Following up the recommendations issued by the Inspection Générale and by the Supervisory Authorities.
- It holds regular meetings with the independent audit firm in charge of the Statutory Audit of the Accounts and the Manager in charge, especially as regards the design of the audit plan and to make its audit reports available.

Lastly, the Function may conduct specific investigations in case any material internal or external frauds are suspected or it may perform audits not planned in advance in case of events that are not included in the risk mapping or in the audit plan.

In order to plan its review activities, the Internal Audit Function performs, in accordance with the Crédit Agricole Group's methodology, the mapping of auditable risks, whereby the audit priorities and frequencies can be set; the risk mapping is shared with the Inspection Générale and submitted to the Board of Directors for approval.

The audits can be:

- General (full audit of a corporate unit, a process or project).
- Targeted (audit on specific processes or phases in a process).
- Thematic or crosswise (audits covering several units/processes, which are in most cases led by the Parent Company Crédit Agricole S.A.).

The audit perimeter is updated every year consistently with any changes in the perimeter of the Crédit Agricole Italia Banking Group.

The audits fall within an annual audit plan, which is designed through the following phases:

- The annual update of the mapping of auditable risks, whereby the audit priorities and frequencies can be set in a multi-year plan that is approved by the Board of Directors and ensure a forward-looking view as it is risk-based. The multi-year plan is revised every year.
- Talks with the Corporate Officers, the Top Management and the independent audit firm.
- Coordination with the Inspection Générale in order to agree on the audit priorities.
- Identification of the necessary resources, in terms of number and skills, to cover the plan, including any additional effort for audits that are necessary and could not be foreseen.

The CAE submits the Audit Plan to the Board of Directors of Crédit Agricole Italia, to the Internal Control Audit Committee of Crédit Agricole Italia, to the Board of Auditors, to the Chief Executive Officer of Crédit Agricole Italia, to the General Managers and to the Governance Bodies of the subsidiary companies.

Audits not included in the annual audit plan may be carried out, at the decision of the CAE based on the assessment of the evolutions in risks, or at the request of the Top Management or Corporate Governance Bodies or Officers.

Where he or she deems it appropriate, the CAE may obtain assurance and consulting services from external providers, in order to ensure proper coverage of the auditing activities. Any cooperation agreements with external providers of assurance and/or consulting services are entered into in compliance with the principles and requirements laid down by the supervisory regulations and the professional standards.

A typical audit comprises the following phases:

- Preparation.
- Execution.
- Writing the audit report and the requests for corrective actions.

The CAE is entitled to contract, independently and with no limitation, the Governance Bodies of the companies of the Group to report material information and sits on the Risk and Internal Control Committee.

The Internal Audit Function identifies and determines the information, of any nature whatsoever, it needs to carry out its activity, including information produced by the operating units and support functions (minutes of meetings of Committees, tableau de bord of risks, activity and management indicators, etc.).

Furthermore, the Internal Audit Function has the permanent right to access all the information, to receive all the documents and data that exists at the Company it deems useful to be made aware of and has free access to the Corporate Governance Bodies and Officers and may interact with all employees as it deems useful to perform its corporate mission.

Access to the personnel, to the tools, buildings, IT data or to any other asset that it deems necessary to perform its activity is also given in compliance with the Group's rules on data and information protection.

The execution phase has the objective of defining a diagnosis on the audited processes and structures, and of giving the recommendations that are suitable to mitigate the risks.

The main conclusions of the audits and the progress in the audit plan are reported, at least on a six-monthly basis, to the Board of Directors, the Audit Committee for Internal Control, the Board of Auditors, the Risk and Internal Control Committee and to the Top Management of the Company; at the usual frequency, the documents are submitted, as relevant for their respective remits, to the Boards of Directors and to the Boards of Auditors of the subsidiaries.

On a quarterly basis, the Inspection Générale is informed of the main conclusions and of the progress in the Audit Plan.

The audit reports and the reports on the follow-up of recommendations are sent to the Control Functions, to the Manager in Charge and to the independent audit firm in charge of the statutory audit of the accounts; at their request, the reports are sent to the Supervisory Authorities.

Except for special cases, every audit is summarized with a grade, on a 4-level scale defined by the Inspection Générale Groupe of Crédit Agricole S.A., whereby the global opinion of the Internal Audit Function can be summarized and its reporting and the reporting of any emerging risks can be facilitated.

Every request for corrective action (recommendation) issued at the outcome of audits is ranked on a scale from 1 to 3, in accordance with the audit methodology defined by the Inspection Générale.

The CAE has defined and maintains a system for the monitoring of the implementation of the corrective actions recommended based on the results of audits.

The follow-up activity comprises the objective verification, remotely or on site, of the progress in the implementation of the recommendations and corrective actions, asking the reasons for any delay. On a six-monthly basis, this activity is reported to the Board of Directors and to the Audit Committee for Internal Control, on a quarterly basis to the Steering Committee and to the Executives at the head of the structures that are mostly impacted by the recommendations.

If, through the follow-up of the implementation of corrective actions, or as the outcome of an assurance or advisory task, the CAE concludes that the management has taken a level of risk that may be unacceptable for the organization, the CAE shall trigger a specific reporting procedure to the senior management, which shall include specific reporting on the audited Function .

If the problem is not solved within the agreed term, the CAE may trigger the the same procedure to the Audit Committee for Internal Control and to the Board of Directors.

The Internal Audit Function of the Crédit Agricole Italia Banking Group undertakes to comply with and implement five key principles of ethics: integrity, objectivity, confidentiality, competency and transparency.

The internal auditors have the obligation to inform their managers and the Compliance Function immediately of any potential or actual conflicts of interest that may prevent them from working in an unbiased manner.

The internal auditors shall conduct themselves in compliance with code of ethics of the Institute of Internal auditors (IIA), which is consistent with the one published by the Italian Association of Internal Auditors (AIIA).

The internal auditors seconded from other units of the Ligne Métier Audit Inspection (LMAI) of the Crédit Agricole S.A. Group, or who participate in audits performed in cooperation with other Functions within the LMAI shall comply with and implement the same principles of ethics, with special regard to confidentiality rules.

Furthermore, the CAE develops and supports a quality assurance and continuous improvement programme covering the whole perimeter of Internal Audit activities.

The continuous improvement programme is developed in order to assess compliance of the Internal Audit activity with the International Standards and compliance by the internal auditors with the Code of Ethics. The programme has also the goal of assessing the efficiency and effectiveness of the Internal Audit activity and of identifying any opportunities for its improvement, considering also the relevant industry benchmarks.

Once a year, the CAE reports the results of the quality assurance and continuous improvement programme to the Board of Directors, along with, where applicable, the results of the internal and external assessments, besides the action plans and the progress in any open recommendations.

In this context, the CAE promotes a continuous and structured training and updating activity and encourages the development of skills also through the obtainment of professional certifications and qualifications issued by accredited professional bodies.

Lastly, on a yearly basis and jointly with the other Corporate Control Functions, the Internal Audit Structure sends the Report on the activities it carried out in the year to the Supervisory Authority (Integrated Report of the Holders of Control Functions).

In 2024, an audit was carried out on the perimeter of operation of the 1st-degree and 2nd-degree - 1st level controls in the Internal Control System of the Retail Banking Channel.

The final outcome showed the need for a structural revision of the model of controls (both 1st degree and 2.1) leading to commercial time recovery, cost savings and higher effectiveness and efficiency, as well as to an improvement in the governance of the Network risks. The revision started, also with the assistance of external Consultants.

The Validation function

Under Regulation (EU) 575/2013, Regulation (EU) 2024/1623 and the Regulatory Technical Standards issued on this matter by the 'European Banking Authority (EBA), the Institutions seeking to be authorized to use advanced approaches shall apply an internal validation process to the approaches to calculate risk estimates used to calculate capital requirements. The internal validation process is defined as the set of activities aimed at substantiating the accuracy, predictive ability and stability of the internally estimated risk parameters.

In the Crédit Agricole Italia Banking Group, the responsibility for the internal validation process is vested in the Validation Function, which is part of the Risk Management and Permanent Controls Function, reports to the Head of that Function and is integrated in the "Ligne Métier Validation", consisting of the validation units of the legal entities of the Crédit Agricole Group and coordinated by the Unità Validation Modèles Groupe part of the Direction Risque Groupe of Crédit Agricole SA. In compliance with the applicable regulations governing this matter, the Validation Function performs its activities independently from the Functions responsible for the risk estimate process, as well as from those engaged in the lending and loan review process. When necessary, the Validation Function's activities extend to the other legal entities of the Group in compliance with the agreements laid down in the relevant Service Contracts.

The validation process consists in a wide range of activities, tools and procedures aimed at assessing the estimation process and the performances of the risk models. The Validation Function also verifies the effectiveness and efficiency of the system of controls on proper risk assignment, as well as its proper use in the decision-making and risk management processes and in the reporting system, in case the underlying estimation models are regulatory (i.e., used to determine the capital requirements). Furthermore, the Validation Function periodically verifies consistency between the estimates and the related actual data to address the cases in which material differences are found between them (see Article 185 of Regulation (EU) 575/2013).

Lastly, in compliance with Crédit Agricole S.A.'s normative instruments on model risk management and measurement, the Validation Function is responsible for validating the estimation approaches that fall in the definition of model. In this context, in case of signing or renewal of contracts with external providers that include the provision of a statistical model, the corporate function promoting the arrangement shall put the tool on record in the model mapping, this triggering the internal validation process. Therefore, the Validation Function also performs the validation of those external models in compliance with the standards laid down by the Validation Policy.

In order to implement the amendment made by the Regulation (EU) 2024/1623 to Regulation (EU) 575/2013 as regards the models to calculate capital requirements for market risk (FRTB), starting in Q1 2026 the Validation Function will perform 2nd-level controls on the calculation of the capital requirement for market risk. Furthermore, in order to implement the ECB «Guide on effective Risk Data Aggregation and Risk Reporting (RDARR)», the Validation Function has planned to conduct regular assessments of the Risk Data Aggregation and Risk Reporting framework.

Section 1 – Risks of accounting consolidation

In this Section, the reported information regards the entities included in the accounting consolidation scope.

QUANTITATIVE DISCLOSURES

A. Credit quality

A.1 PERFORMING AND NON-PERFORMING EXPOSURES: AMOUNTS, VALUE ADJUSTMENTS, CHANGES, BREAKDOWN BY ECONOMIC SECTOR

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

Portfolio/quality	Bad loans	Unlikely to Pay	Non-performing past due exposures	Other performing exposures	Performing past-due exposures	Total
1. Financial assets measured at amortized cost	150,999	1,139,754	7,215	1,007,811	73,548,388	75,854,167
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	3,487,359	3,487,359
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	87	-	-	867	954
5. Financial assets being divested	-	-	-	-	-	-
Total 31 Dec. 2024	150,999	1,139,841	7,215	1,007,811	77,036,614	79,342,480
Total 31 Dec. 2023	138,830	1,418,301	12,468	924,252	72,887,853	75,381,704

All financial assets are classified by credit quality with the exception of equity securities and units of O.I.C.R. collective investment undertakings.

The breakdowns of forbore exposures by the various credit quality categories are given in the tables in Section 2 - Prudential consolidation risks, as they do not show significant deviations from the accounting consolidation perimeter.

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

Portfolio/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 amortized cost	2,505,085	1,207,116	1,297,969	37,421	74,954,439	398,241	74,556,198	75,854,167
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	3,492,990	5,631	3,487,359	3,487,359
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	87	-	87	-	X	X	867	954
5. Financial assets being divested	-	-	-	-	-	-	-	-
Total 31 Dec. 2024	2,505,172	1,207,116	1,298,056	37,421	78,447,429	403,872	78,044,424	79,342,480
Total 31 Dec. 2023	3,001,997	1,432,397	1,569,600	35,435	74,232,624	421,865	73,810,759	73,810,759

(*) Value to be stated for disclosure purposes.

All financial assets are classified by credit quality with the exception of equity securities and units of O.I.C.R. collective investment undertakings.

The table below reports credit quality evidence regarding exposures classified as financial assets held for trading (securities and derivatives) and as hedging derivatives (not represented in the previous table):

Portfolio/quality	Assets of evidently low credit quality		Other assets
	Accumulated losses	Net exposure	Net exposure
1. Financial assets held for trading	830	495	134,215
2. Hedging derivatives	-	-	754,030
Total 31 Dec. 2024	830	495	888,245
Total 31 Dec. 2023	26	14	1,062,122

B. INFORMATION ON STRUCTURED ENTITIES (OTHER THAN SECURITIZATION SPECIAL-PURPOSES ENTITIES)

B.1 Consolidated structured entities

As at 31 December 2024, there were no structured entities in the accounting consolidation scope, other than securitization special-purpose entities, of the Crédit Agricole Italia Banking Group

B.2 Structured entities not consolidated in the accounts

As at 31 December 2024, there were no structured entities in the prudential consolidation scope, other than securitization special-purpose entities, of the Crédit Agricole Italia Banking Group

B.2.2 other structured entities

The Group's operations through structured entities are performed also through Special Purpose Entities.

To this end, Special-Purpose Entities are the legal entities incorporated in order to achieve a specific purpose, which is clearly defined and limited:

- Funding on the market through the issue of specific financial instruments.
- Developing and/or financing a specific business initiative, able to generate, through a business activity, cash flows sufficient to repay the debt.
- Financing the acquisition of a target company that, through its business activity, will be able to generate cash flows for the Special-Purpose Entity to a sufficient amount for full repayment of the debt.

Operations through securitization special-purpose entities, i.e. entities incorporated to acquire, sell and manage certain assets, separating them from the Originator's financial statements, both for asset-backed securities and for funding via self-securitization or issue of Covered Bonds (CB) is not to be reported in this Section.

For reporting on these types of special-purposes entities, please refer to Sections C. Securitizations and D. Disposal Transactions in Part E of the Note to the consolidated financial statements

Section 2 – Prudential consolidation risks

In this section, data are stated gross of the relationships with the other companies included in the consolidation of the accounts.

Where the contribution of the relationships between the companies belonging to the prudential consolidation and the other companies included in the consolidation of the accounts is material, it is exhaustively reported at the end of the relevant disclosures.

1.1 CREDIT RISK

QUALITATIVE DISCLOSURES

1. GENERAL ASPECTS

The responsibilities for the lending operations of the Crédit Agricole Italia Banking Group are vested in the Group Chief Lending Officer. In compliance with the European Central Bank guidance requiring that non-performing exposures (NPE) be managed by expert and dedicated workout units separate from those managing performing loans, the Chief Lending Officer is directly responsible for the two management units (Loan Origination and Management of Performing Loans and Non-performing Exposures) and for a unit engaged in strategic and coordination functions (Credit Intelligence)

The Performing Loans Management Function has the following duties:

- To coordinate, fully respecting the independence of every Company of the Crédit Agricole Italia Banking Group, lending to ordinary Customers and to Customers entailing significant exposures.
- To set and oversee the implementation of the Crédit Agricole Italia Banking Group's strategies and guidelines pursuing effective control on the amount of position becoming non-performing and the related cost, by steering the lending chain structures of the Companies of the Group and of the Commercial Channels;
- To define and promote, consistently with the Group strategies and objectives, an appropriate harmonization of lending governance rules.
- To verify, through appropriate operating control mechanisms, compliance with the lending guidelines and policies within the Group, ensuring their quality and monitoring the allocation of loans in terms of sectors and sizes.

The Non-performing Exposures Function is the dedicated workout unit responsible for managing all the exposures classified as non-performing, ensuring and coordinating the relationships with Crédit Agricole SA and the Supervisory Authorities in the NPE scope.

On the relevant Customer perimeter, it is responsible for ensuring management, recovery and/or out-of-court/in-court workout of non-performing exposures, in close contact and cooperation with the Network of Crédit Agricole Italia for prompt and effective action to prevent loan impairment, so that the associated cost is kept under control.

It is responsible for Customers, single ones and/or by Economic Group, in accordance with the specific "Limits to Decision-Making Powers" and with the specific guidelines set out in the "NPE Regulation" and in the applicable legislation and internal normative instruments (specifically, the "Non performing exposures - Stage 3" Policy).

The Non-Performing Exposures Function is responsible for:

- Coordinating the relations with the Group as regards NPEs, as well as managing the preparation of all NPE-related documentation and reporting to the Supervisory Authorities.
- Arranging for, in cooperation with the Risk Management and Permanent Controls Function, the design and update of the NPE impairment policy, ensuring the use of harmonized models for lending processes and tools to manage NPEs.
- Ensuring, consistently with the Group's strategies and objectives and through the structures reporting to it on a solid line, the appropriate harmonization of Models, tools and rules for Loan Governance, as regards the positions within the Non-Performing Loans workout process.
- Setting, steering and verifying the implementation of the Guidelines on the management, recovery and/or out-of-court/in-court workout of exposures classified as "NPEs" within its scope of responsibility.

The Credit Intelligence Function is vested with a dual role as it is engaged in both strategic and operational aspects that cover the loan entire life cycle. Its main mission is to keep a full-range view and oversight on all lending activities, ensuring constant monitoring and implementation of the appropriate actions plans, also with a forestalling approach.

As to the main strategic aspects, the Credit Intelligence Function is engaged in the following tasks:

- Designing and developing the Group Policies on Performing Loans, in order to ensure their constant evolution, also keeping pace with technological innovations and regulatory requirements.
- Setting the NPE strategy and its development throughout the Group.
- Analyzing and developing alternative strategies for the disposal and monetization of the properties pledged as collateral.

As to the main crosswise operational aspects, the Credit Intelligence Function is engaged in the following tasks:

- Governing the whole set of information on loans, in order to set the management direction through data interpretation.
- Driving the evolution of processes in order to pursue the corporate objectives and to ensure regulatory compliance, by managing the main lending-related projects and applications.
- Governing credit risk mitigation and real estate surveillance processes.

2. CREDIT RISK MANAGEMENT POLICIES

2.1 Organisational aspects

In 2024, the Crédit Agricole Italia Banking Group completed a profound organizational change of its lending structures, aligning its model to the market best practices and ensuring full compliance with the EBA guidelines on loan origination and monitoring of 29 May 2020, which emphasize that the performing and non-performing loans management chains must be separated.

As described in the previous paragraphs, the adopted model went live with the relevant resolution passed by the Board of Directors of the Parent Company on 4 December 2020, which approved the Chief Lending Office (CLO) role as the central lending governance unit directly coordinating:

- The Non-Performing Exposures Function, consisting of the Non-Performing Loans Management structure, the Legal Support and Disposed Assets-related Litigation structure and the Outsourcing, Cost and Credit Disposal structure.
- The Loan Origination and Management of Performing Loans Function, which also consists of three structures: The Origination of Retail Loans structure, the Origination of Corporate and Private Banking Loans and Real Estate Loans structure and the Performing Loans Management structure.
- The Credit Intelligence Function consisting of Credit Governance, Applicable Legislation and Reporting, Real Estate Remarketing and NPE Strategy.

Having regard to the non-performing loans chain, it is pointed out that, over the last two years, the Bank completed a revision of its structures, tools and organizational processes. Specifically:

- The NPE Structure is responsible for the management and workout of all non-performing loans.
- A new organizational and operational model was defined for the management of non-performing loans, which provides for:
 - In-house management by specialist structures of the most material positions, broken down into clusters and geographical hubs, in order to ensure closer control on risks;
 - The outsourcing from specialist servicers of the management of positions entailing lower amounts having regard to granular loans classified as UTP (unsecured loans < Euro 50 thousand), bad loans (unsecured and mortgage loans < Euro 500 thousand) and lastly residential mortgage loans (classified both as UTP and bad loans < Euro 500 thousand).

The NPE Structure comprises all the structures engaged in the management of non-performing loans. Specifically:

- The Non-Performing Loans Management Structure, vested with the scopes of responsibility listed below:
 - Ensuring management, recovery and/or out-of-court workout of non-performing exposures, in close contact and cooperation with the Network of Crédit Agricole Italia for prompt and effective action to prevent loan impairment, so that the relevant cost is kept under control.
 - Assessing the customers in its scope and providing the extended Loan Committee of Crédit Agricole Leasing Italia and the Loan Committee of Crédit Agricole Italia with its opinion on loan origination proposals submitted by the Structures reporting to it on a dotted line, in order to ensure that loan origination is consistent with the Group's strategic directions and to coordinate activities regarding key accounts.

- Overseeing the management activity, the performance and credit quality of in-house-managed portfolios of loans to Customers of Crédit Agricole Italia and Crédit Agricole Leasing Italia classified as bad loans.

On the other hand, the Outsourcing, Cost and Credit Disposal Structure is mainly responsible for the management, performance and credit quality of portfolios of loans to Customers of Crédit Agricole Italia classified as UTP and bad loans whose workout is outsourced, and, therefore, it is responsible for the following scopes:

- Steering the management and workout of these exposures, providing the guidelines on the activities to be carried out by the structures reporting to it, and for ensuring coordination and operational efficiency.
- Overseeing the specific activities carried out by the structures reporting to it, and for determining, where the case, the technical-legal solutions to be implemented.
- Verifying and controlling that the structures reporting to it properly carry out the relevant activities, and for setting the specific benchmarks.
- Ensuring and coordinating that the relevant structures are constantly on top of any developments in the legislation and case law applying to the matters under their responsibility.
- Providing the Structure it directly reports to and the Top Officers with adequate reporting and regular briefs on all the activities in its scope.
- Overseeing its proper management, training of its staff and of the staff of the structures reporting to it.
- Ensuring oversight of the UTP and bad loans outsourced the workout of which is outsourced to external services; specifically, it shall ensure that operating activities are duly carried out in coordination with the Servicers and Accounting Service, in order to verify the effectiveness, good value for money and timeliness of the workout actions.

The Legal Support and Disposed Assets-related Litigation Structure is responsible for:

- Giving legal advice and support in the management of exposures classified as Past Due and UTP in the NPE Structure's scope of responsibility.
- Giving legal support in "single name" or "bulk" loan disposals.
- Managing litigation cases in which the Group is the defendant concerning.
- Positions classified as Past Due, UTP and Bad Loans.
- Exposures previously disposed of.
- Managing post sale on positions disposed of (compensation claims, requests for documents).
- Monitoring the case law and jurisprudence relevant for its scope of responsibility and concerning watch-list and non-performing exposures, in order to support constant compliance with the applicable legislation and regulations.
- Managing cost of credit activities, carrying out analyses and reporting to the management, first-level controls on the NPE portfolio through the NPE Support Service.

As regards the Performing Loans management chain, the related activities are assigned to and carried out by the different dedicated structures of the Parent Company and of the investee Companies, which report to the Credit Function and did not undergo any material alteration within the organizational change approved in 2021. On the other hand, it is pointed out that in 2020, some organizational change actions were resolved and their full implementation was completed in 2021; said actions specifically consisted in eliminating the Credit Advisory Division, with concomitant assignment of its responsibilities to the Loan Origination and Management of Performing Loans structures. Said actions pursued the following objectives:

- Further streamlining of the levels of decision-making bodies, with clearer assignment of their respective responsibilities for performing loans and watch-list exposures.
- Higher specialization in assessing Customers' risk profiles, with the decision-making structure designed to be fully consistent with Customer business segmentation.
- Rationalization of decision-making powers, different in accordance with the Commercial Channels and Customer segments, implementing the new "weighted authorized amount", resulting from the application to the nominal authorized amount of a set of weighting coefficients reflecting the counterparty's specific riskiness, the sector attractiveness and the structure and nature of the credit lines.

In the light of the aforementioned organizational change and in the wider context of an organizational revision action approved by the BoD at its meeting held on 24 October 2023 aimed at meeting the market's needs for flexibility and timeliness, the Loan Origination and Management of Performing Loans Function was structured into three units:

- Origination of Retail Banking Loans, responsible for the performance and credit quality as regards performing Customers that show no early warnings (performing loans) belonging to the Retail commercial channel. In its turn, this structure comprises two units: Origination of Loans to Customers in the Agri-food and Small Business segments and Origination of Loans to Individuals and Piccoli Operatori Economici (POE, non-structured enterprises featuring operational flexibility but financial rigidity).
- Origination of Loans to Corporate Banking and Private Banking Customers and Real Estate Customers, responsible for the performance and credit quality as regards performing Customers that show no early warnings (performing loans) belonging to the Corporate Banking and Private Banking commercial channel with a focus on the Real Estate chain. In its turn, this Function comprises Loan Origination - Collective Bodies Management, Origination of Corporate Banking and Private Banking Loans and Origination of Loans to the Real Estate and Hotels segments.
- Management of Performing Loans, responsible for the performance and credit quality of performing loans on the watchlist based on the adopted early-warning indicators, in order to pursue full recovery of the position and/or to design risk mitigation solutions and/or, where these activities do not prove sufficient, for classifying said loans in the non-performing perimeter.

2.2 MANAGEMENT, MEASUREMENT AND CONTROL

Lending policies and strategies

The Lending policies lay down the standards and directions for the Banking Group as a whole, which the Distribution Network and the Decision-making Bodies shall comply with in making lending proposals and decisions. Lending policies are structured in order to foster balanced growth with the worthiest Customers and to recover exposures to the riskiest ones. The Lending Policies are regularly updated consistently with the developments in the economic, financial and market scenarios; they also implement the guidelines set within the Risk Strategy, which is agreed on every year with Crédit Agricole S.A., with specific regard to risk concentration limits and to the limits set for specific types of transactions.

Since 2023, the Bank's Lending Policies have been modified in order to implement the latest technological developments able to considerably improving lending processes, with advantages both for the Bank, thanks to the improvement in the assessment process within the origination of loans to worthy Customers, and for Customers, thanks to shorter processing time and the streamlining of the decision-making process.

The Lending Policies have been upgraded in order to make use of important innovations, including the elements coming from the new decision-making systems, which are supported by automated processes that can calculate credit ratings through algorithms able to navigate and reprocess the mass of performance and quantitative data already available in the Bank's information systems.

The fine-tuning of the Lending processes was possible thanks especially to the go-live of the "Transactional Score" new rating element: this indicator was developed by the Credit Intelligence Structure and the Risk Management and Permanent Controls Function in synergy between them, through Artificial Intelligence techniques, and is a credit risk assessment based on Retail customers' current account data.

As it provides for the possibility of classification as defaulted, the Transactional Score enables to select and enter the counterparties that have better quality in terms of credit risk in the automated or semi-automated processes.

In H1 2024, the Transactional Score was implemented in the processes listed below:

- In the new Performance Monitoring Indicator (Indicatore di Monitoraggio Andamentale or IMA): in July 2024 a significant evolution of the Group's Early Warning model (IMA model) went live, which was developed using Machine Learning techniques and consists in the integration of diverse and new information sources. Amongst these, the most significant ones regard the Transactional Score, a credit rating based on information on current account transactions, and the information from external providers whereby the payment habits of corporations can be considered and any liquidity stress signals can be detected.
- The go-live of the new model has led to higher efficiency in the monitoring process, enabling to reduce the number of monitored positions and, at the same time, to increase the exposures on the watchlist.

- In the calculation of the Weighted Authorized Amount for more accurate steering of the decision-making procedure.

Lending processes

Making reference to the previous paragraph, the processes listed below are part of the Automated Decision-making Systems:

- “Digital Lending with Automated Decision-Making”, which gives the possibility to Customers that are Small Businesses and Piccoli Operatori Economici (POE, non-structured enterprises featuring operational flexibility but financial rigidity) to obtain a short-term loan directly from their home banking, with the credit rating calculated digitally: a specific algorithm applies the lending policies designed to this end, determines the possibility of loan origination and puts on record the loan authorization as decided by an automated decision-making body.
- “Fast Credit Card issuing procedure”, which, after specific parameters are verified by an algorithm, gives the possibility of issuing credit cards to customers that are natural persons and fall in the Consumers segment, with no human involvement. This solution is counterbalanced by yet another automated mechanism that cancels the payment tools if some specific risk parameters are breached.
- Automatic renewal of open-ended Credit Lines to Retail Customers, which extends the term of credit lines to those Customers that, based on a specific selection algorithm, have a very high credit rating and, consequently, immaterial credit risk. Unlike the process previously in force, which required manual confirmation by the Account Manager of the credit lines to be renewed, the new procedure has been fully automated, while maintaining the possibility for the Account Managers to step in at their discretion.

On the other hand, Semi-Automatic Decision-Making Systems include the “Preauthorized Rolling Credit Lines” campaigns, which went live in 2022 and 2023, which precisely identify a selected perimeter of Customers (both from the Retail Small Business and the Corporate Banking segments) on which a specific algorithm identifies a preauthorized loan limit on a monthly basis.

These processes also require some manual operation, albeit limited, by the Account Manager, after further precise verifications, getting in touch with the selected Customers to agree on the most appropriate methods whereby the pre-approved amount, which are then made operational with the help of Lending applications.

Development, management and updating of Models – Roles and responsibilities

The process for the development, management and updating of the models, consistently with the guidelines issued by Crédit Agricole S.A., consists in the activities and procedures aimed at defining, at the initial stage, or at later updating the rating models that apply to loan exposures, that is to say, statistical models that have been designed to support credit assessment and to allow the capital requirements to be calculated in terms of risks of unexpected losses for the Crédit Agricole Italia Group.

The models for the measurement of risk parameters aim at achieving – for both reporting and management purposes – risk measures that are:

- Fit to grasp the key elements at the basis of assessment of the creditworthiness of the parties with whom the Group has or intends to assume loan exposures.
- Relatively stable over time in order to reflect at all times and in every Customer segment, long-term riskiness (measured by the rate of default) of the Group’s exposures, both present and potential.
- Fit to prevent uncontrolled growth of risk in the positive cycle phases and – as a reaction – indiscriminate crunch in lending in negative phases (reverse cycle).

The unit responsible for the development, management and updating of the models is the Financial and ICT Risk Models Function, which is part of the Risk Management and Permanent Controls Function.

Specifically, the Financial and ICT Risk Models Function is responsible for the development of internal rating models and of the LGD model, for the Crédit Agricole Italia Banking Group as a whole, ensuring compliance with the regulatory requirements provided for by the National and European Regulators, with the guidelines issued by the Parent Company and constant alignment to the international best practices. Moreover, this Function is responsible for producing documentation on the structuring and operating details of the adopted models, especially of the rating system, formalizing the features and methods adopted, as well as any alterations in the components and overall structure of the model, setting forth the reasons for such alterations.

Since 2014 the Model Development Function has adopted a Model Development Policy, which has been revised over time with the latest updated framework submitted to the BoD of Crédit Agricole Italia in July 2020 and in March 2021. It consists of three separate documents:

- The “Regulation governing the process for the development, monitoring, revision and decommissioning of the internal rating systems” of the Crédit Agricole Italia Banking Group.
- The “Methodological Guidelines for Model Development and Monitoring” manual.
- The “Margins of Conservatism in AIRB models” manual.

The first document listed above formalizes the process implemented to develop, monitor, revise and decommission internal rating systems, setting out the process steps, the Organizational Units involved and their respective responsibilities. It also sets out the process for reporting to the Supervisory Authorities on any changes made to the internal rating systems or to their application scope.

The second document listed above formalizes the guidelines for the development and monitoring of the risk measurement systems for which the Model Development Service is exclusively responsible and shall be complied with by all the entities of the Crédit Agricole Italia Banking Group. Specifically, it exhaustively describes the process to develop Pillar 1 regulatory statistical models (PD, LGD, EAD) as they are used to calculate the Bank’s capital requirements.

The third document listed above describes the process to identify, assess, monitor and formalize evidence of the Margins of Conservatism (MoC) to be used in case of estimate uncertainty in the modeling process.

The model development process is continuously revised and updated and the policy document is going to be updated in 2025 merging the present 3 documents into a single one.

Furthermore, all the internal models used by the Crédit Agricole Italia Group are submitted to the “Comité Normes et Modeles” of Crédit Agricole S.A. for approval, after being validated in-house by the Validation des Modèles Internes Structure of Crédit Agricole S.A. (jointly with the Validation Service of CA Italia).

The main activities performed by the Model Development Function in 2024 concerned:

- Putting the updated version of the corporate rating system into production, which took place in April 2024.
- The calculation, on a quarterly basis, of IFRS 9 collective impairment, using methods and models that have been developed in close coordination with Crédit Agricole S.A. and that cover the recent macroeconomic development scenarios.
- The on-site mission regarding retail internal models, which was carried out in H1 2024 and ended with the exit meeting held in September and the consequent feedback by Crédit Agricole Italia to the draft report;
- The go-live of the early warning model, which took place in July 2024.
- The start of the mission on the corporate PD model following the submittal in July 2023 of the application package for the authorization to use the AIRB approach on the corporate portfolio (the application package was revised in late October 2024 reducing its scope to the PD model only, with consequent modification of the authorization from AIRB to FIRB).
- Revision of the PD Stress and LGD Stress Models.

In 2025, the main projects will concern:

- Completion of the Mission on the Corporate PD Model.
- Start of the project for the Revision of the Retail Internal Models based on the findings emerged during the ECB mission carried out in 2024 on the Retail portfolio.
- The second phase of the climate stress test.
- the EBA stress test exercises.
- The updating of the Early Warning model.

Cost of credit

The Crédit Agricole Italia Banking Group has kept and enhanced its systematic control on the developments in the quality of the Loans-to-Customers Portfolio; specifically, it has intensified the monitoring on loan positions and has made it even more selective, in order to ensure constant adequacy of recovery expectations in accordance with any changes affecting its counterparties.

In 2024 the cost of risk remained at figures consistent with both default rates and the natural deterioration in non-performing loans. Moreover, thanks to the considerable activity carried out by the operating structure, significant results could be achieved in the recovery of non-performing exposures recognized as at the end of 2023, thus ensuring an important increase in the overall coverage ratios. The process to define, manage and monitor the cost of credit is owned by the NPE Function, which ensures its overall consistency and all the controls within the wider scope of the strategy for the management of Non-performing Loans.

Said process comprises all steps in the cost of credit management, from setting strategic objectives in the NPE Strategy to verifying actuals, with the involvement of all relevant structures and with periodic reporting to the NPE Committee.

Through the NPE Strategy Function, the Credit Intelligence Function is responsible for periodically updating the NPE Strategy, for constantly monitoring the related credit KPI and for preparing the periodic reporting to the Top Management and the NPE Committee.

Stress test

The credit risk monitoring strategy pursued in 2024 was fully consistent with that pursued in the previous year. The related controls were performed on all channels, focusing on the Corporate Banking Channel (SME/Mid and Large Corporate segments) and on the Small Business and Individuals Retail sub-segments, as well as on Crédit Agricole Leasing Italia.

Moreover, in order to define a reference framework for Stress Test exercises on the different risk scope consistently with the guidelines issued by the Parent Company Crédit Agricole S.A., since 2017 the Crédit Agricole Italia Banking Group has been implementing a specific policy (the Stress Test Policy), which was approved by the Board of Directors of Crédit Agricole Italia and then adopted by all the Companies of the Group. The Stress Test policy is updated and submitted to the Board of Directors for its validation on a yearly basis.

The Policy lays down the quantitative and qualitative techniques with which the Group assesses its vulnerability to exceptional but plausible events; they consist in measuring the impacts on profit or loss, on its financial position and on regulatory aspects generated by specific events (sensitivity analysis) or by combined changes in a set of economic and financial variables in adverse scenarios (scenario analysis). The policy lays down the stress test reference framework of the Crédit Agricole Italia Banking Group, as required by the new regulations issued by the Supervisory Authority and defines the set of stress test exercises to be carried out in the year.

In 2024, the stress test activities carried out by the Group concerned the Budget and MTP stress testing exercise (*Budgétaire* Stress Test) and an internal climate stress testing exercise. The Budget and MTP (*Budgétaire*) stress test exercise was carried out using the macroeconomic scenarios given by the Parent Company Crédit Agricole S.A. in the period September-November 2024. This exercise, which operated across the various corporate divisions engaged in risk measurement and management, allowed a prospective analysis of the impact on the Income Statement main items (including the cost of credit) and on risk-weighted assets;

The internal climate stress test exercise, which was carried out based on the data collected during the “Fit-for-55” exercise (data as at 31 December 2022) and with projections to 2030, was the start of a path to define a climate stress test framework and to fine-tune the methods for the assessment of climate risks, which will involve the whole Group from 2025 on.

In the stress testing exercises, the estimated effects of the economic cycle on the PD allow future developments in Risk Weighted Assets and Expected Loss to be calculated by aggregation level, with the possibility to simulate and calculate separately the impacts in terms of changes in volumes, changes in the capital requirement for operational risk and increase in risk. Moreover, the outcomes of the stress test exercises are taken into account within the definition and management of the Risk Appetite Framework.

Within the Internal Capital Adequacy Assessment Process (ICAAP), the Pillar II requirements were calculated in accordance with the methods defined by the Parent Company Crédit Agricole s.a., which, as regard credit risk on the Retail portfolio, provide for the calculation of RWAs and capital requirements using point-in-time risk parameters consistently with the IFRS9 framework deployed to calculate impairment on performing loans.

2.3 METHODS TO MEASURE EXPECTED LOSSES

ECL governance and measurement

The Risk Management and Permanent Controls Function is responsible for defining the methodological framework and for overseeing the process for ECL-related impairment of exposures and provisioning. The calculation of impairment of performing assets is part of the overall cost of credit process, which is coordinated by the Portfolio Management and External Collection Governance Function.

To define the IFRS 9 parameters required to calculate ECL, the Crédit Agricole Italia Banking Group has primarily relied on its internal rating system and on the other regulatory processes already implemented.

The assessment of credit risk is based on an expected loss model and extrapolation based on reasonable future scenarios. All information that is available, pertinent, reasonable and justifiable, including forward-looking information, shall be taken into account.

Therefore, in compliance with the requirements laid down by the standard, in order to estimate parameters, a set of forward-looking scenarios is used, each one of which is weighted by the related probability of occurrence. In agreement with Crédit Agricole S.A., the Crédit Agricole Italia Banking Group uses four different macroeconomic scenarios: Said scenarios can be summarized as follows:

- Central scenario, i.e. the scenario that is most consistent with the present one.
- Moderately adverse scenario, i.e. the economic scenario in moderately adverse conditions.
- Budget stress scenario, i.e. the most adverse scenario used within the stress exercise at the end of the budget preparation.
- Favourable scenario, i.e. the economic scenario in favourable conditions.

The weights to be assigned to the four scenarios - which may vary at each new estimation of the parameters - are defined by the Crédit Agricole Group (Group Economic Research Department of CAsa) and shared with the local management.

The Crédit Agricole Italia Banking Group updates the estimate of the parameters at least every year. The ECL calculation formula comprises the following parameters:

- Probability of Default - PD.
- Loss Given Default - LGD.
- Exposure At Default - EAD.

As already pointed out, these parameters have also been defined broadly based on the internal models used as part of the regulatory framework (where any), although they had to be adjusted in order to determine an ECL fully compliant with IFRS 9. Indeed, the standard requires a Point-in-Time analysis as at the reporting date, while taking account of the historical loss data and forward-looking macroeconomic data. Therefore, based on the above, the accounting approach is different from the prudential framework, where analyses are multiyear and Through the Cycle to estimate the Probability of Default (PD); moreover, such analyses shall include the Downturn in the estimate of the Loss Given Default (LGD), whereas this effect is not envisaged in the IFRS 9 LGD.

ECLs are calculated according to the type of product concerned, i.e. financial instruments or off-balance sheet instruments. Expected credit losses are discounted at the effective interest rate (EIR) used for the initial recognition of the financial instrument. The models and parameters used are backtested at least annually by the Risk Management and Permanent Controls Function.

Significant increase in credit risk

For each financial instrument, the Crédit Agricole Italia Banking Group assesses any increase in credit risk from origination to every reporting date. Based on this assessment of changes in credit risk, exposures are classified into the different risk stages.

Monitoring for any significant increase in credit risk shall cover every financial instrument, unless specific exceptions apply. Contagion is not required for the downgrading of financial instruments of the same counterparty from stage 1 to stage 2.

Monitoring of significant increase in credit risk shall consider the change in credit risk of the principal debtor without taking account of any guarantee, including for transactions with a shareholder guarantee.

For each exposure, any increase in credit risk is assessed through (relative or absolute) quantitative criteria and qualitative criteria.

Relative Criteria: some thresholds (SICR) have been set which measure the change in the PD as at the inception date and as at each reference date.

Based on this assessment of changes in credit risk, exposures are classified into the different risk stages.

The change in the PD is calculated as $PD_{Closing\ Date} > \alpha + \beta * PD_{Original\ Date}$ where:

- $PD_{Original\ Date}$ are the PDs measured at the business relationship inception, date of first recording;
- $PD_{Closing\ Date}$ are the PDs as at the calculation cut-off date;
- α is a fixed parameter that identifies a perimeter exempted from the application of the SICR thresholds;
- β are parameters estimated on Crédit Agricole Italia's portfolio.

In Q4 2024, following talks between Crédit Agricole S.A. and the ECB, the SICR threshold was revised and harmonized at the Group level, pending the introduction of forward-looking values in 2025.

The significant increase in credit risk rule provides for the downgrading to stage 2 if:

$$PD_{Closing\ Date} > \alpha + \beta * PD_{Original\ Date}$$

where: $\alpha=0$ e $\beta_i=3.00$ for all the portfolios.

It is pointed out that the rule is applied only where the PD as at the date is above 0.3%.

Origination means the settlement date or the date on which the Bank became bound by the contractual terms of the financial instrument. For financing and guarantee commitments, origination means the date on which the irrevocable commitment was made.

Other criteria: for exposures without an internal rating model, the Crédit Agricole Italia Banking Group uses non-payment as at the reporting date or in the previous 12 months. In case of non-payment, as at the reporting date or in the previous months, the exposure is downgraded to stage 2.

For exposures (with the exception of securities) for which internal rating models have been implemented and applied (all the more so if the rating models have been validated), the Crédit Agricole Italia Banking Group considers that all of the information incorporated into the rating systems allows for a more detailed assessment than the non-payment for over 30 days criterion alone as a back-stop threshold.

Other factors for downgrading to stage 2 are:

- The breach of the PD thresholds, which, for Crédit Agricole Italia, are set at 12% for the non-Retail portfolio and at 15% for the Retail portfolio.
- No rating as at the assessment date if regarding loans disbursed over six months before.
- The exposure being classified as forborne performing.
- Classification in the watchlist in accordance with the Early Warning internal indicator (IMA – Performance Monitoring Indicator) in at least three calculations in the four months before the reference date.
- The selection of portfolio portions that are considered high risk following specific probes carried out by the Risk Management and Permanent Controls Function, such as.
- Sub-Investment rating grades close to the Sensitive loans perimeter (the thresholds applied by the Crédit Agricole Banking Group are more restrictive).

Qualitative criteria: lastly, downgrading to stage 2 may occur for single-name positions reported by the Chief Legal Officer (CLO) and validated by the Risk Management and Permanent Controls Function.

If the conditions that triggered downgrading to stage 2 no longer apply, impairment may be reduced to 12-month ECL (stage 1).

For security portfolios, the Crédit Agricole Italia Banking Group uses an approach that consists in applying an absolute level of credit risk, in accordance with IFRS 9, at the breaching of which exposures shall be classified in stage 2 and provisioned for based on ECL at maturity. Therefore, the following rules shall apply for monitoring significant increase in the credit risk of securities:

- “Investment Grade” (IG) securities, at the reporting date, shall be classified in stage 1 and provisioned for based on 12-month ECL.
- “Non-Investment Grade” (NIG) securities, at the reporting date, shall be subject to monitoring for significant increase in credit risk, since origination, and shall be classified in Stage 2 (lifetime ECL) where any significant increase in credit risk is found.

The related increase in credit risk shall be assessed prior to the occurrence of a known default (Stage 3).

Multi-scenario calculation

To estimate the parameters used in calculating the forward-looking scenarios at the 31 December 2024 reporting date, the weights set by the Parent Company Crédit Agricole S.A. were the following:

- Central scenario, 30%.
- Moderately adverse scenario, 50%.
- Stressed budget scenario, 18%.
- Favorable scenario, 2%.

In compliance with IFRS 9, the ECL is estimated weighting forward-looking scenarios; therefore, the various scenarios were weighted by their probability of occurrence, as given above.

The main macroeconomic indicators used to define the scenarios were prepared by the ECO structure of Crédit Agricole S.A. specializing in macroeconomic studies.

Indicators used as at 31 December 2024

Indicators used as at 31 December 2024	Central				Moderately adverse				Stress Budgétaire				Favorable			
	2024	2025	2026	2027	2024	2025	2026	2027	2024	2025	2026	2027	2024	2025	2026	2027
Italy's GDP	0.8%	0.8%	0.9%	0.8%	0.8%	0.2%	0.7%	0.7%	0.8%	-2.3%	-1.7%	1.3%	0.8%	0.9%	1.1%	1.2%
Euro Area GDP	0.8%	0.5%	2.2%	1.3%	0.8%	0.5%	0.8%	1.3%	0.8%	-4.1%	-1.6%	1.0%	0.8%	1.9%	0.0%	2.2%
Italy inflation	1.1%	1.5%	1.3%	1.4%	1.1%	2.6%	1.8%	2.1%	1.1%	3.2%	1.2%	1.6%	1.1%	1.6%	1.4%	1.4%
Investments in Buildings	5.0%	-2.9%	-0.4%	0.7%	5.0%	-5.5%	-1.5%	0.9%	5.0%	-10.3%	-11.9%	2.1%	5.0%	0.8%	1.7%	1.7%
Investments in machinery	-0.4%	1.8%	1.3%	1.2%	-0.4%	0.4%	-0.4%	2.2%	-0.4%	-10.2%	-4.6%	-10.2%	-0.4%	1.7%	1.6%	1.6%
Fixed investments	2.8%	-0.6%	0.5%	1.0%	2.8%	-2.4%	-0.6%	1.5%	2.8%	-11.6%	-10.9%	-5.0%	2.8%	1.2%	1.8%	2.7%
Unemployment rate	6.9%	7.0%	6.9%	6.9%	6.9%	7.9%	8.0%	7.9%	6.9%	8.5%	9.2%	9.0%	6.9%	6.8%	6.7%	6.7%
Domestic demand	0.0%	0.8%	0.7%	0.5%	0.0%	0.4%	0.3%	0.4%	0.0%	-1.3%	-3.2%	0.0%	0.0%	0.5%	0.8%	0.8%
World oil demand	1.0%	1.0%	0.4%	0.8%	1.0%	0.1%	-0.3%	0.2%	1.0%	-1.1%	-0.5%	1.5%	1.0%	1.2%	0.4%	0.8%
Work productivity	-1.0%	0.8%	0.7%	0.7%	-1.0%	0.9%	-0.1%	0.9%	-1.0%	-1.9%	-1.2%	1.0%	-1.0%	1.1%	0.6%	0.6%
Industrial Production Index (IPI)	-2.4%	2.2%	3.7%	3.4%	-2.4%	0.8%	3.9%	3.1%	-2.4%	-1.5%	-0.8%	5.3%	-2.4%	2.5%	3.5%	3.2%
Propensity to consume	-2.4%	0.6%	-0.4%	-0.6%	-2.4%	0.9%	-0.2%	0.2%	-2.4%	-3.5%	-5.9%	-1.4%	-2.4%	-0.5%	-1.0%	-0.7%
Weight	30%				50%				18%				2%			

The main underlying assumptions are:

- Central scenario: in 2025 in the Euro Area growth slightly increases, disinflation continues, the labour market proves «resilient», purchasing power increases (which assumes that households have less propensity to save) and business margins improve. Interest rates also increase slightly.
- Moderately adverse scenario: the OPEC countries reduce their oil output with consequent increase in the oil price concentrated in 2025. Production also is penalized by the additional cost of energy with consequent decrease in profitability and investments go down. Inflation accelerates (Euro Area 3.5% in 2025, i.e. +1.7 percentage point vs. the central scenario). Pressure on long-term rates (especially in 2025 and then they slowly decrease).
- Stress scenario: there is another inflationary shock (Euro Area total inflation close to 4% in 2025), no monetary policy easing and no fiscal barriers, and growth slowing down in 2025. There is a very sharp

decline in financial markets, factoring in the fast implementation of pieces of legislation (such as carbon taxes) that may materially affect businesses' financial conditions and an increase in long-term interest rates and spreads (government and corporate).

- Favorable scenario: China's growth improves and, by extension, so does the Asian one. The Chinese government deploys a new recovery plan in order to restore confidence and support to households and to bolster the real estate market and youth employment. Therefore, the conditions for lending are eased and municipal allowances in the real estate scope are increased. Chinese imports from and demand for Euro Area goods increase. European growth recovers at a slightly faster pace than in the central scenario. Despite an increase in the prices of commodities (especially of oil), the monetary policy easing continues at the same pace as in the central scenario (very slight and temporary acceleration in European inflation in 2026). No pressure on long-term interest rates, equity and real estate markets are on better trajectories than in central scenario.

The economic scenarios used in the 2024 Half-yearly Report and in the 2023 Annual Report are also given, in order to represent the main changes occurred vs. the multi-scenario used in Q4 2024.

Indicators used as at 30 June 2024

Indicators used as at 30 June 2024	Central				Moderately adverse				Stress Budgétaire				Favorable			
	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026
Italy's GDP	1.0%	0.8%	0.9%	1.0%	1.0%	-0.1%	0.5%	1.2%	1.0%	-1.2%	-0.8%	0.7%	1.0%	1.1%	1.2%	1.0%
Euro Area GDP	5.0%	0.7%	1.5%	1.3%	5.0%	0.0%	0.8%	1.3%	5.0%	-1.6%	-1.3%	0.9%	5.0%	1.3%	1.7%	1.4%
Italy inflation	5.9%	1.5%	2.0%	1.9%	5.9%	4.0%	2.2%	2.1%	5.9%	6.4%	5.4%	3.8%	5.9%	1.8%	2.2%	2.1%
Investments in Buildings	3.5%	3.1%	1.2%	1.7%	3.5%	0.5%	0.1%	1.9%	3.5%	-0.4%	0.8%	1.5%	3.5%	3.1%	1.6%	1.7%
Investments in machinery	6.4%	-0.6%	1.2%	1.6%	6.4%	-2.0%	-0.4%	2.6%	6.4%	-2.0%	-1.4%	0.9%	6.4%	2.1%	2.2%	1.6%
Fixed investments	4.9%	1.9%	1.4%	1.8%	4.9%	0.2%	0.3%	2.2%	4.9%	-0.5%	0.1%	1.3%	4.9%	2.9%	1.9%	1.8%
Unemployment rate	7.7%	7.6%	7.7%	7.6%	7.7%	7.9%	8.1%	7.8%	7.7%	9.3%	9.4%	9.4%	7.7%	7.6%	7.6%	7.5%
Domestic demand	1.2%	0.0%	0.7%	0.8%	1.2%	-0.3%	0.5%	0.8%	1.2%	-1.7%	-0.9%	0.6%	1.2%	0.1%	0.7%	0.7%
World oil demand	2.2%	0.9%	1.1%	0.9%	2.2%	0.0%	0.3%	0.3%	2.2%	-1.0%	0.0%	1.0%	2.2%	1.1%	0.9%	0.9%
Work productivity	4.2%	0.8%	0.6%	1.1%	4.2%	0.9%	-0.2%	1.2%	4.2%	4.2%	4.7%	0.1%	4.2%	0.9%	0.9%	0.9%
Industrial Production Index (IPI)	-2.1%	1.0%	3.0%	2.2%	-2.1%	-0.4%	3.2%	1.9%	-2.1%	0.2%	-0.8%	2.4%	-2.1%	1.6%	3.3%	2.5%
Propensity to consume	2.8%	-2.3%	-0.5%	0.1%	2.8%	-1.1%	-1.3%	-0.2%	2.8%	-3.2%	-1.5%	0.7%	2.8%	-2.0%	-1.4%	-1.2%
Weight	50%				35%				10%				5%			

Indicators used as at 31 December 2023

Indicators used as at 31 December 2023	Central				Moderately adverse				Stress Budgétaire				Favorable			
	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026
ITA GDP	0.7%	0.6%	1.2%	0.9%	0.7%	-0.3%	0.6%	1.2%	1.2%	-1.2%	-0.8%	0.7%	0.7%	1.0%	1.2%	0.9%
ZE GDP	0.5%	0.9%	1.3%	1.0%	0.5%	0.0%	0.8%	1.3%	0.6%	-1.6%	-1.3%	0.9%	0.5%	1.3%	1.7%	1.4%
Inflation in Italy	6.0%	2.7%	2.2%	2.1%	6.3%	4.0%	2.2%	2.1%	6.3%	6.4%	5.4%	3.8%	6.0%	2.8%	2.2%	2.1%
Investments in Buildings	-2.4%	-0.3%	2.0%	1.9%	-2.5%	-3.2%	0.6%	2.2%	1.5%	-0.4%	0.8%	1.5%	-2.4%	-0.3%	2.0%	1.9%
Investments in machinery	2.1%	-1.6%	1.6%	1.6%	2.1%	-3.4%	-0.4%	2.6%	3.9%	-2.0%	-1.4%	0.9%	2.1%	0.6%	2.2%	1.6%
Fixed investments	0.8%	-0.2%	2.0%	1.9%	0.7%	-2.3%	0.6%	2.4%	2.9%	-0.5%	0.1%	1.3%	0.8%	0.5%	2.1%	1.9%
Unemployment rate	7.8%	8.0%	8.0%	7.9%	7.8%	8.0%	8.2%	7.9%	8.0%	9.3%	9.4%	9.4%	7.8%	7.9%	7.9%	7.8%
Domestic demand	1.1%	1.0%	0.8%	0.7%	1.0%	0.1%	0.5%	0.9%	1.0%	-1.7%	-0.9%	0.6%	1.1%	0.8%	0.7%	0.7%
World oil demand	2.2%	1.0%	0.8%	0.8%	2.2%	0.0%	0.3%	0.3%	2.2%	-1.0%	0.0%	1.0%	2.2%	1.1%	0.9%	0.9%
Work productivity	3.3%	0.8%	0.6%	1.1%	3.3%	0.9%	-0.2%	1.2%	2.7%	4.2%	4.7%	0.1%	3.3%	0.9%	0.9%	0.9%
Industrial Production Index (IPI)	-2.7%	1.0%	3.0%	2.2%	-2.7%	-0.4%	3.2%	2.9%	-0.8%	0.2%	-0.8%	2.4%	-2.7%	1.6%	3.3%	2.0%
Propensity to consume	1.9%	-0.7%	-0.7%	-0.4%	2.0%	-0.8%	-1.3%	-0.2%	2.4%	-2.9%	-1.5%	0.7%	1.9%	-1.1%	-0.8%	-0.4%
Weight	55%				30%				10%				5%			

Scenario sensitivity analysis

Within the revision of the parameters used for the IFRS 9 calculation of the Q4 2024 figures, the Crédit Agricole Italia Banking Group estimated the sensitivity of the ECL figure to the different macroeconomic scenarios given by the Crédit Agricole Group Economic Research Department - ECO, which is a specialist in macroeconomic studies.

To estimate the impact from the different scenarios identified, the maximum weighting was associated to each scenario, each time zeroing the contribution from the others in determining the forward-looking risk parameters and, thus, assessing the marginal contribution of each scenario to the final result.

Sensitivity was estimated on the September 2024 processing (data as at August 2024) in a lab environment and later applied to December 2024 closing data. The application of the observed variations to the December 2024 calculation results for the Crédit Agricole Italia Banking Group is summarized in the table below, which shows the range of figures that can be obtained with the above-described method.

The table reports the result of the ECL sensitivity analysis based on the simulated scenarios and the related percentage deviation from the “multi-scenario” used for the accounting ECL, which can vary from Euro 353 million in the Favorable scenario (down by -19%) to Euro 553 million in the Stress budgétaire scenario used for budget simulations in stressed conditions (up by 27%). The recognized amount of Euro 435 million reflects the weights on the Central and Moderately Adverse Scenarios.

€/mln	Exposure	EAD	ECL Multi- scenario	Sensitivity analysis: ECL per single scenario			
				Central	Moderately adverse	Stressed budget	Favorable
RETAIL BNKG	43,243	41,290	210	189	209	250	188
Stage 1	39,316	37,403	37	33	37	43	33
Stage 2	3,926	3,887	174	156	172	208	155
CORPORATE BNKG	53,569	33,585	211	171	210	277	163
Stage 1	47,384	29,345	45	35	45	64	32
Stage 2	6,185	4,240	166	137	165	212	131
SECURITIES	8,734	8,734	13	8	14	22	6
Stage 1	8,724	8,724	13	8	14	22	6
Stage 2	10	10	0	0	0	1	0
TOTAL	105,545	83,609	435	365	433	553	353
Deviation			365	433	553	353	
Weight				30%	50%	18%	2%

Methodological changes

In terms of methods and approaches, the actions deployed in the period concerned:

- The updating of the forward-looking parameters after receiving the new macroeconomic scenarios from the Economic Studies Department of Crédit Agricole S.A. (ECO). In accordance with the process, the updating was made for the June calculation and for the December calculation; having specific regard to the last quarter, it is pointed out that, although the forecasts of the individual scenarios improved for the CA Group as a whole, the Parent Company deemed it appropriate to mitigate that effect giving higher weight to moderately adverse scenarios while materially reducing the weight of the favorable and central components. Furthermore, the 2022 C1 Grids were taken into account.
- Updating of the SICR thresholds, which were harmonized at Group level.
- Removal of rating grade D from pre-sensitive grades entailing automatic downgrading of the customer from stage 1 to stage 2.
- Removal of the downgrading rule regarding floating-rate mortgage loans (Non-investment Grade Customers with instalment/income > 30%) given the progressive decrease in the phenomenon and the reduction in interest rates.
- Removal of the downgrading rule regarding former-Creval Customers. The rule had been applied because the ratings of Creval Customers in accordance with CAI methodology were not available as at the acquisition date but only as at the IT migration date. As an adequate length of time has elapsed by now, the rating as at the migration date is used as the rating at origination.

Lastly, since the June calculation, some downgrading actions between Crédit Agricole Leasing Italia and Crédit Agricole Italia were aligned; specifically:

- Now, also for Crédit Agricole Leasing Italia, Retail Customers in rating grades P07 and I07 and Corporate Customers in rating grade D- (called pre-sensitive ratings) are downgraded if they are also Crédit Agricole Italia's Customers.
- The standard rating use for Retail Customer is no longer considered valid.

These actions are summarized, along with the other *post-model adjustments* already present in the processing operations before 31 December 2024 and reported in the paragraph below.

Post-model adjustments

Following the Forward-Looking Local ECL calculation as at December 2024, the Crédit Agricole Italia Banking Group made management overlays.

Said adjustments can be broken down into two types:

- **Adjustments made to specific positions:**
 - Single-name adjustments (adjustments on single positions) whereby the results could be aligned with the expectations – in terms of risk profile – of the IFRS 9 work group. In accordance with the regulated process, based on the results obtained with the calculation approach defined by the Group and based on the management information of the single counterparties, if the expected loss value associated with a specific counterparty does not accurately reflect its riskiness, the provisioning on the counterparty may be adjusted manually to a level deemed appropriate; such manual actions are allowed only if they increase the coverage ratio on the counterparty. The single-name adjustments made in Q4 2024 also include value adjustments to the ECL associated with exposures to:
 - The Bank of Italy;
 - The State Treasury;
 - Intra-group positions (with effects on the separate financial statements of the entities of the Group);
 - Direct downgrading to Stage 2:
 - Of the positions on the watchlist for at least three of the four months before the reference date;
 - Of the Retail positions with PD equal to or higher than 11% and of Corporate positions with PD equal to or higher than 5% (known as sensitive ratings);
 - Of pre-sensitive positions, i.e. of Retail Customers with ratings I07 and P07 and of Corporate banking Customers with ratings D-;
- **Portfolio adjustments made by allocating** the identified amounts to all positions proportionally to the ECL. Said case included the following actions:
 - Actions concerning methodological elements not yet included in the used parameters or the implementation of a Forward-Looking Local model also for the LGD value;
 - Forward-looking action to take into account of the portion of the mid-corporate and large-corporate portfolio not yet measured with the new grids. This action entered into force in April 24 and is now used for nearly the entire portfolio; however, there is still a residual part, which will be measured with the new grids starting from the first months of 2025;
 - Action on sectors aimed at taking into account the higher riskiness of **energy-intensive sectors**, which is growing because of the consequences of the ongoing crisis on the future economic scenario;
 - **Conservative add-on for the Individuals segment** amounting to 10 million Euros: given the uncertain economic scenario and having already considered the reduction in interest rates by modifying downgrading rules, this add-on was confirmed on Customers in the Individuals segment in order to keep appropriate coverage ratios;
 - Action aimed at mitigating the impacts on impairments where there are **State Guarantees** (applying to the guaranteed portion). Furthermore, as done in the previous quarters on the Crédit Agricole Italia perimeter, the coverage ratio of government securities was considered.

Other actions to allocate provisions on specific portfolios or on the overall portfolio of Performing Customers as at the reference date. In Q4, the following actions were considered:

- Corrections requested by the Validation Function after its annual review and concerning the implementation of the Corporate rating new grids; The correction is going to be kept until the full application of the grids;
- Add-on anticipating corrections to the database regarding bullet contracts;

- Prudential action to ensure coverage of some approach-related action scheduled for 2025 and of the very uncertain economic scenario.

2.4 CREDIT RISK MITIGATION TECHNIQUES

Within the Crédit Agricole Italia Banking Group, the mitigation of credit risk is pursued by entering into ancillary agreements or by adopting appropriate tools and techniques designed to mitigate this risk.

In particular, specific processes regulate the obtainment and management of guarantees, with clear definition of the relevant roles, responsibilities and controls. Close attention is paid to the adequacy of the rules and procedures for monitoring that the requirements of the guarantees remain complied with (legal certainty, prompt realization and value consistency with the exposure).

The standards for the appraisal of real estate properties securing the exposures of the Crédit Agricole Italia Banking Group, as laid down in the «Policies on the Valuation of Real Estate Properties Securing Exposures», are compliant with the Guidelines issued by the Italian Banking Association (ABI) in force at the relevant time and are in accordance with the recent regulatory principles “International Valuation Standards” (IVS) and “European Valuation Standards” (EVS).

The policies on the appraisal of real estate assets securing the exposures, updated as at October 2023, confirmed the approaches and principles, already adopted in the last few years, for the alignment to the «EBA Guidelines on loan origination and monitoring», and identify:

- A specialist unit engaged in the governance and oversight of the quality of the appraisals, having special regard to the task assigning process and to the appraisal methods and criteria adopted.
- A control framework defining the methods and frequency of controls and the reporting of the related outcomes.
- A list of accredited appraisers.
- The process for continuous monitoring of the values of the real estate assets, defining the methods and frequency.

3. NON-PERFORMING CREDIT EXPOSURES

The NPE Regulation

In the last few years, the legislation and regulations applicable to non-performing loans have been constantly developed and amended in order to improve the prudential criteria for identification and management of non-performing loans, fostering harmonization across the EU Member States.

In order to ensure constant compliance with said developments, the NPE Regulation is periodically revised, on the basis also on the remarks made during the periodic audits carried out by the Parent Company and by the ECB.

The events triggering classification as Defaulted UTP Triggers): in compliance with the EBA Guidelines, a set of events has been defined upon whose occurrence the management structures shall thoroughly review the positions concerned in order to assess whether it is appropriate or necessary to classify them as non-performing.

Said positions may be kept in the performing category only in specific cases to be appropriately substantiated. The triggers are different in accordance with their scope of application being Individuals or SMEs.

The events triggering classification as Bad Loans: a set of events has been defined which, for their severity and risk of impairment of the assets backing the Bank credit claim, shall trigger immediate classification of the positions concerned as bad loans, with subsequent start of the related executive actions.

Furthermore, some guidelines have been designed for loan classification in the correct risk grade, first of all through going/gone concern assessment.

Special attention is given to the positions in the “Commercial Real Estate” perimeter, which, due to the problems associated with the sector in terms of management and risk, is quite material in the non-performing loans scope.

In recovery forecasts, thorough assessment has been introduced of the reasons concerning the time for which the positions have been classified as non-performing; to this effect the analysis of exposure vintage is of key importance for the loan conservative measurement.

The units managing non-performing loans

The management of non-performing exposures, classified as Past Due (PD) Unlikely to Pay (UTP) and Bad Loans, is the responsibility of the Non-Performing Loans Management Function as to in-house workouts, and the responsibility of the Outsourcing, Cost and Credit Disposal Function as to outsourced workouts; in both Functions, NPLs are managed through specialist Units by type of counterparty.

The Non-Performing Loans Function is in charge of out-of-court and in-court collection and/or full workout of the exposures it manages, excluding the positions within the scope of outsourced collection services, consistently with the NPE strategy.

The Function manages relations with the Customers falling within its scope of responsibility with the objective of collecting the credit claims of the Crédit Agricole Italia Banking Group, promptly implementing all actions that are deemed the most suitable and effective towards borrowers.

In addition to periodic specific measurement of the recovery value, the management process for non-performing positions aims also at:

- Verifying whether the counterparty is capable of recovering financial health and, consequently, restoring the business and loan relationship; To this end, the Structure is responsible for determining the scenario for collection forecast, specifically assuming the counterparty as a going concern (i.e. the exposure can be repaid with the cash flows generated by the counterparty as a going concern) or assuming the counterparty as a gone concern where the exposure can be collected only through the assets securing it as collaterals).
- Scheduling and monitoring loan workout plans agreed on with Customers.
- Proactive participation in interbank work group for debt restructuring and assessment of the proposed plans.

The Outsourcing, Cost and Credit Disposal Function is responsible for overseeing the management of UTP and bad loans outsourced from external services; specifically, it shall ensure that operating activities are duly carried out in coordination with the Servicers and Accounting Function, in order to verify the effectiveness, good value for money and timeliness of the collection actions.

This mission is pursued managing bad exposures as follows:

- Implementing all possible actions in court and out of court, in order to achieve the best possible compromise between the highest possible collection and the shortest time to collection on these exposures.
- Ensuring organic management of all information on the most likely forward-looking repercussions on the income statement through the recognition of provisions for risks and allowances for losses on loans.
- Preparing and then updating, based on harmonized and standardized approaches, collection forecast in terms of probable collected amount and expected collection date, as well as conservative measurement of the existing guarantees and of those that can be reasonably be obtained in court.

3.1 MANAGEMENT STRATEGIES AND POLICIES

In accordance with the “Guidance to banks on non-performing loans” published in March 2017 by the European Central Bank (ECB), the Crédit Agricole Italia Banking Group designed its strategy for the management of non-performing loans, “Group 2018-2021 NPE Strategy”, with the planning of the related KPIs, such as the weight of NPEs, the riskiness of the performing loan portfolio, the effectiveness of NPE recovery and the coverage ratio of the NPL portfolio.

The design and updating of the NPE Strategy has provided for the following approach:

- Breakdown analysis of the loan portfolio and of the performance historical data of NPE management and collection by the Crédit Agricole Italia Banking Group.
- The benchmark positioning of the Crédit Agricole Italia Banking Group in the target market as regards KPIs (NPE Ratio, Coverage Ratio, cost of credit recovery and impairment rates).
- Identification, based on the portfolio and market opportunities, of action drivers to strengthen the performances of the Crédit Agricole Italia Banking Group in terms of credit quality protection and improvement:
- Management actions on the “loan recovery machine”.
- Initiatives aimed at increasing the NPE coverage ratio.

- NPE deleveraging initiatives through tools and actions already developed by the Group (NPE sales on a portfolio and single name basis), with positive effects also on the reduction in the average vintage of the NPE portfolio.

The Group has adopted the NPL Policy and updates it over time, which sets out the internal rules for assessing Past Due, UTP and Bad Loans and, for each category, governs the following scopes:

- Identification and classification methods.
- Criteria to determine statutory impairment applied upon entry in the category.
- Discounting rule to determine the present value in accordance with the estimated recovery plan.
- Assessment methods and criteria during the stay in the category.
- Conditions and methods for exiting the NPL category with migration between NPE categories.

In 2024, further targets were achieved in terms of reducing the NPE portfolio and the risk associated therewith; specifically, at the end of the year, the non-performing portfolio posted a marked decrease (-16% vs. the end of 2023) and consisted, by 70%, of exposures classified as “unlikely to pay”, the gross NPE ratio improved coming to 2.68% (-58bps) and the total coverage ratio of the NPE portfolio hit 53.7%^{*27} (increasing by nearly 3 percentage points vs. the end of 2023).

Furthermore, in the reporting year, the NPE Strategy up to 2026 was defined. The NPE Strategy provides for the analysis of the existing portfolio and for the integration of the forecasts of the main macroeconomic factors, and aims at protecting the quality of the loan portfolio, preserving the good levels reached in the recent FYs, through the adoption of ordinary management drivers, selectively supplementing them with targeted deleverage actions. Besides this, the new strategy provides for an action plan aimed at speeding up the digitalization of the processes and tools supporting lending and loan management.

For information on the technical-organizational procedures and on the methods used to manage and control the NPE portfolio, please, refer to the Note to the Financial Statements - Part A - Accounting Policies, section A.2 Part reporting on the main financial statement items “Impairment for credit risk”.

3.2 WRITE-OFF

The Non-Performing Exposures Function writes off non-performing loans after full recovery of the exposure or resumption of its amortization.

The Function writes off non-performing exposures with loan waiver subsequent to:

- Unilateral remission of the residual amount due within authorized and executed settlement.
- Loan disposal;

Furthermore, the Function writes off non-performing exposures, also without loan waiver, subsequent to:

- Loan uncollectibility, as proved or inferred, including the implementation of all possible affordable actions.
- Very marginal possibility of collection.

That being the case, these loans are fully or partially written off in order not to keep, on the Balance Sheet, loans that, although still managed by the structures in charge of collection, are hardly likely to be recovered. The positions to be written off must be identified - through an “ad-hoc” analysis- from among those that have both high vintage and high coverage.

3.3 PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS

As regards the accounting treatment of these assets and the related reporting, please refer to “A.2 - Part reporting on the main financial statement items”.

4. RENEGOTIATED FINANCIAL ASSETS AND FORBORNE EXPOSURES

As regards the accounting treatment of these assets and the related reporting, please refer to “A.2 - Part reporting on the main financial statement items”.

27 * Applying the treatment of POCI assets.

Forborne exposures are those for which “concessions” have been granted to a borrower that is experiencing or is about to experience difficulties in fulfilling his/her/its financial commitments (“financial difficulty”).

Concessions consist in the following:

- Changes in the terms/conditions of an existing contract as regards which the borrower is not deemed able to comply with the set payments due to financial difficulties, which would not have been granted if the borrower had not been in financial difficulties.
- Total or partial refinancing of an existing contract as regards which the borrower is not deemed able to comply with the set payments due to financial difficulties, which would not have been granted if the borrower had not been in financial difficulties.

Based on the information contained in EBA “*Implementing Technical Standards (ITS) - On Supervisory reporting on forbearance and non-performing exposures under article 99(4) of Regulation (EU) No 575/2013*” of 27 July 2014, as updated, and implementing the guidelines developed afterwards by the Parent Company CASA, the Crédit Agricole Italia Banking Group has defined an internal algorithm whereby forborne exposures can be identified, distinguishing between performing and non-performing forborne exposures, which was updated in 2024.

The updating concerned both the regulatory part and the forbearance-detection IT engine, and will continue throughout 2025 in accordance with the new operating rules issued by the Parent Company.

The exposures on which forbearance is detected are classified as “*forborne performing - probation period*”.

When contractual modifications generate a difference between the before-forbearance and after-forbearance net present value exceeding 1%, exposures are classified as “*forborne non-performing - cure period*”.

In case exposures that are classified as non-performing for other reasons are forborne, they are still classified as forborne non-performing.

Performing exposure may lose their classification as forborne when all the following conditions are met:

- The contract is considered performing during the probation period.
- At least two years have passed from the beginning of the probation period.
- Payments were regularly and duly made for at least half of the probationary period.
- No one of the exposures to the same borrower is past due by more than 30 days during or at the end of the probation period.

In their turn, forborne non-performing exposures can be reclassified as forborne performing exposures when all the following conditions are met:

- At least one year has passed since the start of the cure period.
- During the cure period the borrower made material payments, equal at least to the past-due portion or to the amount written off upon the granting of the forbearance measure.
- there are no late payments at the end of the cure period and no delays in payment of more than 30 days during the cure period.
- The counterparty has returned fully able to fulfil its credit obligations and there are no other reasons to confirm the classification as non-performing.

An exposure may always be classified in the forborne perimeter on a judgemental basis where the algorithm does not automatically detect the contract modification or the financial difficulties experienced by the debtor. Likewise, positions can be excluded on a judgemental basis from the forborne perimeter, if it is ascertained that the automatic classification made by the algorithm is not consistent.

The situation regarding Forborne positions as at 31 December 2024 of the Crédit Agricole Italia Banking Group is given below:

Counterparty status	Type of forbearance applied	Total
PERFORMING	Forborne Performing exposures	486,385
DEFAULTED	Forborne Non-performing exposures	669,168
Total Forborne Exposures		1,155,553

QUANTITATIVE DISCLOSURES

A. Credit quality

All financial assets are classified by credit quality with the exception of equity securities and units of O.I.C.R. collective investment undertakings.

The term “on-balance-sheet exposures” defines all on-balance-sheet financial assets consisting of due from banks or customers, irrespective of the accounting portfolio they are allocated to (measured at fair value through profit or loss, measured at fair value through other comprehensive income, measured at amortized cost, financial assets being divested).

The term “off-balance-sheet exposures” means all financial transactions other than on-balance-sheet ones (guarantees given, commitments, derivatives) for which credit risk is taken, irrespective of the transaction purposes.

A.1 PERFORMING AND NON-PERFORMING CREDIT EXPOSURES: AMOUNTS, ADJUSTMENTS, CHANGES AND BREAKDOWNS

A.1.1 Prudential consolidation - Breakdown of financial assets by past due bracket (book values)

	Stage 1			Stage 2			Stage 3			POCI assets		
	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	Up to 30 days	From over 30 days up to 90 days	Over 90 days
1. Financial assets measured at amortized cost	481,322	11,645	737	440,057	56,604	17,446	46,941	21,157	480,196	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets being divested	-	-	-	-	-	-	-	-	-	-	-	-
Total 31 Dec. 2024	481,322	11,645	737	440,057	56,604	17,446	46,941	21,157	480,196	-	-	-
Total 31 Dec. 2023	338,044	17,230	113	503,291	46,766	18,805	44,084	31,748	541,735	-	-	-

A.1.2 Prudential consolidation - Financial assets, commitments to disburse funds and financial guarantees given: changes in total adjustments and total provisions

Reasons/risk stages	Total adjustments											
	Stage 1 assets						Stage 2 assets					
	Demand due from Banks and claims on Central Banks	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets being divested	of which: individual impairment	of which: collective impairment	Demand due from Banks and claims on Central Banks	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets being divested	of which: individual impairment	of which: collective impairment
Opening total adjustments	4	81,355	5,612	-	-	86,971	-	334,898	-	-	-	334,897
Increases from purchased or originated financial assets	-	11,494	2,738	-	-	14,231	-	28,159	-	-	-	28,159
Derecognized items other than write-offs	-1	-1,548	-2,920	-	-	-4,468	-	-	-	-	-	-
Net adjustments/recoveries for credit risk (+/-)	-3	-20,485	201	-	-	-20,287	-	-38,464	-	-	-	-38,464
Contract modifications without derecognition	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimate approach	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognized directly through profit and loss	-	-11	-	-	-	-11	-	-33	-	-	-	-33
Other changes	-	8,674	-	-	-	8,674	-	-5,797	-	-	-	-5,796
Closing total adjustments	-	79,479	5,631	-	-	85,110	-	318,763	-	-	-	318,763
Recoveries from collection on financial assets written-off	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognized directly through profit and loss	-	-102	-	-	-	-102	-	-121	-	-	-	-121

	Total adjustments										Total provisions for commitments to disburse funds and financial guarantees given				Total
	Stage 3 assets					POCI assets					Stage 1	Stage 2	Stage 3	Commitments to disburse funds and financial guarantees, POCI	
	Demand due from Banks and claims on Central Banks	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets being divested	of which: individual impairment	of which: collective impairment	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets being divested	of which: individual impairment					
-	1,432,397	-	-	1,432,397	-	-	-	-	-	-	10,969	17,319	52,140	-	1,934,694
-	2,942	-	-	2,942	-	X	X	X	X	X	312	832	224	-	46,701
-	-292,584	-	-	-292,584	-	-	-	-	-	-	-	-	-	-	-297,053
-	199,286	-	-	199,286	-	-	-	-	-	-	-1,526	2,599	10,329	-	151,937
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-150,322	-	-	-150,322	-	-	-	-	-	-	-	-	-	-	-150,366
-	15,396	-	-	15,396	-	-	-	-	-	-	205	-277	-3	-	18,198
-	1,207,115	-	-	1,207,115	-	-	-	-	-	-	9,960	20,473	62,690	-	1,704,111
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-33,098	-	-	-33,098	-	-	-	-	-	-	-	-	-	-	-33,321

A.1.3 Prudential consolidation - Financial assets, commitments to disburse funds and financial guarantees given: transfers between the different credit risk stages (gross and nominal values)

Portfolios/risk stages	Gross values/nominal value					
	Transfers between stage 1 and stage 2		Transfers between stage 2 and stage 3		Transfers between stage 1 and stage 3	
	From stage 1 to stage 2	From stage 2 to stage 1	From stage 2 to stage 3	From stage 3 to stage 2	From stage 1 to stage 3	From stage 3 to stage 1
1. Financial assets measured at amortized cost	3,052,201	2,731,621	255,186	40,591	165,458	9,024
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial assets being divested	-	-	-	-	-	-
4. Commitments to disburse funds and financial guarantees given	147,460	114,838	19,674	70	888	16
Total 31 Dec. 2024	3,199,661	2,846,459	274,860	40,661	166,346	9,040
Total 31 Dec. 2023	6,892,940	1,392,659	197,239	58,331	874,149	8,915

A.1.4 Prudential consolidation - On-balance-sheet and off-balance-sheet exposure to banks: gross and net values

Type of exposures/Values	Gross exposure						Total adjustments and total provisions for credit risk				Net exposure	Total partial write-offs(*)
	Stage 1	Stage 2	Stage 3	POCI assets	Stage 1		Stage 2	Stage 3	POCI assets			
A. ON-BALANCE-SHEET CREDIT EXPOSURES												
A.1 Demand	4,813,428	4,813,428	-	-	-	-	-	-	-	-	4,813,428	-
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	4,813,428	4,813,428	-	X	-	-	-	-	X	-	4,813,428	-
A. 2 Other	4,499,704	4,495,564	-	4,138	-	4,391	272	-	4,119	-	4,495,313	-
a) Bad loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to Pay	4,138	X	-	4,138	-	4,119	X	-	4,119	-	19	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non-performing past due exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	4,495,566	4,495,564	-	X	-	272	272	-	X	-	4,495,294	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL (A)	9,313,132	9,308,992	-	4,138	-	4,391	272	-	4,119	-	9,308,741	-
B. OFF-BALANCE-SHEET CREDIT EXPOSURES												
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	3,521,672	2,686,502	311	X	-	693	688	5	X	-	3,520,979	-
TOTAL (B)	3,521,672	2,686,502	311	-	-	693	688	5	-	-	3,520,979	-
TOTAL (A+B)	12,834,804	11,995,494	311	4,138	-	5,084	960	5	4,119	-	12,829,720	-

(*) Value to be stated for disclosure purposes.

A.1.5 Prudential consolidation - On-balance-sheet and off-balance-sheet exposure to customers: gross and net values

Type of exposures/Values	Gross exposure					Total adjustments and total provisions for credit risk				Net exposure	Total partial write-offs (*)	
	Stage 1	Stage 2	Stage 3	POCI assets	Stage 1	Stage 2	Stage 3	POCI assets				
A. ON-BALANCE-SHEET CREDIT EXPOSURES												
a) Bad loans	622,657	X	-	622,657	-	471,657	X	-	471,657	-	151,000	12,652
- of which: forborne exposures	138,890	X	-	138,890	-	116,855	X	-	116,855	-	22,035	-
b) Unlikely to Pay	1,867,186	X	-	1,867,099	-	727,363	X	-	727,363	-	1,139,823	12,365
- of which: forborne exposures	525,721	X	-	525,721	-	276,898	X	-	276,898	-	248,823	-
c) Non-performing past due exposures	11,191	X	-	11,191	-	3,976	X	-	3,976	-	7,215	1,385
- of which: forborne exposures	558	X	-	558	-	66	X	-	66	-	492	-
d) Performing past due exposures	1,045,369	494,690	550,679	X	-	37,559	986	36,573	X	-	1,007,810	-
- of which: forborne exposures	34,328	5,731	28,597	X	-	2,178	17	2,161	X	-	32,150	-
e) Other performing exposures	72,912,921	66,211,486	6,700,490	X	-	366,042	83,852	282,190	X	-	72,546,879	11,021
- of which: forborne exposures	452,056	23,354	428,702	X	-	35,612	74	35,538	X	-	416,444	-
TOTAL (A)	76,459,324	66,706,176	7,251,169	2,500,947	-	1,606,597	84,838	318,763	1,202,996	-	74,852,727	37,423
B. OFF-BALANCE-SHEET CREDIT EXPOSURES												
a) Non-performing	216,682	X	-	216,682	-	62,768	X	-	62,768	-	153,914	-
b) Performing	24,066,862	23,413,154	644,527	X	-	29,663	9,271	20,392	X	-	24,037,199	-
TOTAL (B)	24,283,544	23,413,154	644,527	216,682	-	92,431	9,271	20,392	62,768	-	24,191,113	-
TOTAL (A+B)	100,742,868	90,119,330	7,895,696	2,717,629	-	1,699,028	94,109	339,155	1,265,764	-	99,043,840	37,423

(*) Value to be stated for disclosure purposes.

A.1.6 Prudential consolidation - On-balance-sheet exposures to Banks: changes in gross non-performing exposures

Reasons/categories	Bad loans	Unlikely to Pay	Non-performing past due exposures
A. Opening gross exposure	-	4,137	-
- of which: sold exposures not derecognized	-	-	-
B. Increases	-	1	-
B.1 from performing exposures	-	-	-
B.2 from purchased or originated credit-impaired financial assets	-	-	-
B.3 transfers from other categories of non-performing exposures	-	-	-
B.4 Contract modifications without derecognition	-	-	-
B.5 other increases	-	1	-
C. Decreases	-	-	-
C.1 to performing exposures	-	-	-
C.2 write-offs	-	-	-
C.3 collections	-	-	-
C.4 gains on disposals	-	-	-
C.5 losses on disposals	-	-	-
C.6 transfers to other categories of non-performing exposures	-	-	-
C.7 Contract modifications without derecognition	-	-	-
C.8 other decreases	-	-	-
D. Closing gross exposure	-	4,138	-
- of which: sold exposures not derecognized	-	-	-

A.1.7 Prudential consolidation - On-balance-sheet exposures to Customers: changes in gross non-performing exposures

Reasons/categories	Bad loans	Unlikely to Pay	Non-performing past due exposures
A. Opening gross exposure	704,990	2,273,583	19,287
- of which: sold exposures not derecognized	-	-	-
B. Increases	381,137	451,293	46,041
B.1 from performing exposures	62,689	408,102	17,315
B.2 from purchased or originated credit-impaired financial assets	-	-	-
B.3 transfers from other categories of non-performing exposures	297,836	12,907	25,553
B.4 Contract modifications without derecognition	-	60	-
B.5 other increases	20,612	30,224	3,173
C. Decreases	463,470	857,777	54,137
C.1 to performing exposures	4,869	47,221	1,716
C.2 write-offs	103,566	36,507	25,095
C.3 collections	82,932	281,530	12,009
C.4 gains on disposals	52,436	63,591	-
C.5 losses on disposals	12,354	1,896	-
C.6 transfers to other categories of non-performing exposures	4,149	316,966	15,181
C.7 Contract modifications without derecognition	-	1,359	-
C.8 other decreases	203,164	110,066	136
D. Closing gross exposure	622,657	1,867,099	11,191
- of which: sold exposures not derecognized	-	-	-

A.1.7bis Prudential consolidation - On-balance-sheet exposures to Customers: changes in gross forborne exposures broken down by credit quality

Reasons/Quality	Non-performing forborne exposures	Performing forborne exposures
A. Opening gross exposure	900,597	338,154
- of which: sold exposures not derecognized	-	-
B. Increases	128,494	439,360
B.1 from non-forborne performing exposures	59,225	362,304
B.2 from forborne performing exposures	27,521	X
B.3 from forborne non-performing exposures	X	22,736
B.4 from non-forborne non-performing exposures	-	-
B.5 other increases	41,748	54,320
C. Decreases	363,921	291,133
C.1 to non-forborne performing exposures	X	128,998
C.2 to forborne performing exposures	22,736	X
C.3 to forborne non-performing exposures	X	27,681
C.4 write-offs	69,387	1
C.5 collections	125,687	94,282
C.6 gains on disposals	35,436	-
B.2 losses on disposal	4,152	-
C.8 other decreases	106,523	40,171
D. Closing gross exposure	665,170	486,381
- of which: sold exposures not derecognized	-	-

A.1.8 Prudential consolidation - On-balance-sheet non-performing exposures to Banks: changes in total adjustments

Reasons/categories	Bad loans		Unlikely to Pay		Non-performing past due exposures	
	Total	- of which: forborne exposures	Total	- of which: forborne exposures	Total	- of which: forborne exposures
A. Opening total adjustments	-	-	3,759	-	-	-
- of which: sold exposures not derecognized	-	-	-	-	-	-
B. Increases	-	-	368	-	-	-
B.1 impairment losses from purchased or originated credit-impaired financial assets	-	X	-	X	-	X
B.2 other impairment losses	-	-	368	-	-	-
B.3 losses on disposals	-	-	-	-	-	-
B.4 transfers from other categories of non-performing exposures	-	-	-	-	-	-
B.5 Contract modifications without derecognition	-	-	-	-	-	-
B.6 other increases	-	-	-	-	-	-
C. Decreases	-	-	8	-	-	-
C.1 write-backs from valuation (impairment reversal)	-	-	8	-	-	-
C.2 recoveries from collection	-	-	-	-	-	-
C.3 gains on disposal	-	-	-	-	-	-
C.4 write-offs	-	-	-	-	-	-
C.5 transfers to other categories of non-performing exposures	-	-	-	-	-	-
C.6 Contract modifications without derecognition	-	-	-	-	-	-
C.7 other decreases	-	-	-	-	-	-
D. Total closing adjustments	-	-	4,119	-	-	-
- of which: sold exposures not derecognized	-	-	-	-	-	-

A.1.9 Prudential consolidation - On-balance-sheet non-performing exposures to Customers: changes in total adjustments

Reasons/categories	Bad loans		Unlikely to Pay		Non-performing past due exposures	
	Total	- of which: forborne exposures	Total	- of which: forborne exposures	Total	- of which: forborne exposures
A. Opening total adjustments	566,160	167,229	855,660	346,243	6,818	6
- of which: sold exposures not derecognized	-	-	-	-	-	-
B. Increases	272,540	60,460	270,274	78,409	29,242	14,597
B.1 adjustments to purchased or originated credit-impaired financial assets	-	X	-	X	-	X
B.2 other impairment losses	108,543	23,289	220,731	64,492	6,891	1,533
B.3 losses on disposals	12,354	4,417	1,896	766	-	-
B.4 transfers from other categories of non-performing exposures	147,146	31,232	4,192	351	21,425	13,049
B.5 Contract modifications without derecognition	-	-	-	-	-	-
B.6 other increases	4,497	1,522	43,455	12,800	926	15
C. Decreases	367,043	110,834	398,571	147,754	32,084	14,537
C.1 write-backs from valuation (impairment reversal)	7,265	1,167	52,232	24,759	931	-
C.2 recoveries from collection	24,280	6,831	53,074	17,789	955	-
C.3 gains on disposal	20,587	4,879	11,902	4,692	-	-
C.4 write-offs	95,128	33,145	36,463	19,700	24,978	14,531
C.5 transfers to other categories of non-performing exposures	2,180	2,127	165,461	50,111	5,122	6
C.6 Contract modifications without derecognition	-	-	-	-	-	-
C.7 other decreases	217,603	62,685	79,439	30,703	98	-
D. Total closing adjustments	471,657	116,855	727,363	276,898	3,976	66
- of which: sold exposures not derecognized	-	-	-	-	-	-

Item C.7 "Other decreases" mainly reports, as to derecognized items other than write-offs, the amount equal to difference between the gross exposure and the disposal price.

A.2 CLASSIFICATION OF EXPOSURES BASED ON EXTERNAL AND INTERNAL RATINGS

A.2.1 Prudential consolidation - Breakdown of financial assets, commitments to disburse funds and financial guarantees given: by external rating grades (gross values)

Exposures	External rating grades						Without rating	Total
	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6		
A. Financial assets measured at amortized cost	2,062,946	2,397,637	4,950,761	4,068,743	1,090,250	36,654	62,858,013	77,465,004
- Stage 1	1,832,449	2,290,849	4,274,479	3,213,914	518,297	14,449	55,564,313	67,708,750
- Stage 2	230,497	106,788	637,887	842,767	537,602	22,043	4,873,585	7,251,169
- Stage 3	-	-	38,395	12,062	34,351	162	2,420,115	2,505,085
- POCI assets-	-	-	-	-	-	-	-	-
B. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	3,492,990	3,492,990
- Stage 1	-	-	-	-	-	-	3,492,990	3,492,990
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- POCI assets-	-	-	-	-	-	-	-	-
C. Financial assets being divested	-	-	-	-	-	-	-	-
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- POCI assets-	-	-	-	-	-	-	-	-
Total (A+B+C)	2,062,946	2,397,637	4,950,761	4,068,743	1,090,250	36,654	66,351,003	80,957,994
D. Commitments to disburse funds and financial guarantees given	2,298,016	2,689,704	4,138,220	3,332,105	651,923	16,610	14,678,638	27,805,216
- Stage 1	2,232,959	2,683,730	4,063,157	3,225,349	582,817	15,183	14,140,501	26,943,696
- Stage 2	65,057	5,974	73,025	103,554	40,918	1,407	354,903	644,838
- Stage 3	-	-	2,038	3,202	28,188	20	183,234	216,682
- POCI assets	-	-	-	-	-	-	-	-
Total (D)	2,298,016	2,689,704	4,138,220	3,332,105	651,923	16,610	14,678,638	27,805,216
Total (A+B+C+D)	4,360,962	5,087,341	9,088,981	7,400,848	1,742,173	53,264	81,029,641	108,763,210

The breakdown by rating grades represented in the table refers to the ratings given by CRIF Ratings S.r.l. and DBRS Ratings GmbH.

The “without rating” column reports exposures with counterparties for which ratings given by the two ECAs are not available, of which the key is given in the table below:

Credit rating grade	"CRIF Ratings S.r.l. Rating scale for long-term issuers)"	"DBRS Ratings GmbH"
Grade 1	AAA, AA	AAA, AA
Grade 2	A	A
Grade 3	BBB	BBB
Grade 4	BB	BB
Grade 5	B	B
Grade 6	CCC, CC, C, D1 S, D	CCC, CC, C, D

A.2.2 Breakdown of financial assets, commitments to disburse funds and financial guarantees given by internal rating grades (gross values)

Exposures	Internal rating grades					Total
	From AAA a BBB+	From BBB a BBB-	from BB+ to B	from B- to D	Without rating	
A. Financial assets measured at amortized cost	22,355,081	33,386,615	16,943,606	3,936,193	843,509	77,465,004
- Stage 1	22,332,407	32,528,546	12,061,405	137,672	648,720	67,708,750
- Stage 2	22,674	858,069	4,882,201	1,293,436	194,789	7,251,169
- Stage 3	-	-	-	2,505,085	-	2,505,085
- POCI assets-	-	-	-	-	-	-
B. Financial assets measured at fair value through other comprehensive income	3,492,990	-	-	-	-	3,492,990
- Stage 1	3,492,990	-	-	-	-	3,492,990
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
- POCI assets-	-	-	-	-	-	-
C. Financial assets being divested	-	-	-	-	-	-
- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
- POCI assets-	-	-	-	-	-	-
Total (A+B+C)	25,848,071	33,386,615	16,943,606	3,936,193	843,509	80,957,994
D. Commitments to disburse funds and financial guarantees given	9,950,450	9,669,262	6,753,941	391,456	1,040,107	27,805,216
- Stage 1	9,931,098	9,541,721	6,347,887	119,431	1,003,559	26,943,696
- Stage 2	19,352	127,541	406,054	55,417	36,474	644,838
- Stage 3	-	-	-	216,608	74	216,682
- POCI assets-	-	-	-	-	-	-
Total (D)	9,950,450	9,669,262	6,753,941	391,456	1,040,107	27,805,216
Total (A+B+C+D)	35,798,521	43,055,877	23,697,547	4,327,649	1,883,616	108,763,210

The breakdown by rating grade given above refers to the Crédit Agricole Italia Banking Group's internal models.

The "Without rating" column mainly shows exposures to Banks, Public Administration Bodies and Sovereign States, for which internal rating models are not available.

Excluding counterparties without rating, 73% of total counterparties fall within the Investment grades (from AAA to BBB-), whereas 22% falls within the BB+/B grades and 4% in the B-/D grades.

A.3 BREAKDOWN OF SECURED CREDIT EXPOSURES BY TYPE OF GUARANTEE

A.3.1 Prudential consolidation - On-balance-sheet and off-balance-sheet secured exposures to banks

	Gross exposure	Net exposure	Collaterals (1)				
			Real estate - mortgages	Real estate - Loans for leases	Real estate - Finance leases	Securities	Other collaterals
1. On-balance-sheet secured exposures:	1,408,881	1,408,881	-	-	-	-	-
1.1 fully secured	704,433	704,433	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-
1.2 partially secured	704,448	704,448	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-
2. Off-balance-sheet secured exposures:	18,497	18,460	-	-	-	-	-
2.1 fully secured	4,914	4,913	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-
2.2 partially secured	13,583	13,547	-	-	-	-	-
- of which non-performing	-	-	-	-	-	-	-

A.3.2 Prudential consolidation - On-balance-sheet and off-balance-sheet secured exposures to customers

	Gross exposure	Net exposure	Collaterals (1)			
			Real estate - mortgages	Real estate - Loans for leases	Securities	Other collaterals
1. On-balance-sheet secured exposures:	49,518,352	48,318,993	32,694,213	821,663	391,171	2,768,836
1.1 fully secured	44,008,312	42,982,434	32,512,045	735,231	346,390	1,550,829
- of which non-performing	1,926,469	1,136,880	465,616	20,096	615	11,309
1.2 partially secured	5,510,040	5,336,559	182,168	86,432	44,781	1,218,007
- of which non-performing	212,750	93,112	8,499	561	89	7,885
2. Off-balance-sheet secured exposures:	2,366,354	2,349,340	187,548	-	117,638	178,984
2.1 fully secured	1,413,596	1,403,867	39,445	-	95,750	129,684
- of which non-performing	21,197	15,423	8,372	-	136	1,715
2.2 partially secured	952,758	945,473	148,103	-	21,888	49,300
- of which non-performing	4,470	2,429	458	-	11	276

Personal guarantees (2)										Total (1)+(2)
CLN	Credit derivatives					Signature loans				
	Central counterparties	Banks	Other financial companies	Other parties	Public administration bodies	Banks	Other financial companies	Others		
-	-	-	-	-	1,400,000	-	-	-	1,400,000	
-	-	-	-	-	704,433	-	-	-	704,433	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	-	695,567	-	-	-	695,567	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	8,464	5,671	-	-	-	14,135	
-	-	-	-	2,021	2,892	-	-	-	4,913	
-	-	-	-	-	-	-	-	-	-	
-	-	-	-	6,443	2,779	-	-	-	9,222	
-	-	-	-	-	-	-	-	-	-	

CLN	Personal guarantees (2)								Total (1)+(2)
	Credit derivatives				Signature loans				
	Other derivatives				Public administration bodies	Banks	Other financial companies	Other parties	
	Central counterparties	Banks	Other financial companies	Other parties					
-	-	-	-	-	4,539,164	1,490,746	303,755	2,877,228	45,886,776
-	-	-	-	-	3,000,428	1,251,210	263,247	2,554,750	42,214,130
-	-	-	-	-	523,400	1,645	5,864	63,868	1,092,413
-	-	-	-	-	1,538,736	239,536	40,508	322,478	3,672,646
-	-	-	-	-	50,356	985	1,162	2,395	71,932
-	-	-	-	-	77,285	182,589	211,337	1,195,734	2,151,115
-	-	-	-	-	10,386	29,512	47,893	1,050,639	1,403,309
-	-	-	-	-	471	208	64	4,457	15,423
-	-	-	-	-	66,899	153,077	163,444	145,095	747,806
-	-	-	-	-	833	-	12	320	1,910

In compliance with Bank of Italy Circular No. 262, 8th update, in the “Collaterals” and “Personal guarantees” columns, the fair value of the collaterals or guarantee is reported, estimated as at the reporting date or, where not available, its contractual value.

It is pointed out that, in compliance with the aforementioned 8th update, both the above values shall not be higher than the book value of secured exposures.

A.4 PRUDENTIAL CONSOLIDATION - FINANCIAL AND NON-FINANCIAL ASSETS OBTAINED THROUGH THE ENFORCEMENT OF THE RECEIVED GUARANTEES AND COLLATERALS

This item mainly reports property, plant and equipment obtained subsequent to the termination of non-performing finance leases.

Specifically, the item reports buildings and land, which were previously granted under finance leases and were returned to the Group subsequent to the termination of the related contracts and for which no credit claim remains towards the contractual obligors.

	Credit exposure written off	Gross value	Total adjustments	Book value	
					o/w obtained in the reporting period
A. Property, plant and equipment:	40,507	43,615	18,681	24,934	-
A.1. Operating assets	-	-	-	-	-
A.2. Investment property	32,124	34,166	12,417	21,749	-
A.3. Inventories	8,383	9,449	6,264	3,185	-
B. Equity securities and debt securities	-	-	-	-	-
C. Other assets	-	-	-	-	-
D. Non-current assets held for sale and discontinued operations	-	-	-	-	-
D.1 Property, plant and equipment	-	-	-	-	-
D.2 Other assets	-	-	-	-	-
Total 31 Dec. 2024	40,507	43,615	18,681	24,934	-
Total 31 Dec. 2023	42,052	44,311	17,802	26,508	215

B. Breakdown and concentration of credit exposures

B.1 PRUDENTIAL CONSOLIDATION - BREAKDOWN BY SECTOR OF ON-BALANCE-SHEET AND OFF-BALANCE-SHEET EXPOSURES TO CUSTOMERS

Exposures/Counterparties	Public administration bodies		Financial companies		Financial companies (of which: insurance undertakings)		Non-financial companies		Households	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures										
A.1 Bad loans	-	-	84	537	-	-	62,720	311,134	88,196	159,986
- of which: forborne exposures	-	-	-	9	-	-	14,454	102,601	7,581	14,245
A.2 Unlikely to Pay	1,241	735	480,441	26,254	-	-	375,017	532,720	283,124	167,654
- of which: forborne exposures	-	-	2,497	3,469	-	-	153,783	221,252	92,543	52,177
A.3 Non-performing past due exposures	-	-	14	14	-	-	2,451	1,242	4,750	2,720
- of which: forborne exposures	-	-	-	-	-	-	491	65	1	1
A.4 Performing exposures	8,777,986	14,049	5,598,950	9,433	192,146	177	25,348,503	234,844	33,829,250	145,275
- of which: forborne exposures	18,583	373	1,699	78	-	-	321,805	31,415	106,507	5,924
Total (A)	8,779,227	14,784	6,079,489	36,238	192,146	177	25,788,691	1,079,940	34,205,320	475,635
B. Off-balance-sheet exposures										
B.1 Non-performing exposures	-	-	34	3	-	-	149,137	62,030	4,743	735
B.2 Performing exposures	433,251	37	2,670,682	1,196	198,348	495	19,960,874	24,769	972,392	3,661
Total (B)	433,251	37	2,670,716	1,199	198,348	495	20,110,011	86,799	977,135	4,396
Total (A+B) 31 Dec. 2024	9,212,478	14,821	8,750,205	37,437	390,494	672	45,898,702	1,166,739	35,182,455	480,031
Total (A+B) 31 Dec. 2023	8,918,299	13,323	10,080,771	50,853	425,816	1,121	45,080,066	1,321,257	33,723,345	544,624

On-balance-sheet exposures include loans as well as other financial assets, such as debt securities, with the exception of derivative contracts, equity securities and units of O.I.C.R. collective investment undertakings.

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or commodities are excluded.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees given, commitments, derivatives) for which credit risk is taken.

B.2 BREAKDOWN BY GEOGRAPHICAL AREA OF ON-BALANCE-SHEET AND OFF-BALANCE-SHEET CREDIT EXPOSURES TO CUSTOMERS

Exposures/Geographical areas	Northwest Italy		Northeast Italy		Central Italy		South and insular Italy	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures								
A.1 Bad loans	56,708	146,024	39,582	131,754	26,691	88,530	27,617	93,851
A.2 Unlikely to Pay	267,081	276,108	421,620	220,963	368,811	133,871	78,414	91,894
A.3 Non-performing past-due exposures	2,302	1,373	2,001	1,093	1,905	784	1,001	723
A.4 Performing exposures	30,144,836	172,071	19,717,883	120,880	18,698,273	74,742	4,510,711	33,885
Total (A)	30,470,927	595,576	20,181,086	474,690	19,095,680	297,927	4,617,743	220,353
B. Off-balance-sheet exposures								
B.1 Non-performing exposures	37,330	10,858	87,757	33,789	20,125	16,260	7,470	1,802
B.2 Performing exposures	11,760,808	21,631	7,840,511	5,414	3,135,973	1,797	1,078,373	727
Total (B)	11,798,138	32,489	7,928,268	39,203	3,156,098	18,057	1,085,843	2,529
Total (A+B) 31 Dec. 2024	42,269,065	628,065	28,109,354	513,893	22,251,778	315,984	5,703,586	222,882
Total (A+B) 31 Dec. 2023	41,476,528	663,257	27,882,437	629,033	21,906,776	361,764	5,779,907	256,920

On-balance-sheet exposures include loans, as well as other financial assets, such as debt securities, with the exception of derivative contracts, equity securities and units of O.I.C.R. collective investment undertakings.

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or commodities are excluded.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees given, commitments, derivatives) for which credit risk is taken.

B.3 PRUDENTIAL CONSOLIDATION - BREAKDOWN BY GEOGRAPHICAL AREA OF ON-BALANCE-SHEET AND OFF-BALANCE-SHEET CREDIT EXPOSURES TO BANKS

Exposures/Geographical areas	Italy		Other European Countries		America		Asia		Rest of the world	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures										
A.1 Bad loans	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to Pay	-	-	-	-	-	-	-	-	19	4,119
A.3 Non-performing past due exposures	-	-	-	-	-	-	-	-	-	-
A.4 Performing exposures	6,855,290	216	2,444,743	52	3,495	3	4,114	1	1,080	-
Total (A)	6,855,290	216	2,444,743	52	3,495	3	4,114	1	1,099	4,119
B. Off-balance-sheet exposures										
B.1 Non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.2 Performing exposures	2,724,281	593	323,099	24	99,821	1	342,033	65	31,745	10
Total (B)	2,724,281	593	323,099	24	99,821	1	342,033	65	31,745	10
Total (A+B) 31 Dec. 2024	9,579,571	809	2,767,842	76	103,316	4	346,147	66	32,844	4,129
Total (A+B) 31 Dec. 2023	12,928,217	774	2,701,467	56	84,669	8	312,119	25	44,982	3,770

On-balance-sheet exposures include loans, as well as other financial assets, such as debt securities, with the exception of derivative contracts, equity securities and units of O.I.C.R. collective investment undertakings.

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or commodities are excluded.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees given, commitments, derivatives) for which credit risk is taken.

B.4 LARGE EXPOSURES

As at 31 December 2024 the positions having large exposure features in accordance with Regulation (EU) no. 575/2013 (CRR) as amended, including by Regulation (EU) no. 876/2019 (CRR2) were:

- Of a total nominal amount of Euro 35,470,653 thousand.
- Of a total weighted amount of Euro 732,371 thousand.
- A total number of risk positions of 7 making reference to both nominal value and weighted value.

C. Securitizations

QUALITATIVE DISCLOSURES

This section reports the Group's exposure to securitizations, both those in which the Group is the originator of the loans, and those of third parties in which the Group is the investor.

QUALITATIVE DISCLOSURES

The finalization of the securitizations having loans originated and transferred by the Group as underlying assets is mainly intended to carry out derisking actions on non-performing credit exposures (bad loans and unlikely to pay).

In 2024 the Group did not carry out any new securitization.

Securitizations in force

The securitizations underway as at 31 December 2024 are listed below.

QUALITATIVE DISCLOSURES

Within the derisking actions deployed on the NPE portfolio, in 2021 the Crédit Agricole Italia Banking Group successfully completed disposals of non-performing loans for an aggregate gross book value of about Euro 1.6 billion.

On the Senior notes, the Italian Ministry of the Economy and Finance gave the Italian State Guarantee on Securitization of NPLs (GACS) on 13 April 2022.

Stelvio (structured transaction pursuant to Italian Law no.130 of 30 April 1999)

Key transaction information	
Transaction finalized on	3 Dec, 2021
Special-purpose vehicle	Ortles 21 S.r.l.
Underlying exposures	Non-Performing Loans consisting of mortgage and unsecured credit exposures to individuals and businesses (corporate and retail bnkg)
Geographical area of the sold loans	Italy
Total original amount of the loans sold	1,552,479
Outstanding notes as at 31 Dec. 2024	203,344
Of which senior	149,033
Of which mezzanine	40,000
Of which junior	14,311
Senior notes rating at issue	BBB Scope Rating, DBRS, ARC
Limited recourse loan (Cash reserve) as at 31 Dec. 2024	8,512
Senior notes rating as at 31 Dec. 2024	BBB- Scope, DBRS, ARC

The transaction was carried out by the Crédit Agricole Italia Banking Group, con ItalFondinario as the Master Servicer, Zenith as the corporate servicer and DoValue S.p.A. and Cerved as the Portfolio Special Servicers.

Elrond NPL 2017

Key transaction information	
Transaction finalized on	14 July 2017
Special-purpose vehicle	Elrond NPL 2017 S.r.l.
Underlying exposures	Non-Performing Loans consisting of mortgage and unsecured credit exposures to individuals and businesses (corporate and retail bnkg)
Geographical area of the sold loans	Italy
Total original amount of the loans sold	1,405,252
Outstanding notes as at 31 Dec. 2024	277,659
Of which senior	215,159
Of which mezzanine	42,500
Of which junior	20,000
Senior notes rating at issue	Baa3 Moody's BBB- Scope Ratings
Limited recourse loan (Cash reserve) as at 31 Dec. 2024	8,639
Senior notes rating as at 31 Dec. 2024	CAA2 Moody's and CC Scope Rating

Special servicing is performed by Cerved Credit Management S.p.A., whereas master servicing is performed by Cerved Master Servicer S.p.A..

Aragorn NPL 2018

Key transaction information	
Transaction finalized on	14 June 2018
Special-purpose vehicle	Aragorn NPL 2018 S.r.l.
Underlying exposures	Non-Performing Loans consisting of mortgage and unsecured credit exposures to individuals and businesses (corporate and retail bnkg)
Geographical area of the sold loans	Italy
Total original amount of the loans sold	1,670,633
Outstanding notes as at 31 Dec. 2024	338,543
Of which senior	261,721
Of which mezzanine	66,822
Of which junior	10,000
Senior notes rating at issue	BBBL DBRS BBB- Scope Ratings
Limited recourse loan (Cash reserve) as at 31 Dec. 2024	14,007
Senior notes rating as at 31 Dec. 2024	CCC DBRS and Scope Ratings

Master servicing is performed by Master Gardant S.p.A., while *special servicing* is performed by Fire S.p.A., which, in 2024, replaced Special Gardant SpA and Cerved Credit Management S.p.A..

As the Stelvio, Elrond and Aragorn securitizations had the objective of transferring credit risk, they may entail the specific risk that credit risk is not fully transferred, but the sale of the mezzanine and junior tranches (with substantial transfer of the risks and rewards associated with the securitized loans and the subsequent derecognition of the portfolio) and the State guarantee given, ensure constant compliance with the requirements of significant transfer of credit risk.

Pillarstone Italy

In 2018, Creval, along with other banks, transferred its loans to Rainbow Magicland S.p.A. to the Pillarstone Italy SPV. With the loans disposed of totalling Euro 8.4 million, in January 2019 Creval subscribed class B1 notes for Euro 1.5 million and class C2 notes for Euro 6.9 million (the latter fully written down).

Key transaction information	
Special-purpose vehicle	Pillarstone Italy SPV S.r.l.
Underlying exposures	Non-Performing Loans having RAINBOW MAGICLAND S.p.A. as the borrower
Geographical area of the sold loans	Italy
Amount of the loans sold by Creval	8,395
All subscribed by Creval	8,395
Of which class B1	1,469
Of which class C2	6,926
Notes rating	N.R.

The role as Servicer was vested in Banca Finint S.p.a. (within the restructuring of the Securitisation Services S.p.a. Group, it was merged into Banca Finanziaria Internazionale S.p.a. – i.e. Banca Finint S.p.a).

Tranched Cover – Creval 25

In 2020, the “Creval 25” portfolio was finalized for a tranched cover synthetic securitization on newly-originated loans to *Retail* and *Corporate banking customers*. The transaction provides for a personal guarantee to be given covering credit risk. The guarantee was given by the Central Guarantee Fund for SMEs on the junior *tranche* of a selected portfolio.

The portfolio of underlying exposures consists of loans originated in 2019 and 2020, to approximately 580 enterprises based throughout Italy, amounting to Euro 65,452 thousand, (the junior tranche amounting to Euro 5,638 thousand, the senior tranche amounting to Euro 59,814 thousand).

Key transaction information	
Transaction finalized on	3 Oct. 2020
Originator	Creval S.p.A.
Transaction type	Tranched Cover
Underlying exposures	Unsecured performing loans with average maturity of 60 months
Geographical area of the sold loans	Italy
Amount of the portfolio of underlying assets	65,452
Risk holder	
Senior tranche	Crédit Agricole Italia S.p.A.
Junior tranche	Partially covered by protection seller
Guarantees given by third parties	Guarantee given by the Central Guarantee Fund for SMEs on the junior tranche

Risk measurement and control internal systems and hedging policies

In order to comply with the regulatory requirements concerning the recognition of “Significant transfer of credit risk”, within the securitizations of non-performing and performing loans, the Group designed a comprehensive and clear-cut framework for periodic monitoring and management of the controls and information flows (consistently with its risk appetite expressed by the Risk Appetite Framework and with its strategic plan), adopting the policy for oversight on the model for governance and management of the risks associated with the securitizations, called Significant Risk Transfer (“SRT”).

The “SRT” Policy provides for a clear definition of the roles and responsibilities for monitoring, control and reporting, as well as for the related escalation mechanisms; the Framework for the management of significant transfer of credit risk and the related risk oversight and control system are part of the overall Internal Controls System, which is managed and implemented by the Parent Company Crédit Agricole Italia on behalf of all the entities of the Group.

QUANTITATIVE DISCLOSURES

C.1 BANKING GROUP - EXPOSURES RESULTING FROM “OWN” MAIN SECURITIZATION TRANSACTIONS BROKEN DOWN BY TYPE OF ASSET-BACKED SECURITIES AND BY TYPE OF EXPOSURES

Type of securitized assets/ Exposures	On-balance-sheet exposures					
	Senior		Mezzanine		Junior	
	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries
A. Fully derecognized	616,103	921	769	-	1	-
ELROND NPL 17-40 TV						
ARAGORN NPL 18-38 TV	214,867	333	87	-	-	-
ORTLES ABS 21-45TV A						
PILLARSTONE ITALY SP	251,827	443	-	-	-	-
B. Partially derecognized						
B.1 Name of securitization 1	149,409	145	682	-	1	-
- type of assets						
B.2 Name of securitization 2	-	-	185	-	-	-
- type of assets	1,289	15	-	-	837	291
B.3 Name of securitization						
- type of assets	1,289	15	-	-	837	291
C. Not derecognized	4,957	-55	-	-	459	-628
MCC Tranché Cover			-	-	-	-
- types of assets: mortgage loans and unsecured loans	4,957	-55	-	-	459	-628

C.2 BANKING GROUP - EXPOSURES RESULTING FROM “THIRD-PARTY” MAIN SECURITIZATION TRANSACTIONS BROKEN DOWN BY TYPE OF ASSET-BACKED SECURITIES AND BY TYPE OF EXPOSURES

Type of securitized assets/ Exposures	On-balance-sheet exposures					
	Senior		Mezzanine		Junior	
	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries
AGRICOLE BA 22-32 TV	-	-	-	-	-	-
Minibonds	6,833	37	-	-	-	-

C.3 BANKING GROUP - EQUITY INTERESTS IN SECURITIZATION SPECIAL-PURPOSE ENTITIES

Securitization name// SPV name	Registered Office:	Consolidation
Ortles 21 S.r.l.	Milan, Italy	No
Elrond NPL 2017 S.r.l.	Conegliano Veneto (TV), Italy	No
Aragorn NPL 2018 S.r.l.	Rome	No
Pillarstone Italy SPV S.r.l.	Milan, Italy	No

[illegible][illegible]

	Assets			Liabilities		
	Credit	Debt securities	Other	Senior	Mezzanine	Junior
	160,001	-	31,269	149,239	43,642	21,436
	861,011	-	-	215,160	42,500	20,000
	293,805	-	30,116	263,946	94,391	17,215
	42,009	-	-	25,093	25,601	105,917

As regards the Ortles, Elrond, Aragorn and Pillarstone transactions, given that there is no control in accordance with IFRS 10 and considering the transfer to third parties of all the risks and rewards, the special-purpose entities have not been consolidated.

C.4 BANKING GROUP - SECURITIZATION SPECIAL-PURPOSE ENTITIES NOT CONSOLIDATED

Subsequent to the Stelvio transaction, which was finalized at the end of 2021, as at 31 December 2024 the Group held the senior tranche issued by the special-purpose entity Ortles 21 and having a book value of Euro 149.4 million, 5% of the mezzanine tranche having a book value of Euro 0.7 million and 5% of the junior tranche, which has been fully written down. Within the transaction, the Group made a limited recourse loan (cash reserve) to the special-purpose entity amounting , as at 31 December 2024, to Euro 8.5 million.

On the Senior notes, the Italian Ministry of the Economy and Finance gave the Italian State Guarantee on Securitization of NPLs (GACS) on 13 April 2022 and, therefore, the variability of the performance of that tranche is not material.

As regards the securitization transactions carried out by Creval before its acquisition, as at 31 December 2024 the Crédit Agricole Italia Banking Group held the senior tranches issued by the special-purpose entities Elrond NPL 2017 and Aragorn NPL 2018 backed by the GACS Italian State guarantee and amounting to a book value of Euro 466.7 million, and 5% of the mezzanine and junior tranches having a total book value of about Euro 86 thousand. Within those transactions, the Group made limited recourse loans to the special-purpose entities to provide them with cash reserves to manage the risk of any mismatch between the funds from collections and recoveries on the portfolio of transferred loans on the one hand, and the necessary funds to pay interests on the senior ABS on the other, amounting to Euro 22.6 million and recognized in item "40. Financial assets measured at amortized cost as at 31 December 2024 As regards the Pillarstone transaction, the Group subscribed a portion of the mezzanine notes amounting to Euro 1.5 million, having a total book value of Euro 0.5 million, and a portion of the junior notes amounting to Euro 6.9 million and fully written down.

The State guarantee limits the variability of the results for the Group on the senior tranche and, consequently, the maximum exposure to the risk of loss is equal to the sum of the book values of the junior and mezzanine tranches amounting to Euro 1.3 million, and the book value of the limited recourse loans amounting to Euro 31.1 million. The maximum exposure to the risk of loss is deemed amounting to Euro 32.4 million.

C.6 BANKING GROUP - SECURITIZATION SPECIAL-PURPOSE ENTITIES CONSOLIDATED

For more exhaustive information on the securitization special-purpose entities that have been consolidated, please see chapter C.1 – Securitizations – qualitative disclosures.

D. Asset disposals

A. Financial assets disposed of and not fully derecognized

QUALITATIVE DISCLOSURES

This case does not apply.

D.4 COVERED BOND PROGRAMME

In order to increase its liquidity reserves, in 2013 Crédit Agricole Italia designed its public programme for the issue of Covered Bonds. These bonds are secured, i.e. "covered" both by the issuing Bank and by a pool of high-quality loans that are managed by a special-purpose entity (Crédit Agricole Italia OBG S.r.l. – the Special-Purpose Entity dedicated to the Program, of which Crédit Agricole Italia holds 60%), operating as the depositary of the mortgage loans used as collaterals. The Programme requires effective organizational control and significant capital strength. It is also emphasized that the above program has no effect on the regulatory risk profile of Crédit Agricole Italia Banking Group and does not generate the obligation for the Bank to derecognize the assets used as collaterals.

The Italian applicable legislation and regulation framework on the issue of covered bonds consists of the provisions laid down in Title I-*bis* of Italian Law no. 130 of 30 April 1999 (as amended and supplemented), implemented with Italian Legislative Decree no. 190 of 5 November 2021 transposing Directive (EU) 2019/2162, and in Bank of Italy Circular no. 285 of 17 December 2013 (laying down “Supervisory Provisions for Banks”) as amended. The issue of Covered Bonds has allowed Crédit Agricole Italia to further diversify its stock of eligible assets with the European Central Bank, to have access to funding tools with longer maturity than the securities placed with its Retail Customers, to diversify its investor base and to stabilize the cost of funding.

In general, the transaction, in accordance with the relevant regulations, consisted in the following activities.

Crédit Agricole Italia transfers a pool of residential mortgage loans to Crédit Agricole Italia OBG S.r.l., which finances the payment of purchase price of the assets through a subordinated loan, originated by the Bank. Crédit Agricole Italia issues the Covered Bonds, on which a guarantee is given to the subscribers so that they can rely on a pool of assets separated from those of the Bank and consisting of the assets transferred to the Special-purpose Entity. The repayment of the Covered Bonds that have been issued within the programme is indeed secured by unconditional and irrevocable guarantee given by Crédit Agricole Italia OBG exclusively to the benefit of the Covered Bond subscribers and of unrelated counterparties.

The programme, which is part of a process for enhancing the efficiency of funding sources, aims at providing the Bank with a wider range of liquidity management instruments. Indeed, thanks to the Programme of issues on the market, Crédit Agricole Italia can access funding instruments with longer maturities than that of the securities placed with Retail Customers, stabilize the cost of funding and diversify its investor base, being appreciated as one of leading players on the Italian Covered Bond market.

Furthermore, thanks to the issue of retained Covered Bonds, an additional buffer of eligible assets with the ECB to be used in refinancing operations.

In January 2024, Crédit Agricole Italia went again to the market with a new issue of Green Covered Bonds, with 9.5-year maturity for an amount of 500 million Euros. Moreover, a private placement issue for 77 million Euros was sold to institutional investors with 15-year maturity. On 11 March 2024, a Covered Bond Premium Label was issued for an amount of 1 billion Euros with 12-year maturity.

In 2024 3 Covered Bonds reached their maturity. Two of them were retained, for a total amount of 1 billion Euros, while the other one had been placed on the market for an amount of 750 million Euros.

As at 31 December 2024, the nominal value of the outstanding bonds came to Euro 11.477 billion, of which Euro 1 billion in retained bonds and Euro 10.477 billion in publicly traded bonds.

Disclosure

At its meetings held on 24 July 2012 and 26 March 2013, the Board of Directors of Crédit Agricole Italia resolved to start a programme for the issue of covered bonds.

The Italian applicable legislation and regulation framework on the issue of covered bonds consists of the provisions laid down in Title I-*bis* of Italian Law no. 130 of 30 April 1999 (as amended and supplemented), implemented with Italian Legislative Decree no. 190 of 5 November 2021 transposing Directive (EU) 2019/2162, and in Bank of Italy Circular no. 285 of 17 December 2013 (laying down “Supervisory Provisions for Banks”) as amended. The issue of Covered Bonds has allowed Crédit Agricole Italia to further diversify its stock of eligible assets with the European Central Bank, to have access to funding tools with longer maturity than the securities placed with its Retail Customers, to diversify its investor base and to stabilize the cost of funding.

The cover pool

The loan pool that, each time, is transferred to the Special-purpose Vehicle must have some common features.

Since May 2013, several transfers have been made within which receivables, i.e. credit claims, based on mortgage loan contracts were selected and, as at their respective transfer date, had, by way of example and not limited to, the following common features:

- Credit claims based on mortgage loan contracts:
 - Which are residential mortgage loans (i) having a risk-weighting factor not higher than 35% and (ii) for which the residual principal amount plus the residual principal of any previous mortgage loans with mortgage on the same property is not higher than 80% of the value of the mortgaged property; or
 - Which are mortgage loans originated or purchased by Crédit Agricole Italia;
 - Which are performing with no instalments past due by over 30 days;
 - Which do not include clauses restricting the right of Crédit Agricole Italia to sell its credit claims resulting from the relevant loan contract or providing for the borrower's consent to the transfer and for Crédit Agricole Italia to have obtained such consent;
 - for which any pre-amortization period provided for by the contract has fully expired and at least one instalment has matured and has been paid;
 - Which have been granted to a natural person, a legal person or to more than one natural or legal person, who have jointly taken out the loan;
 - Which provide for the payment by the borrower of interest at a floating or fixed rate.
- Specifically, in 2024 a transfer of residential mortgage loans was made:
 - On 26 February 2024 Crédit Agricole Italia transferred the fifteenth pool to Crédit Agricole Italia OBG S.r.l. for a total principal amount of approximately Euro 1.99 billion.

As at 31 December 2024, the Cover Pool consisted of 187,073 mortgage loans, with a total residual debt, net of any repayments, of approximately Euro 14.8 billion.

Current accounts

The Programme provides for a complex structure of current accounts to manage the cash flows from the transaction.

A number of accounts have been opened in the name of Crédit Agricole Italia OBG and specifically, but not limited to: collection accounts, quota capital account, reserve fund account, guarantor payments account and expenses account.

Parties involved in the Programme

With regard to the Programme, the following parties have the roles set forth here below:

- Transferor Bank: Crédit Agricole Italia.
- Master Servicer: Crédit Agricole Italia (which, in this capacity, has been tasked by Crédit Agricole Italia OBG, pursuant to the Servicing Master Agreement, with the collection and recovery of the receivables in the Initial Pool and in the pools that the Transferor Bank will transfer to Crédit Agricole Italia OBG pursuant to the Transfer Master Agreement).
- Principal Paying Agent: Crédit Agricole Italia (which, in this capacity, pursuant to the Cash Management and Agency Agreement, shall have the main task to determine and process the payments due, for principal and interest, to the holders of the Covered Bonds).
- Calculation Agent: Crédit Agricole Corporate & Investment Bank, Milan Branch ("CACIB") (which, in this capacity, pursuant to the Cash Management and Agency Agreement, shall have the main task to prepare and send – to all parties to the agreement – the so-called Payments Report, setting forth the available funds owned by Crédit Agricole Italia OBG and the payments to be made, based on the payment priority order as set by the parties in the transaction, pursuant to the Interc Creditor Agreement, from the available funds).
- Account Bank: Crédit Agricole Italia (with which, in this capacity, pursuant to the Cash Management and Agency Agreement, the Italian current accounts shall be opened and kept in the name of Crédit Agricole Italia OBG S.r.l.; on these accounts the liquidity shall be deposited to be used for the payments as per the Programme schedule).
- Asset Monitor: BDO Italia (which, in this capacity, pursuant to the Asset Monitor Agreement, shall carry out the calculations and verifications on the Mandatory Tests and on the Amortisation Test to be performed pursuant to the Cover Pool Administration Agreement, verifying the accurateness of the calculations made by the Calculation Agent pursuant to the Cover Pool Administration Agreement. With separate assignment, the Asset Monitor, tasked by Crédit Agricole Italia, shall carry out further verifications, specifically on (i)

compliance of the eligible assets making up the Pool with the requirements set by the Legislation and (ii) compliance with the limits set for the transfer and with the issuers' requirements as provided for in the Instructions and (iii) the completeness, truthfulness and promptness of the information made available by investors).

- Guarantor quotaholders: Crédit Agricole Italia and Stichting Pavia (which, in this capacity, have signed the Quotaholders Agreement to exercise the corporate rights associated to the equity investment held by each one of them in Crédit Agricole Italia OBG).
- Representative of the Covered Bondholders: Zenith Global (which, in this capacity, exercises, towards Crédit Agricole Italia and Crédit Agricole Italia OBG, the rights of the counterparties involved in the transaction based on the Programme Contracts).
- Administrative Services Provider: Zenith Global (which, in this capacity, has the task of providing Crédit Agricole Italia OBG with administrative and corporate services relating to the activities to be carried out within the Programme).
- Arranger: CACIB.
- Rating Agency: Moody's.

Risks associated with the Programme

The Programme for the Issue of Covered Bonds entails the financial risks specified below, for which several mitigation measures have been adopted: Credit Risk, Liquidity Risk, Refinancing Risk, Counterparty Risk, Operational Risks, Risk of Bankruptcy of the Issuer Bank, Legal Risks.

Based on the procedures, in compliance with the Supervisory Instructions, the Internal Audit Function of Crédit Agricole Italia performs a verification of the controls carried out, at least every 12 months, also using the information received from and the judgements expressed by the Asset Monitor.

The Programme financial structure envisages that Crédit Agricole Italia may issue Covered Bonds, in more than one subsequent series, to be rated by Moody's Investors Service (presently the expected rating is Aa3).

1.2 MARKET RISK

1.2.1 Interest rate risk and price risk – Supervisory Trading Book

QUALITATIVE DISCLOSURES

A. General aspects

The Crédit Agricole Italia Banking Group does not typically engage in proprietary trading on financial markets, but only in trading operations to meet its customers' needs. Furthermore, trading activities are subject to specific regulatory requirements that prohibit any proprietary speculative trading. The applicable legislation consists of the Volcker Rule (Dodd-Frank Wall Street Reform and Consumer Protection Act) and the LBF - "*Loi de séparation et de régulation des activités bancaires*" (French law no. 2013-672)). Following the Volcker Rule reform in 2020, the Crédit Agricole Italia Banking Group has been classified as a TOTUS ("Totally Outside The US") entity. The Entities that do not have any branches in the US or direct operations in the US territory are exempted from the obligation to perform the Volcker specific controls that were previously required, thus simplifying the programme for compliance with that piece of legislation.

Therefore, trading activities are ancillary to and aimed at meeting customers' requirements; the Group takes only residual risk positions in the trading book.

The trading book of the entities of the Crédit Agricole Italia Banking Group mainly consists of Over-The-Counter derivatives (matched trading) and non-structured financial instruments. The control of market risk on the trading book ensures that a risk level consistent with the Group's objectives is continuously maintained.

Given the exposure immateriality, Pillar One capital absorption is calculated in accordance with the standardized approach.

B. Management and measurement of interest rate and price risks

Organisational aspects

The process for the management of market risks is regulated by the relevant risk policy. This document lays down the internal system of normative instruments for the management of market risk with reference to operations in financial instruments, foreign currencies and commodities, in terms of:

- The principles, objectives, methodologies and tools used for the measurement, control and management of market risk.
- Guidelines and rules which the market risk management processes are based on.

The Market Risk Policy is one of the components of the overall risk governance model implemented by the Crédit Agricole Group, consistently with the guidelines issued by the Parent Company Crédit Agricole S.A.

Within the process for market risk management, primary responsibility is assigned to corporate bodies/structures, according to their respective scopes, and they must be fully aware of the Bank's level of exposure. Specifically:

- The Board of Directors is the body engaged in strategic oversight functions and is therefore responsible for defining market risk governance policies and management processes.
- The Co-General Manager, through the Corporate Banking Function, is the officer responsible for market risk management, and, therefore, sets and steers the Group's mechanism for the management of Market Risk.
- The Equity Investments and Middle Office Function is responsible for controlling the perfect back-to-back of the transactions entered by the Capital Market Function on behalf of Customers.
- The Risk Management and Permanent Controls Function is responsible for level 2.2 control. It verifies the corporate risk management process and supervises compliance of the market risk treatment with the applicable legislation in force and with the Group Risk Strategy.

The model for market risk management and governance applies to the entire consolidation perimeter.

The limit structure

The limit structure reflects the level of risk deemed acceptable with reference to the individual business areas and is a mechanism designed to control that operational practices, at the various organisational levels, are performed in compliance with management guidelines and strategies, as defined by the Top Management.

The risk framework system regarding the trading books of the Crédit Agricole Italia Banking Group is reviewed on a yearly basis, consistently with the guidelines and the risk appetite set by the Crédit Agricole Group. Its risk appetite is structured through global limits and operational limits that are defined by the Risk Strategy.

The system of global limits must be able to ensure a controlled development of the business. The limits are set in order to contain any losses within a level that is deemed acceptable for the Crédit Agricole Group as a whole and are defined using common metrics, such as Notional Value, Mark to Market and Value at Risk. As regards limits and thresholds on market risk, the global limits and global alert thresholds are validated by the Group Risk Committee of Crédit Agricole SA (*Comité Risques Groupe* - CRG) and approved by the Board of Directors of the Parent Company Crédit Agricole Italia and implemented by the BoD of the other Entities of the Group, whereas the local operational limits and the local alert thresholds – which are specific adaptations of the global limits – are adapted locally and also validated by the Board of Directors of Crédit Agricole Italia and submitted for implementation and information to the Boards of Directors of the other Entities.

Control System

The monitoring of global limits, local operational limits and alert thresholds is a task assigned to the Risk Management and Permanent Controls Function. Reporting on compliance with the set limits is included in the monthly Financial Risk Report, while continuous compliance is verified with automated daily reporting through an internal procedure. The Financial Risk Report is sent to the Group's top bodies and officers, to the structures engaged in market risk management, to the Internal Audit Function and to the Group Risk Department (*Direction Risques Groupe*) of Crédit Agricole S.A. A summary of this report is the basis for quarterly reporting on market risks to the Group's Executive and Control collective Bodies (Risk and Internal Control Committee, Board of Auditors, Board of Directors).

If certain events occur (the limits are breached, there are significant changes in markets, significant losses,

etc.), a specific alert procedure is triggered, reporting the event and a remedial action plan to the Top Management Bodies and to the Parent Company Crédit Agricole S.A., depending on the type of breach detected.

Furthermore, the Risk Management and Permanent Controls Function performs audits on Prudent Valuation of the financial instruments held by the Group.

Local “Correspondant Volcker Rule” (the Local Officer in charge of the Volcker Rule)

The Local “*Correspondant Volcker Rule*” (the Local Officer in charge of the Volcker Rule) for the Crédit Agricole Italia Banking Group is part of the Finance Function and is responsible for ensuring that the Group is always compliant with the Volcker Rule and with the LBF cooperating with the central Officers in charge at Crédit Agricole S.A..

Fair Value Option

In 2024, no transactions recognized under “Fair Value Option” were carried out.

QUANTITATIVE DISCLOSURES

1. SUPERVISORY TRADING BOOK: BREAKDOWN BY RESIDUAL MATURITY
(REPRICING DATE) OF ON-BALANCE-SHEET FINANCIAL ASSETS AND
LIABILITIES AND FINANCIAL DERIVATIVES

EURO

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	From over 5 year to 10 years	Over 10 years	Indefinite maturity
1. On-balance-sheet assets	-	5	1	-	1	-	1	-
1.1 Debt securities	-	5	1	-	1	-	1	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	5	1	-	1	-	1	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	-	-	-	-	-	-	-	-
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives								
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options								
+ long positions	28	10,030	15,616	28,075	64,810	3,648	60	-
+ short positions	28	10,025	15,616	28,079	64,812	3,648	60	-
- Other derivatives								
+ long positions	88,900	3,597,207	2,545,985	1,098,963	2,752,968	228,998	21,988	-
+ short positions	88,900	3,588,016	2,546,048	1,099,036	2,752,979	228,998	21,988	-

Other currencies

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	From over 5 year to 10 years	Over 10 years	Indefinite maturity
1. On-balance-sheet assets	-	-	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	-	-	-	-	-	-	-	-
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives								
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options								
+ long positions	-	558	681	799	215	-	-	-
+ short positions	-	558	681	799	215	-	-	-
- Other derivatives								
+ long positions	-	302,986	128,466	126,180	15,116	-	-	-
+ short positions	-	312,281	128,465	126,181	15,116	-	-	-

1.2.2 Interest Rate Risk and Price Risk - Banking Book

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of interest rate risk and price risk

General aspects

Asset & Liability Management activities cover all the items on the banking book, on-balance-sheet and off-balance-sheet. Future fluctuations in interest rates that would impact on profits, through changes in net interest income, and that would also have an effect on the discounted value of its capital, as they would cause a change in the net present value of future cash flows, are mitigated with hedges that are calibrated also through specific modeling of financial statement items.

Organisational aspects

In its capacity as the Parent Company, Crédit Agricole Italia coordinates the interest rate risk and price risk profiles of the Group's banking book, centrally managing financial operations, as well as risk assessment and control activities.

The Governance model adopted by the Crédit Agricole Italia Banking Group vests:

- The ALM Committee with the task of setting the strategic and direction lines for the management, of validating proper application of the standards and methods for measuring the exposure to interest rate risk, of examining the reporting produced by the Finance Function, as well as to resolve on any measures to be implemented, as well as of validating the local operational limits and the local alert thresholds regarding interest rate risk.
- The Risk and Internal Control Committee with the task of examining the outcomes of controls on compliance with the RAF and Risk Strategy limits and alert thresholds, as well as any alert procedures that started.

The CFO is responsible for the management and measurement of interest rate risk for the Group as a whole. Through the Finance Function, the CFO sets the methods for managing interest risk in compliance with the applicable regulations and with the methodological indications provided by the Crédit Agricole Group. The CFO also designs operational actions, carries out stress testing exercises based on the guidelines issued by the Crédit Agricole Group and prepares the ICAAP reports, both the local one and the contribution to the Group's ICAAP exercise.

The Risk Management and Permanent Controls Function is responsible for control. Therefore, it verifies the corporate risk management process and supervises compliance of the risk treatment with the applicable legislation in force and with the Group Risk Strategy.

In compliance with the normative instruments of the Crédit Agricole Group and with the supervisory regulations, the system of limits to the interest rate risk is reviewed on a yearly basis within the Risk Appetite Framework (RAF) process, setting out operational limits in the Risk Strategy, which is submitted to the Group Risk Committee of Crédit Agricole SA. and is approved by the Boards of Directors of all the Group's Entities. The local operational limits and thresholds are reviewed by the ALM Committee.

Risk policy and management

The processes for the management of interest rate risk and price risk are governed by the respective risk policies. These documents lay down the internal normative framework for the management of risks with reference to operations in financial instruments, in terms of:

- Principles, objectives, methodologies and tools used for the measurement, control and management of risks.
- Guidelines and rules on which the Risk Management and Stress Testing processes are based.

The management of interest rate risk designed by the Crédit Agricole Italia Banking Group aims at ensuring that the individual legal entities and the Group as a whole achieve the best possible performance on the existing positions through proactive management of interest risk hedges. The main financial instruments to manage risk hedges are derivative contracts, i.e. interest rate options and Interest Rate Swaps.

Control System

Independent level 2.2 control on the system for the management of interest rate risk is performed by the Risk Management and Permanent Controls Function of Crédit Agricole Italia, by verifying the system compliance with the internal model of Crédit Agricole S.A.

Specifically, within its responsibilities, the Risk Management and Permanent Controls Function:

- Independently verifies compliance with the limits and alert thresholds provided for by the RAF and by the Risk Strategy; it also expresses its prior opinion in case of any significant changes to the approaches and methods used by the Finance Function, while reporting on them to the ALM Committee and to the Risk and Internal Control Committee.
- Submits the outcomes of its verifications to the Controlling Company on a monthly basis and, in case of breach of any one of the limits and alert thresholds set in the Risk Strategy and/or locally by the ALM Committee, it triggers the alert procedure, with a specific *escalation* measure depending on the type of breach detected, and analyzes and approves the action plan proposed by the relevant corporate structures.
- Reports to the Boards of Directors of the single Banks of the Group and to the Risk and Internal Control Committee on any breached limits or thresholds, problems arisen and compliance with the Risk Strategy.

The Risk Management and Permanent Controls Function is responsible for level 2.2. control on compliance with the set limits and thresholds; therefore, on a monthly basis, it prepares and sends its Financial Risk Report to the Corporate Bodies, which provides information on the control outcomes and on any breaches of limits and thresholds, and activates, where required, the appropriate alert procedures. On a quarterly basis, it submits a summary of the above Report to the Risk and Internal Control Committee and to the Boards of Directors of the Group Entities.

Risk measurement: Methodological Aspects

The model for the measurement of global interest rate risk provides for an analysis of the contractual profile (cash flow generation by maturity), of all balance-sheet items and, where appropriate, for the “modeling” of other balance sheet items that, in terms of asset stability and responsiveness to changes in market interest rates, are among the items that are sensitive to interest rate risk for the Entities of the Group. Specifically, for interest rate risk analysis, the following elements are identified:

- Fixed-rate Term loans (with contractually defined term).
- Floating-rate term loans (with contractually defined term) for the portion with an already established rate.
- Balance-sheet items modelled in accordance with Crédit Agricole S.A. methodological guidelines.
- Balance-sheet items “modelled” in accordance with a statistical analysis able to differentiate a part stable over time by volume and, within it, the component linked to the market (floating-rate part) and the “core” part (fixed-rate one).
- Balance-sheet items modelled in accordance with specific management rules set by the relevant corporate structures of Crédit Agricole Italia (local models).
- Loans with optional contents.

As regards price risk for the Banking Book, global limits have been set, based on the type of instruments that can be held, which are expressed with reference to indicators, such as the balance sheet notional value and fair value, along with the outcomes of the management for stress testis on the relevant perimeter.

QUANTITATIVE DISCLOSURES

1. Banking book: breakdown by remaining maturity (by repricing date) of financial assets and liabilities

EURO

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	From over 5 years to 10 years	Over 10 years	Indefinite maturity
1. On-balance-sheet assets	21,025,747	24,128,082	3,384,377	2,863,288	11,860,067	7,992,975	12,255,568	-
1.1 Debt securities	-	20,205	1,113,108	878,847	4,920,738	2,104,335	150,091	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	20,205	1,113,108	878,847	4,920,738	2,104,335	150,091	-
1.2 Loans to banks	7,029,252	1,647,615	2,947	402,940	966	-	-	-
1.3 Loans to customers	13,996,495	22,460,262	2,268,322	1,581,501	6,938,363	5,888,640	12,105,477	-
- c/a	1,010,867	706,974	9,721	11,956	31,491	3,255	1,030,107	-
- other loans	12,985,628	21,753,288	2,258,601	1,569,545	6,906,872	5,885,385	11,075,370	-
- with early repayment option	1,823	648,872	247,253	48,880	99,908	9,787	12,261	-
- other	12,983,805	21,104,416	2,011,348	1,520,665	6,806,964	5,875,598	11,063,109	-
2. On-balance-sheet liabilities	52,895,168	6,167,961	2,387,574	333,470	3,230,474	3,924,058	10,958,155	-
2.1 Due to customers	52,856,445	25,291	18,080	29,237	218,313	155,947	8,108,145	-
- c/a	49,866,280	2,624	-	-	-	-	8,007,393	-
- other due and payables	2,990,165	22,667	18,080	29,237	218,313	155,947	100,752	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	2,990,165	22,667	18,080	29,237	218,313	155,947	100,752	-
2.2 Due to banks	32,773	1,334,677	153,904	25	123,365	343	81	-
- c/a	1,665	-	-	-	-	-	-	-
- other due and payables	31,108	1,334,677	153,904	25	123,365	343	81	-
2.3 Debt securities	5,950	4,807,993	2,215,590	304,208	2,888,796	3,767,768	2,849,929	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	5,950	4,807,993	2,215,590	304,208	2,888,796	3,767,768	2,849,929	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	440,024	35,211,468	2,670,470	4,046,945	13,752,228	10,296,274	8,521,990	-
3.1 With underlying security	-	345,319	342,296	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	345,319	342,296	-	-	-	-	-
+ long positions	-	345,319	-	-	-	-	-	-
+ short positions	-	-	342,296	-	-	-	-	-
3.2 Without underlying security	440,024	34,866,149	2,328,174	4,046,945	13,752,228	10,296,274	8,521,990	-
- Options	24	47,301	744,174	1,393,643	1,101,287	880,046	794,490	-
+ long positions	24	21,223	370,650	695,077	552,117	441,523	399,868	-
+ short positions	-	26,078	373,524	698,566	549,170	438,523	394,622	-
- Other derivatives	440,000	34,818,848	1,584,000	2,653,302	12,650,941	9,416,228	7,727,500	-
+ long positions	440,000	10,750,206	639,000	2,095,504	8,477,700	8,191,000	4,052,000	-
+ short positions	-	24,068,642	945,000	557,798	4,173,241	1,225,228	3,675,500	-
4. Other off-balance-sheet transactions	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-

Other currencies

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	From over 5 years to 10 years	Over 10 years	Indefinite maturity
1. On-balance-sheet assets	39,068	299,446	21,021	5,777	244,742	5,250	16,411	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	32,006	196,106	1,264	-	-	-	-	-
1.3 Loans to customers	7,062	103,340	19,757	5,777	244,742	5,250	16,411	-
- c/a	5,041	71	-	-	-	-	16,411	-
- other loans	2,021	103,269	19,757	5,777	244,742	5,250	-	-
- with early repayment option	-	31,402	787	1,608	-	-	-	-
- other	2,021	71,867	18,970	4,169	244,742	5,250	-	-
2. On-balance-sheet liabilities	334,039	320,240	10,050	2,712	-	-	-	-
2.1 Due to customers	329,994	6,696	2,195	1,492	-	-	-	-
- c/a	329,414	6,696	2,195	1,492	-	-	-	-
- Other due and payables	580	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	580	-	-	-	-	-	-	-
2.2 Due to banks	4,045	313,544	7,855	1,220	-	-	-	-
- c/a	4,045	-	-	-	-	-	-	-
- Other due and payables	-	313,544	7,855	1,220	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	-	-	-	-	-	-	-	-
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	-	7,263	25	-	-	-	-	-
+ long positions	-	3,619	25	-	-	-	-	-
+ short positions	-	3,644	-	-	-	-	-	-

1.2.3 Foreign exchange risk

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of foreign exchange risk

General aspects

The Crédit Agricole Italia Banking Group is not engaged in proprietary trading on the currency market. Consequently, there are no exposures other than residual positions resulting from activities carried out to meet customer requirements, in both the spot and forward markets.

Management and measurement of foreign exchange risk - Organisational aspects

The process for the management of foreign exchange risks is governed by the relevant risk policy, which is one of the key components of the overall risk governance model implemented by the Group, consistently with the guidelines given by Crédit Agricole S.A..

Within the process for foreign exchange risk management, primary responsibility is assigned to corporate bodies/functions, according to their respective scopes, and they must be fully aware of the Bank's level of exposure.. Specifically:

- The Board of Directors is tasked with strategic oversight and is therefore responsible for defining risk governance policies and management processes.
- The Co-General Manager, through the Corporate Banking Function, is responsible for risk management, and, therefore, defines and steers the Group's mechanism for the management of exchange rate risk, in compliance with the instructions and resolutions issued by the ALM Committee and by the Risk and Internal Control Committee.
- The Risk Management and Permanent Controls Function is responsible for level 2.2 control. It verifies the corporate risk management process and supervises compliance of the foreign exchange risk treatment with the applicable legislation in force and with the Group Risk Strategy.

The limit structure

The limit structure reflects the level of risk deemed acceptable with reference to the individual business areas and is designed to control that operations are performed in compliance with the management and strategic directions set by the Top Management.

The Group's framework system for foreign exchange risk is reviewed on a yearly basis, consistently with the guidelines and the risk appetite set by the Crédit Agricole S.A. Group. The risk appetite is structured through global limits and operational limits that are set by the Crédit Agricole Italia Group in its Risk Strategy.

The global limit is set in order to ensure a controlled development of the business. It is calculated as the sum of the value in Euro of the open foreign currency position (in absolute value) for each currency and is validated by the Group Risk Committee (CRG) of Crédit Agricole S.A. and approved by the Boards of Directors of Crédit Agricole Italia and of the single Entities of the Group.

Control System

The monitoring of the limits, which is carried out on a daily basis, is a task assigned to the Risk Management and Permanent Controls Function. The outcomes of monitoring on limits are included in the monthly Report on Financial Risks. It is sent to the Group's Top Management (CFO), to the structures engaged in foreign exchange risk management (Corporate Banking), to the Internal Audit Function and to Crédit Agricole S.A. (*Direction Risques Groupe*).

A summary of this report is the basis for quarterly reporting on foreign exchange risks to the Group's Executive and Control collective Bodies (Risk and Internal Control Committee, Board of Auditors, Boards of Directors of the Group's Entities).

If certain events occur (the limits are breached, there are material changes in markets, material losses, etc.), the Group triggers the alert procedure in force, reporting the event and the related remedial action plan to the Top Management Bodies and to the *Direction Risques Groupe* of Crédit Agricole S.A., depending on the type of breach.

B. Foreign exchange risk hedging

Foreign exchange risk hedging is based on the intermediation principle, which allows the Group not to take foreign exchange risk positions breaching the authorized operational limits. Back-to-back hedging transactions are carried out with authorized financial counterparties, are traded upon the closing of the relevant transactions with Customers and entered in the relevant procedures within the business day.

QUANTITATIVE DISCLOSURES

1. Breakdown by currency of assets, liabilities and derivatives

Items	Currencies					
	USD	GBP	JPY	CAD	CHF	Other currencies
A. Financial Assets	318,944	31,866	22,940	2,259	248,105	7,305
A.1 Debt securities	-	-	-	-	-	-
A.2 Equity securities	29	-	-	-	-	-
A.3 Loans to banks	173,978	18,866	22,536	1,165	5,815	7,016
A.4 Loans to Customers	144,937	13,000	404	1,094	242,290	289
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	44,991	1,561	558	229	1,194	907
C. Financial Liabilities	353,143	33,056	23,447	2,314	247,757	7,324
C.1 Due to banks	87,663	2,435	-	268	234,008	2,291
C.2 Due to customers	265,480	30,621	23,447	2,046	13,749	5,033
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	3,791	806	7	48	427	141
E. Financial derivatives						
- Options						
+ long positions	1,720	351	182	-	-	-
+ short positions	1,720	351	182	-	-	-
- Other derivatives						
+ long positions	406,877	47,401	20,323	5,150	467	92,531
+ short positions	415,271	47,349	20,320	5,105	1,722	92,276
Total assets	772,532	81,179	44,003	7,638	249,766	100,743
Total liabilities	773,925	81,562	43,956	7,467	249,906	99,741
Mismatch (+/-)	-1,393	-383	47	171	-140	1,002

1.3 Derivative instruments and hedging policies**1.3.1 Derivative instruments held for trading****A. Financial Derivatives****A.1 CREDIT DERIVATIVES HELD FOR TRADING: CLOSING NOTIONAL VALUES**

Underlying assets/ Type of derivatives	Total 31 Dec. 2024				Total 31 Dec. 2023				
	Over-the-Counter			Organized markets	Over-the-Counter			Organized markets	
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties			
		With netting arrangements	Without netting arrangements			With netting arrangements	Without netting arrangements		
1. Debt securities and interest rates	-	6,360,611	5,353,520	-	-	6,339,679	5,448,554	-	
a) Options	-	1,069,293	872,868	-	-	1,226,830	1,001,302	-	
b) Swaps	-	5,291,318	4,480,652	-	-	5,112,849	4,447,252	-	
c) Forwards	-	-	-	-	-	-	-	-	
d) Futures	-	-	-	-	-	-	-	-	
e) Other	-	-	-	-	-	-	-	-	
2. Equity securities and equity indices	-	-	-	-	-	-	-	-	
a) Options	-	-	-	-	-	-	-	-	
b) Swaps	-	-	-	-	-	-	-	-	
c) Forwards	-	-	-	-	-	-	-	-	
d) Futures	-	-	-	-	-	-	-	-	
e) Other	-	-	-	-	-	-	-	-	
3. Foreign exchange and gold	-	806,884	846,903	-	-	797,659	760,782	-	
a) Options	-	267,906	268,362	-	-	157,036	158,077	-	
b) Swaps	-	25,966	25,966	-	-	78,786	19,518	-	
c) Forwards	-	513,012	552,575	-	-	561,837	583,187	-	
d) Futures	-	-	-	-	-	-	-	-	
e) Other	-	-	-	-	-	-	-	-	
4. Commodities	-	-	-	-	-	-	-	-	
5. Other underlying assets	-	-	-	-	-	-	-	-	
Total	-	7,167,495	6,200,423	-	-	7,137,338	6,209,336	-	

A.2 FINANCIAL DERIVATIVES HELD FOR TRADING: GROSS POSITIVE AND NEGATIVE FAIR VALUE - BREAKDOWN

Underlying assets/ Type of derivatives	Total 31 Dec. 2024				Total 31 Dec. 2023			
	Over-the-Counter			Organized markets	Over-the-Counter			Organized markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting arrangements	Without netting arrangements			With netting arrangements	Without netting arrangements	
1. Positive fair value								
a) Options	-	16,706	5,482	-	-	27,270	3,765	-
b) Interest rate swaps	-	59,695	35,687	-	-	132,335	21,665	-
c) Cross currency swaps	-	-	-	-	-	543	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	8,882	7,047	-	-	7,543	5,153	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	1,039	92	-	-	20	106	-
Total	-	86,322	48,308	-	-	167,711	30,689	-
2. Negative fair value								
a) Options	-	7,130	15,074	-	-	7,187	23,542	-
b) Interest rate swaps	-	47,736	50,066	-	-	35,188	119,356	-
c) Cross currency swaps	-	-	-	-	-	543	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	6,291	9,386	-	-	5,008	7,298	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	90	1,023	-	-	99	20	-
Total	-	61,247	75,549	-	-	48,025	150,216	-

A.3 OTC FINANCIAL DERIVATIVES HELD FOR TRADING: NOTIONAL VALUES, GROSS POSITIVE AND NEGATIVE FAIR VALUE BY COUNTERPARTY

Underlying assets	Central counterparties	Banks	Other financial companies	Others
Contracts not included in netting agreements				
1) Debt securities and interest rates				
- notional value	X	-	107,396	5,246,124
- positive fair value	X	-	1,713	36,860
- negative fair value	X	-	80	58,400
2) Equity securities and equity indices				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Foreign exchange and gold				
- notional value	X	32,922	-	813,982
- positive fair value	X	462	-	9,273
- negative fair value	X	521	-	16,547
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in netting agreements				
1) Debt securities and interest rates				
- notional value	-	5,868,033	176,752	315,826
- gross positive fair value	-	63,953	2,779	3,007
- gross negative fair value	-	47,262	1,568	3,416
2) Equity securities and equity indices				
- notional value	-	-	-	-
- gross positive fair value	-	-	-	-
- gross negative fair value	-	-	-	-
3) Foreign exchange and gold				
- notional value	-	806,884	-	-
- gross positive fair value	-	16,583	-	-
- gross negative fair value	-	9,002	-	-
4) Commodities				
- notional value	-	-	-	-
- gross positive fair value	-	-	-	-
- gross negative fair value	-	-	-	-
5) Other				
- notional value	-	-	-	-
- gross positive fair value	-	-	-	-
- gross negative fair value	-	-	-	-

A.4 REMAINING LIFE OF OTC FINANCIAL DERIVATIVES: NOTIONAL VALUES

Underlying asset/remaining life	up to 1 year	Over 1 year and up to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	5,864,777	5,152,696	696,657	11,714,130
A.2 Financial derivatives on equity securities and equity indices	-	-	-	-
A.3. Financial derivatives on foreign exchange rates and gold	1,577,732	76,056	-	1,653,788
A.4 Financial derivatives on other values	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total 31 Dec. 2024	7,442,509	5,228,752	696,657	13,367,918
Total 31 Dec. 2023	7,248,533	5,626,026	472,115	13,346,674

1.3.2 Accounting hedges

QUALITATIVE DISCLOSURES

A. Fair Value hedging

Hedging interest rate risk has the objective of immunizing the Banking Book from changes in the fair value of funding and lending, caused by adverse movements in the yield curve.

The main financial instruments for the management of interest risk hedges are Interest Rate Swaps and Interest Rate Options, which, for their very nature, are contracts referring to “pure” interest rate risk.

Specifically, fixed-rate debenture loans have been hedged (micro-hedging), as have the mortgage loans with optional components to Customers (macro-hedging), government securities (micro- hedging), current accounts and fixed-rate mortgage loans in the macro-hedging portfolio.

In compliance with the financial reporting standards, the effectiveness of the hedges is assessed by the Finance Function, which carries out the relevant tests on a monthly basis and keeps formal documentation for every hedge.

B. Cash flow hedging

In 2024, no Cash Flow Hedge transactions were carried out.

D. Hedging instruments

The Crédit Agricole Italia Banking Group hedges interest rate risk resulting from some parts of its balance sheet items under fair value hedging, with the following instruments:

- IRS, both for micro-hedging (Issued Debenture Loans and Securities under assets), and for macro-hedging (modelled Retail Current Accounts under liabilities and fixed-rate mortgage loans to Customers);
- IRO, in macro-hedging, to hedge optional risk resulting from CAP options associated with a part of mortgage loans sold to Customers.

A source of ineffectiveness set for all the types of hedging used is the possible early repayment of the hedged item. Moreover, for hedging with IRS, also any possible sudden and material change in the Euribor rates, entailing the breach of the tolerance threshold set by IAS 39 for the hedge ratio (-80%/+125%), could be a cause of possible ineffectiveness. Lastly, as regards hedging of “modelled” items, a change in the model’s financial characteristics, subsequent to the periodic review of the models, could also be yet another cause of ineffectiveness.

Over time, ineffectiveness resulting from early or from the periodic review of the models (reduction in the modelled item duration) has been overcome with total or partial unwinding of the hedging instruments.

E. Hedged items

Hedging of issued (fixed-rate) Debenture Loans:

The hedged item is limited to portion referring to interest rate risk. Hedging uses IRS in which the fixed-rate leg equalizes the debenture loan rate and the variable-rate leg is determined as Euribor +/- spread.

The spread on the variable-rate leg of the IRS is included in the hedging relationship, inverting its sign, as "spread adjustment" of the hedged item (debenture loan rate +/- spread adjustment). In this way, based on the assumption that the two legs of the IRS, on the trading date, have the same value and knowing that an IRS contract hedges interest rate risk only, the value of the "hedged item" referring to every debenture loan can be determined, or the only part of the debenture loan interest rate referring to the hedged risk (interest rate risk).

Hedging of Securities recognized as Assets (fixed rate):

The hedged item is limited to portion referring to interest rate risk. Hedging is done with IRSs in which the variable-rate leg is determined as Euribor and the fixed-rate leg equalizes the swap market rate with maturity equal to the security maturity.

Hedging of Securities recognized as Assets (inflation-linked)

The hedged item is limited to the portion referring to fixed-rate plus the principal periodic revaluation based on inflation. Hedging is done with IRSs in which the variable-rate leg is determined as Euribor with spread adjustments and the fixed-rate leg equalizes the security rate.

Hedging of the fixed-rate part of Retail Current Accounts recognized as Liabilities

The hedged item is limited to portion referring to interest rate risk. Hedging uses IRS in which the fixed-rate leg equalized the rate of a "fictitious" bond-equivalent designed to identify the hedged item resulting from the modelling of a balance-sheet item (a set of current accounts) that, in contractual terms only, would not allow to separate the characteristics required for the hedging, and the variable-rate leg is determined as Euribor. The value of the hedged rate and the duration of this bond-equivalent are determined with a modelling process that is specific to the Retail channel and is reviewed on a yearly basis and validated by the relevant structures of the Bank. Through a statistical analysis, the model breaks down a set of current accounts featuring the same behavioural aspects and product type (Retail current accounts under liabilities), into its different financial parts: stable part by volume (fixed-rate or variable-rate), and fluctuating part. The hedged part is the stable fixed-rate one.

Hedging of the CAP option on mortgage loans (variable rate):

The hedged item is limited to portion referring to interest rate risk. Hedging uses IRO traded in order to hedge the risk that a variable-rate mortgage loan contract, once having reached its cap, becomes a fixed-rate item, with subsequent increase in the Bank's financial leverage; Every IRO is specifically traded in order to hedge portfolios of mortgage loans having the same financial characteristics (strike, market parameter, payment schedule, ...). In this way, the Bank achieves its objective of having essential specularity between the characteristics of the implied Cap rates of the mortgage loans and those of the IRO hedging them.

Hedging of fixed-rate mortgage loans

The hedged item is limited to the portion referring to interest rate risk only and is an aggregate of mortgage loans having the appropriate financial features (set based on the approach accepted for this specific hedge. Once having defined the financial characteristics of the item to be hedged for interest rate risk, it is hedge "at par", i.e. with the swap market rate on the IRS fixed-rate leg, equal to the meta mortgage loan maturity, which, on the trade date, equalizes the value of Euribor applied to the variable-rate leg.

QUANTITATIVE DISCLOSURES

A. Financial derivatives held for hedging

A.1 FINANCIAL DERIVATIVES HELD FOR HEDGING: CLOSING NOTIONAL VALUES

Type of derivatives	Total 31 Dec. 2024				Total 31 Dec. 2023			
	Over-the-Counter			Organized markets	Over-the-Counter			Organized markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting arrangements	Without netting arrangements			With netting arrangements	Without netting arrangements	
1. Debt securities and interest rates	-	37,064,655	345,319	-	-	36,497,016	-	-
a) Options	-	2,419,245	-	-	-	2,604,101	-	-
b) Swaps	-	34,645,410	-	-	-	33,892,915	-	-
c) Forwards	-	-	345,319	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity securities and equity indices	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Foreign exchange and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	-	-	-	-	-	-	-	-
5. Other underlying assets	-	-	-	-	-	-	-	-
Total	-	37,064,655	345,319	-	-	36,497,016	-	-

A.2 FINANCIAL DERIVATIVES HELD FOR TRADING: GROSS POSITIVE AND NEGATIVE FAIR VALUE – BREAKDOWN BY PRODUCT

Type of derivatives	Positive and negative fair value								Change in value used to survey hedge effectiveness	
	Total 31 Dec. 2024				Total 31 Dec. 2023					
	Over-the-Counter			Organized markets	Over-the-Counter			Organized markets	Total 31 Dec. 2024	Total 31 Dec. 2023
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties				
		With netting arrangements	Without netting arrangements			With netting arrangements	Without netting arrangements			
1. Positive fair value										
a) Options	-	174,852	-	-	-	255,770	-	-	174,852	255,770
b) Interest rate swaps	-	579,022	-	-	-	607,877	-	-	579,022	607,877
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	155	-	-	-	-	-	155	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	753,874	155	-	-	863,647	-	-	754,029	863,647
2. Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	1,672,836	-	-	-	2,139,540	-	-	1,672,836	2,139,540
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	1,672,836	-	-	-	2,139,540	-	-	1,672,836	2,139,540

A.3 OTC FINANCIAL DERIVATIVES HELD FOR HEDGING: NOTIONAL VALUES, GROSS POSITIVE AND NEGATIVE FAIR VALUE BY COUNTERPARTY

	Central counterparties	Banks	Other financial companies	Others
Contracts not included in netting agreements				
1) Debt securities and interest rates				
- notional value	X	345,319	-	-
- positive fair value	X	155	-	-
- negative fair value	X	-	-	-
2) Equity securities and equity indices				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Foreign exchange and gold				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in netting agreements				
1) Debt securities and interest rates				
- notional value	-	37,064,655	-	-
- gross positive fair value	-	753,874	-	-
- gross negative fair value	-	1,672,836	-	-
2) Equity securities and equity indices				
- notional value	-	-	-	-
- gross positive fair value	-	-	-	-
- gross negative fair value	-	-	-	-
3) Foreign exchange and gold				
- notional value	-	-	-	-
- gross positive fair value	-	-	-	-
- gross negative fair value	-	-	-	-
4) Commodities				
- notional value	-	-	-	-
- gross positive fair value	-	-	-	-
- gross negative fair value	-	-	-	-
5) Other				
- notional value	-	-	-	-
- gross positive fair value	-	-	-	-
- gross negative fair value	-	-	-	-

A.4 REMAINING LIFE OF OTC DERIVATIVES HELD FOR HEDGING: NOTIONAL VALUES

Underlying asset/remaining maturity	up to 1 year	Over 1 year and up to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	5,196,060	12,651,987	19,561,927	37,409,974
A.2 Financial derivatives on equity securities and equity indices	-	-	-	-
A.3. Financial Derivatives on exchange rates and gold	-	-	-	-
A.4 Financial Derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total 31 Dec. 2024	5,196,060	12,651,987	19,561,927	37,409,974
Total 31 Dec. 2023	5,330,705	13,261,184	17,905,127	36,497,016

D. Hedged items

D.1 FAIR VALUE HEDGES

	Micro-hedges: book value	Micro-hedges – net positions: book value of assets and liabilities (before netting)	Cumulative amount of changes In the fair value of the hedged item	Micro-hedges Termination of hedging:: cumulative amount of residual fair value changes	Change in value used to survey hedge effectiveness	Macro-hedges: book value
A. Assets						
1. Financial assets measured at fair value through other comprehensive income - hedging of:						
1.1 Debt securities and interest rates	2,379,720	-	-26,095	-18,445	-	X
1.2 Equity securities and equity indexes	-	-	-	-	-	X
1.3 Foreign exchange and gold	-	-	-	-	-	X
1.4 Loans	-	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
2. Financial assets measured at amortized cost – hedging of:						
2.1 Debt securities and interest rates	3,826,607	-	23,605	-13,106	-	X
2.2 Equity securities and equity indexes	-	-	-	-	-	X
2.3 Foreign exchange and gold	-	-	-	-	-	X
2.4 Loans	8,314,360	-	-164,379	3,504	-	X
2.5 Other	-	-	-	-	-	X
Total 31 Dec. 2024	14,520,687	-	-166,869	-28,047	-	-
Total 31 Dec. 2023	11,997,156	-	-473,348	-155,935	-	-
B. Liabilities						
1. Financial liabilities measured at amortized cost- hedging of:						
1.1 Debt securities and interest rates	23,397,304	-	-239,124	23,369	-	X
1.2 Foreign exchange and gold	-	-	-	-	-	X
1.3 Other	-	-	-	-	-	X
Total 31 Dec. 2024	23,397,304	-	-239,124	23,369	-	-
Total 31 Dec. 2023	24,987,232	-	-222,631	7,073	-	-

3.3 OTHER INFORMATION ON DERIVATIVE INSTRUMENTS HELD FOR TRADING AND FOR HEDGING

A.1 OTC FINANCIAL AND CREDIT DERIVATIVES: NET FAIR VALUES BY COUNTERPARTY

	Central counterparties	Banks	Other financial companies	Others
A. Financial Derivatives				
1) Debt securities and interest rates				
- notional value	-	43,278,006	284,148	5,561,949
- positive fair value	-	817,983	4,492	39,867
- negative fair value	-	1,720,098	1,649	61,816
2) Equity securities and equity indices				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Foreign exchange and gold				
- notional value	-	839,805	-	813,982
- positive fair value	-	17,045	-	9,273
- negative fair value	-	9,523	-	16,547
4) Commodities				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
B. Credit derivatives				
1) Purchase and protection				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Sale and protection				
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

1.4 LIQUIDITY RISK

QUALITATIVE AND QUANTITATIVE DISCLOSURES

A. General aspects, management and measurement of liquidity risk

General and organisational aspects

Liquidity risk reflects the possibility that the Group may not be able to meet its payment commitments, both expected and unexpected, without prejudicing its daily operations or its financial position. This risk is managed based on the following components:

- Management of short-term liquidity: its objective is to ensure the balance between incoming and outgoing liquidity flows, in the perspective of continuously supporting normal banking operations.
- Management of structural liquidity: its objective is to maintain the balance between total liabilities and medium-/ long-term assets.

The liquidity risk management model, approved by Crédit Agricole Italia Board of Directors, is based on the principle of separation of liquidity management and measurement processes from control processes, in compliance with the regulatory requirements and with the guidelines issued by Crédit Agricole S.A.

The model provides for the governance and management of liquidity risk to be centrally performed by the Parent Company Crédit Agricole Italia, which is also responsible for the funding process of all the entities of the Group.

The model lays down the responsibilities of the Corporate Bodies and Functions Holders involved, specifically:

- The Board of Directors, the body in charge of strategic oversight, is responsible for defining governance policies, the organizational structure and management processes. Specifically, it approves measurement methods, risk tolerance thresholds and the limits system, the assumptions at the basis of stress tests and the *Contingency Funding Plan (CFP or Plan d'Urgence)*.
- The CFO, through the Finance Function, is the role responsible for management and, specifically, for the preparation of the reporting to the Bank of Italy, as well as of internal reporting on the Group's liquidity situation (Liquidity Report). The Finance Function operates in compliance with the directions set by the ALM Committee, the Risk and Internal Control Committee, the RAF and the Risk Strategy.
- The Risk Management and Permanent Controls Function is responsible for the permanent controls framework, verifies compliance with global and operational limits, as well as with alert thresholds, prepares the reporting to corporate Bodies and triggers, where required, the alert procedures. Jointly with the Finance Function, it is also responsible for monitoring the ratios and indicators provided for in the *Contingency Funding Plan*.

The process for the management of liquidity risk is governed by the relevant risk policy.

Risk management and control: methodological aspects

The model adopted for liquidity risk management is based on the monitoring of the short-term component (up to 12 months) and the medium/long-term one.

The main objective of the short-term liquidity management process is to ensure that the Group is able to satisfy on-balance-sheet payment commitments, expected and unexpected, in such a way as not to prejudice normal business.

A key condition for achieving this objective is to constantly maintain sufficient balance between incoming and outgoing liquidity flows.

The Group's liquidity risk monitoring system considers the following factors:

- Keeping immediate liquidity, i.e. the net balance of customer sources, surplus own funds and loans to customers. This is carried out by recognizing cash inflows and outflows expected in the various ranges of residual maturity making up the "*maturity ladder*".
- The continuation of the business activity at a planned pace (monitoring the performance of liquidity used in loans to customers/from customer sources).

An essential aspect of liquidity management is the definition of an interbank short-term refinancing limit (LCT - *Limite Court Terme*), which is fine-tuned in accordance with the guidelines given by the Parent Company Crédit Agricole S.A., aimed at limiting short-term funding on the market over a one-year time horizon in a market featuring stress conditions. Furthermore, in order to strengthen the Group's liquidity management, the Parent Company has set an alert threshold on the *Deficit Crédit Collecte* (DCC) indicator, which ensures appropriate coverage of loans to customers through funding from customers.

Short-term liquidity risk management and oversight policies aim at ensuring the surmounting of any crisis that leads to serious reduction in the Group's normal financing sources; in this regard, three stress scenarios have been identified:

- Systemic crisis: a situation that leads to partial closure of the short-term and medium-/long-term refinancing market, with continuing business operations. The Group must be able to continue operations for a time horizon of one year.
- Idiosyncratic crisis: a situation that leads to a bank run, partial closure of the short-term market and total closure of the medium-/long-term market with continuing business operations. In this scenario, the Group must be able to continue operations for a time horizon of three months.
- Global crisis: a situation having the combined features of both a systemic crisis and an idiosyncratic crisis, in terms of substantial bank run, total closure of the markets, use of reserves even though with write-downs. The Group must be able to continue business operations in a serious crisis for a time horizon of one month.

Within Short-Term Liquidity Risk monitoring, on a daily basis the Crédit Agricole Italia Banking Group calculates its Liquidity Coverage Ratio (LCR= Stock of high quality liquid assets/Total net cash outflows in the subsequent 30 calendar days). The LCR is a 30-day horizon ratio that simulates the combination of a systemic crises and an idiosyncratic one and measures the ability of the stock of liquid assets to ensure coverage of expected net cash outflows in the subsequent 30 calendar days.

As at 31 December 2024, the Liquidity Coverage Ratio (LCR) of the Crédit Agricole Italia Banking Group was 178.63%, once again firmly above the set compliance requirements.

Medium-/long-term liquidity management entails the identification of alert thresholds and limits by determining the *Position en Ressources Stables* (*Stable Resources Position, PRS*) and *Concentration des échéances MLT* (a concentration limit to MLT maturities) indicators. They aim at ensuring the Group's financial balance between stable resources (medium-/long-term market resources, funding from Customers, own funds) and long-term uses (non-current assets, loans to Customers, medium/long-term market uses and liquidity buffers), as well as at limiting concentration of maturities within medium-/long-term funding. Positive levels of the Stable Resources Position (PRS) substantiate the Group's ability to support its assets during a crisis and, by monitoring the medium-/long-term due register, a balance can be kept between the maturities of resources and long-term uses.

The liquidity ratios, except for the NSFR, are calculated on a monthly basis. These ratios and indicators have the purpose of monitoring compliance with the Group's risk appetite and are benchmarked against specific global limits laid down by Crédit Agricole S.A. and approved by the Group Risk Committee, upon presentation of the Risk Strategy and then submitted to the Board of Directors of the Parent Company Crédit Agricole Italia for its approval.

Within its medium/long-term Liquidity Risk monitoring, the Crédit Agricole Italia Banking Group calculated its Net Stable Funding Ratio (NSFR) on a quarterly basis. The ratio, which shall be higher than 100%, has the Available Stable Funding (ASF) figure as the numerator and the Required Stable Funding (RSF) figure as the denominator.

As at 31 December 2024, the Liquidity Coverage Ratio (NSFR) of the Crédit Agricole Italia Banking Group was 131%, once again firmly above the set compliance requirements.

The Bank also monitors its intraday liquidity risk through a set of specific indicators that were developed in coordination with its Parent Company and are calculated on a weekly and monthly basis both in Business-as-Usual and in Stress conditions.

The limit structure is completed by other management and alert indicators provided for in the Contingency Funding Plan. Diversification of the Group's refinancing sources through Covered Bonds placed in the market continued in 2024, with the finalization of three new issues of Covered Bonds for a total of 1,577 billion Euros. In January, Crédit Agricole Italia went to the market with a new issue of Green Covered Bonds, with 9.5-year

maturity for an amount of 500 million Euros. Moreover, in the same month, a private placement issue for 77 million Euros was sold to institutional investors with 15-year maturity. The last issue in the year took place on 11 March 2024, with a Covered Bond Premium Label for an amount of 1 billion Euros with 12-year maturity.

Lastly, in marketing the products of the Group, the internal transfer rate system takes account of the cost of liquidity. Based on the products' financial features and on the prevailing market conditions, the system allows the internal return rate to be determined, which, in turn, is the basis for the pricing of lending and direct funding products. Specifically, following the change in the interest rate scenario occurred in the year, the Bank continued the placement of senior bonds with Customers.

Risk control

The Risk Management and Permanent Controls Function is responsible for verifying compliance with the set limits; therefore it prepares its own Financial Risk Report on a monthly basis and sends it to relevant corporate bodies, informing them of the control outcomes and of any breaches of the limits or alert thresholds and, in case any limits or thresholds are breached, it asks the Finance Function for a recovery plan. On a quarterly basis, it submits a summary of the above Report to the Risk and Internal Control Committee and to Crédit Agricole Italia Boards of Directors. Lastly, in case any limits are breached, the Risk Management and Permanent Controls Function shall inform, through the Alert Procedure in force, the relevant Top Bodies of the Group and the relevant structures of Crédit Agricole SA., depending on the type of breach detected. Jointly with the Finance Function, the Risk Management and Permanent Controls Function is also responsible for monitoring the ratios/indicators provided for in the *Contingency Funding Plan (CFP)*.

The CFP of the Crédit Agricole Italia Banking Group is approved by the Board of Directors of the Parent Company Crédit Agricole Italia and applies to all the legal entities within the liquidity risk monitoring perimeter.

DISCLOSURE

The document "Disclosure" (Basel III Third Pillar) referring to 31 December 2024 is published on the Group's website <https://gruppo.credit-agricole.it/bilanci-ca-italia>

It is pointed out that the Crédit Agricole Italia Banking Group is controlled by a parent company based in the EU and, therefore, the conditions laid down in Part One, Title II, Chapter 2, Article 13, Paragraph 1 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR) as amended (CRR 2 - Regulation (EU) 2019/876 on "Application of disclosure requirements on a consolidated basis" are met.

QUANTITATIVE DISCLOSURES

1. Breakdown of financial assets and liabilities by residual contract maturity

Euro

Items/Time brackets	On demand	From over 1 day to 7 days	From over 7 days to 15 days	From over 15 days to 1 month	From over 1 month 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	Indefinite maturity
On-balance-sheet assets										
A.1 Government securities	60	-	6,496	-	16,334	1,192,710	523,172	4,882,000	2,090,001	-
A.2 Other debt securities	-	667	234	-	785	2,522	477,810	57,224	167,997	87
A.3 Units of collective investment undertakings	150,227	-	-	-	-	-	-	-	-	-
A.4 Loans	8,631,382	261,323	366,193	1,029,259	3,594,030	3,472,298	7,276,134	21,589,808	29,045,072	638,208
- banks	5,465,388	890	588	4,291	1,059,884	3,069	859,778	1,050,966	-	638,208
- customers	3,165,994	260,433	365,605	1,024,968	2,534,146	3,469,229	6,416,356	20,538,842	29,045,072	-
On-balance-sheet liabilities										
B.1 Deposits and current accounts	59,328,382	14,992	45,100	114,417	511,158	383,983	170,686	123,233	-	-
- banks	25,298	-	-	-	-	-	-	123,068	-	-
- customers	59,303,084	14,992	45,100	114,417	511,158	383,983	170,686	165	-	-
B.2 Debt securities	189,277	54,362	257,994	312,303	2,348,865	1,856,889	396,940	4,909,526	6,947,000	-
B.3 Other liabilities	352,849	-	-	2,166	26,826	51,428	104,169	810,182	949,010	-
Off-balance-sheet transactions										
C.1 Financial derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	373,932	46,502	73,192	149,623	119,102	111,445	11,520	-	-
- short positions	-	19,303	46,532	73,225	149,682	119,168	111,526	351,533	-	-
C.2 Financial derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	116,007	3,297	37,364	16,122	93,560	77,095	257,420	920,000	151,750	-
- short positions	118,422	-	8,665	10,310	118,524	514,287	983,527	-	151,750	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Other currencies

Items/Time brackets	On demand	From over 1 day to 7 days	From over 7 days to 15 days	From over 15 days to 1 month	From over 1 month 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	Indefinite maturity
On-balance-sheet assets										
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	56,290	197,386	15,795	23,414	63,021	14,708	1,948	248,472	7,291	-
- banks	32,006	192,263	1,957	-	1,947	1,281	-	-	-	-
- customers	24,284	5,123	13,838	23,414	61,074	13,427	1,948	248,472	7,291	-
On-balance-sheet liabilities										
B.1 Deposits and current accounts	333,459	1,970	15,766	11,497	291,814	10,212	2,817	-	-	-
- banks	4,045	1,970	12,741	11,497	288,036	7,979	1,262	-	-	-
- customers	329,414	-	3,025	-	3,778	2,233	1,555	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	580	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions										
C.1 Financial derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	19,690	47,565	75,162	154,157	124,199	116,301	11,962	-	-
- short positions	-	28,998	47,551	75,162	154,158	124,198	116,302	11,962	-	-
C.2 Financial derivatives without exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	1,132	-	-	-	-	-	-	-	-	-
- short positions	1,113	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- long positions	-	1,559	-	-	-	-	-	-	-	-
- short positions	-	353	-	-	1,206	-	-	-	-	-
C.4 Commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	1,917	-	-	144	25	-	-	-	-
- short positions	-	2,085	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

1.4 OPERATIONAL RISKS

A. General aspects, management and measurement of operational risk

QUALITATIVE DISCLOSURES

The Crédit Agricole Italia Banking Group has adopted the definition of operational risk given in “Basel 2 – International Convergence of Capital Measurement and Capital Standards” prepared by the Basel Committee on Banking Supervision.

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk. Legal risk includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements.

To consolidate and enhance control of operational risks, the Group has set clear objectives:

- To achieve full compliance with the requirements set by the Supervisory regulations for internal control systems (15th update of Bank of Italy's Circular No. 285/2013 as updated).
- To maintain constant full compliance of Crédit Agricole Italia with the regulatory requirements for the use of the Traditional Standardised Approach (TSA) and full compliance of the other banking entities of the Group with the requirements for the use of the Basic indicator approach (BIA) to calculate their regulatory capital.
- To constantly improve the monitoring of risks and losses, in order to allow a management-oriented approach, especially in terms of risk mitigation and prevention initiatives, as well as risk culture dissemination.
- Fine-tuning of the permanent controls systems and extension of the coverage of said controls within the company perimeter.

Macro-organisational aspects

Governance of the Group operational risks is the responsibility of the Risk Management and Permanent Controls Function of Crédit Agricole Italia, which implements the guidelines issued by the Risk Management Department of the Controlling Company Crédit Agricole S.A., and reports on a solid line to the latter.

The Risk Management and Permanent Controls Function (Italian acronym RPC) performs risk management and control activities for all the Companies of the Crédit Agricole Italia Banking Group.

In compliance with the supervisory regulations, the Group has formalized the roles and responsibilities of the corporate bodies and structures involved in the management of operational risks.

The governance model provides for:

- A centralized strategy for the control of operational risks.
- Close connections with the activities for permanent controls.
- Synergies with the Compliance Function and with the Internal Audit Function.

Risk management

The Group has adopted a model that is consistent with the guidelines issued by Crédit Agricole and governed by the central function, which works with the well-established and complementary contributions, in its operating, management and mitigation activities, of specialized roles, functions and mechanisms:

- Operational Risk Manager (ORM or with the Italian acronym: MRO).
- Control on Outsourced Important Operational Functions/Provision of Outsourced Essential Services (Italian acronyms FOIE/PSEE) and on Physical Security.
- MRSI (Manager des Risques SI), in charge of monitoring and control of IT risks on the Information System, on the Business Continuity Plan (BCP or with the Italian acronym PCO) and on physical security.
- CISO (Chief Information Security Officer), who is responsible for the security of corporate information.
- Information Security Manager (ISM): who is responsible for the implementation and management of the Information System operational security.
- Business Continuity Manager (BCM), who is responsible for the Group's Business Continuity Plan.

- Persons in charge of Operational Controls, within the Distribution Network structures, with the task of performing 2nd degree 1st level permanent controls.
- Structures, systems and tools, instrumental for proper risk control and for the management of mitigation/improvement actions, including:
 - The Risk and Internal Control Committee.
 - The BCP (Business Continuity Plan) Interfunctional Unit.
 - The Supervisory Committee on IT Security and on BCP (CSSCA, Supervisory Committee on Security and Business Continuity).
 - The system of permanent controls for the Commercial Network, together with early warning indicators.
 - Work Groups for Improvement.

The upgrading of the process for the management and control of operational risks to the guidelines issued by Crédit Agricole S.A. has been intended for the harmonization with the general methods used throughout the Group and consists of the macro-phases listed below:

- Detection, identification and classification of risks and losses and their recognition in the accounts where necessary.
- Assessment and measurement of the risk profile for every corporate environment.
- Identification of mitigation actions and preparation of the action plan.
- Verification of the adequacy of the control plan and increase in control points.
- Verification of actual implementation of controls.
- Verification of correct exercise of mitigation actions.
- Information and reporting.

In the above phases, the following processes are also applied:

- Loss data collection (recording, classification and processing of loss data).
- Risk self-assessment ((self-assessment of the exposure to operational risks relating to the specific structures engaged in operating functions and the relevant processes).
- Direct involvement of corporate structures in collective assessment work groups (Improvement, ...).

Each one of these processes entails information processing based on methods that are predefined, repeatable and formalized in the Company's normative instruments, as well as with the support of specific application tools.

Risk mitigation

The Group has implemented a policy for operational risk mitigation through:

- Specific self-assessment activities with three-year planning and assessment on a yearly basis (Risk Self-Assessment") aimed at designing an annual Action Plan containing all the initiatives that the owners of the various corporate processes have identified as required in order to mitigate the detected operational risks; the Action Plan is then submitted to the Board of Directors for approval.
- Implementation of the permanent controls plan, both within the Distribution Network and at Central Functions, in order to have the most critical processes fully under control.
- A fraud prevention system governed by the Compliance Function.
- Implementation of the framework for controlling and monitoring outsourced critical and important functions (CIF).
- Implementation of the framework for controlling and monitoring:
 - Physical security;
 - Business Continuity (BCP);
- Implementation of the function for control and monitoring of Information and Communication Technology (ICT) Risk.

Transfer of risk

The insurance strategy implemented by the Group provides – through specific policies – for the risk to be transferred to specific companies in case of material and exceptional events. The risks generated by recurring events in day-to-day operations and entailing medium-low amounts (known as expected losses) are covered

by specific control and process activities. It follows that the insurance policies in force cover events that are not frequent but that could have severe consequences, consistently with the insurance approach of the Crédit Agricole S.A. Group.

Where the outcomes of specific assessments prove it appropriate, the structures engaged in insurance coverage governance shall:

- Transfer insurable risks underwriting specific insurance policies, in order to mitigate the impact of any unexpected losses and in accordance with the best practices in the System.
- Coordinate with Crédit Agricole S.A., in order to ensure full consistency between the transfer strategy and the Group objectives.
- Exercise control on and provide support to the corporate Functions in outsourcing management, with specific focus on the outsourcing of Critical and Important Functions (CIF).
- Perform controls and specific analyses on the insurance policies underwritten by the Providers of Outsourced Important Operational Functions (FEI), in order to assess their adequacy to the risks associated with the outsourced essential services.

Risk management oversight and shared solutions

This is the specific task of the Group Risk and Internal Control Committee, composed of the main Corporate Function holders, which is responsible for:

- Approving guidelines and action plans on Operational Risks.
- Acknowledging the Loss Data Collection (LDC) outcomes.
- Monitoring control activities and outcomes, as well as periodically validating the mapping of operational risks.
- Governing Business Continuity for the Crédit Agricole Italia Banking Group.
- Monitoring and, if necessary, taking action on Information and Communication Technology (ICT) Risk for the Crédit Agricole Italia Banking Group, assessing the situation based on the periodic reporting made by the MRSI (*Manager des Risques SI*) and by the CISO (Chief Information Security Officer).
- Assessing the risk analyses of the essential services, that is to say CARITICAL OR Important Functions (CIF or with the Italian acronym FEI) for the Crédit Agricole Italia Banking Group.

Loss data

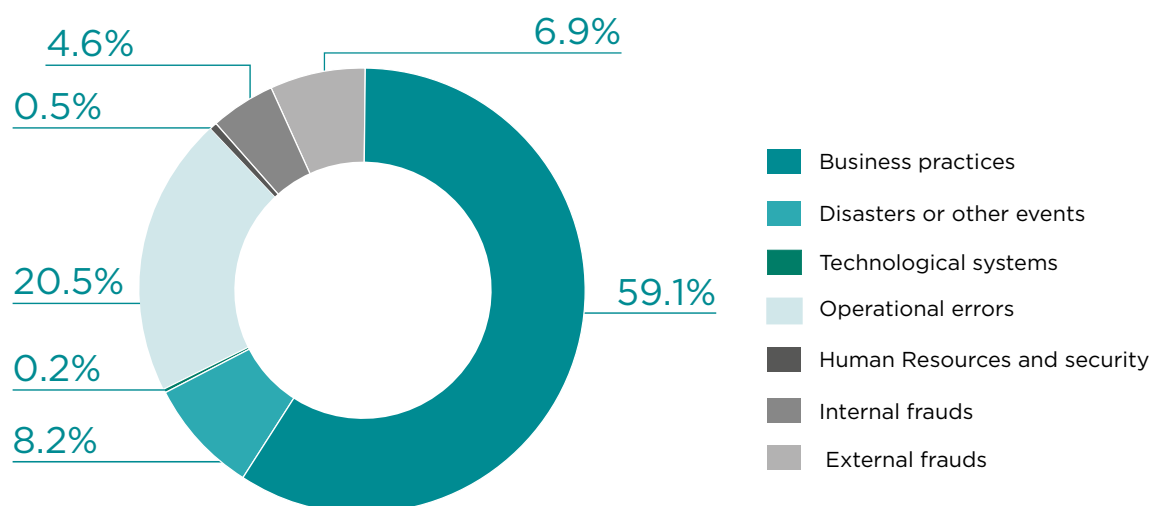
Operational losses, which the model considers as quantitative data, are collected, managed and analyzed, to different levels of granularity and detail, using an event classification scheme complying with the one set by the Basel II Framework, by the Supervisory Authority and by Crédit Agricole S.A. The basic structure is given below:

- Internal frauds: events due to deliberate acts committed by at least one party internal to the Bank and causing losses to the Bank.
- External frauds: events due to deliberate acts committed exclusively by parties that cannot be defined as internal to the Bank, generally for the purpose of personal gain.
- Relations with staff and workplace safety: events relating to the relations between the company and its staff or to the failure of the workplace to meet health and safety standards. These include liabilities arising from accidents to employees in company offices or vehicles.
- Business practices: events linked to the supply of products and provision of services to Customers carried out in an improper or negligent manner (fiduciary requirements and adequate information on investments), as well as defects in the nature or features of products/models/contracts. These include liabilities arising from breach of public security laws or other legislation not specific to the banking sector.
- Disasters or other events: events due to natural causes or human actions, which lead to damage to company resources (tangible or intangible property, persons, etc.) and/or service interruptions or other events (including improper conduct/illegal acts by third-party companies that damage the company). The category also includes liabilities arising from political changes and retroactive changes in legislation and taxation.
- Technological systems and services: events arising from the malfunctions, logical or structural defects in technological and other support systems, execution, delivery and management of processes: events arising from unintentional errors in the management of operational and support activity or caused by counterparties other than Customers and Vendors.

For Loss Data Collection and for reporting consolidated loss data, the Crédit Agricole Italia Banking Group has adopted an IT application especially designed for and widely used in the Banking System, as well as specific tools and models developed directly by Crédit Agricole S.A..

QUANTITATIVE DISCLOSURES

With reference to sources of operational risk, the breakdown of the Crédit Agricole Italia Banking Group's net losses (gross losses net of other collection excluding insurance-related ones) by event type recognized in 2024 is given below. Any "boundary losses" have been excluded.



Information and Communication Technology (ICT) Risk

In the Internal Policy documents, in compliance with the provisions issued by the Bank of Italy (Circular 285/13 as updated), Information and Communication Technology risk and Security risk (hereinafter referred to also as "ICT risk" is defined as the risk of losses due to confidentiality breach, poor integrity of systems and data or unavailability of the systems and data or inability to replace Information Technology (IT) within reasonable time limits [...]. In the integrated statement of corporate risks for prudential purposes (ICAAP), this type of risk is included, in accordance with the specific aspects, among operational, reputational and strategic risks".

The Governance of security management and of ICT risk management is based on the following criteria:

- Formalization of the roles and responsibilities in the ICT security scope; having, within the Risk Management and Permanent Controls Function, the ICT Risk Management structure and the role off the Information System Risk Manager (Italian acronym MRSI).
- Implementation of the principle of separation of duties, in order to appropriately allocate responsibilities.
- Assessment of the ICT risk analysis carried out on a regular basis or in case of significant changes. In accordance with the risk level, the security measures for its mitigation are identified. The risk analysis is carried out also in case of new initiatives or projects that may entail impacts on the Bank's information system.

To analyze and assess ICT risks on its IT resources, the Crédit Agricole Italia Banking Group implements and develops the key concepts of the Risk Analysis Methodology of the Parent Company Crédit Agricole S.A., supplementing it, to achieve an overall representation of its risk position, through:

- The definition of the risk taxonomy of the information system (ICT Governance and strategy, ICT availability and continuity risk, ICT security risk, ICT change risk, ICT data integrity risk and ICT outsourcing risk).
- A Risk Self-Assessment exercise on the processes impacted by ICT risk.
- The collection and analysis of IT incidents and of the related operational losses.
- Continuous application of the overall framework of permanent controls.

- The preparation of continuous reporting flows to the Top Management and the BoD on the main processes/ events concerning the Information System and Information System Security, with specific reference to incident and vulnerability management.

In order to ensure that the ICT Risk Control activities run smoothly, within the Risk Management and Permanent Controls Function there is a specific organizational role called MRSI (Information System Risk Manager).

The other roles and structures involved in ICT Risk Governance are:

- The Chief Operating Officer (COO) of the Crédit Agricole Italia Group, who is also the General Manager of Crédit Agricole Group Solutions.
- The Chief Information Security Officer (CISO), who belongs to the COO structure: he or she ensures the security of the Group's information system, assessing the risks and threats it is exposed to (Mesari Risk Analysis), contributing to the design of the action plans and risk mitigation plans, as well as the technical solutions to be implemented.
- The Head of the Security Division of Crédit Agricole Group Solutions, who has the role of ICT Security Manager in the information security system scope: he or she ensures proper implementation and operational management of the security of the Group's information system, overseeing compliance with the relevant policies, rules and standards.
- The Head of the Information Systems Function of Crédit Agricole Group Solutions (Chief Information Officer or CIO) in the information system scope (other non-security risks): he or she is responsible for the governance of the Group's Information System and the processes related thereto, carrying out also first-level controls on ICT risk, overseeing any corrective actions.

In 2024 the Risk Management and Permanent Controls Function continued to supplement controls and risk measurement indicators, focusing its activities both on ICT security matters and on project development.

The ICT risk management framework (covering both in-house and outsourced ICT activities, processes and services) underwent extensive revision following the project activities associated with full implementation of the DORA Regulation applicable as of January 2025.

To this effect, within the project activities carried out in 2024, some of the DORA specifications have already been implemented, including:

- The definition of critical functions for digital resilience.
- A Digital Operational Resilience Strategy (DORS) Document.

In early 2025, all the new policies have been issued, including the related implementing regulations, which transpose the DORA requirements and expectations, and the related new organizational arrangements have been defined.

In 2025 the activities to ensure full alignment to DORA will continue, on the one hand implementing the organizational and control arrangements provided for by the policies, and, on the other hand, progressively aligning the outsourcing agreements to the DORA Regulation.

In 2024 the initiatives for the evolution and strengthening of the Information System continued, in order to maintain and enhanced the appropriate security safeguards. To this end, a multi-year action programme is ongoing within the Group in the following scopes:

- **Cyber prevention:** prevention of Cyber risks resulting from third parties, malware and vulnerabilities.
- **Cyber detection:** monitoring, detection and management of Cyber threats to the Bank's systems.
- **Anti-fraud and data loss prevention:** adoption of a new anti-fraud system in the e-money scope.
- **Access and Identity Management:** strengthening of the Access Management systems, progressively extending the RBAC (Role Based Access Control) model also to central functions.
- **Network and perimeter security:** upgrading of the perimeter protection and Network Security solutions to new risk scenarios, to CASA's requests and to the new developments in the applicable legislation and regulations.
- **Cloud Security:** implementation of the Cloud security control strategy.

Business Continuity Plan (“BCP”)

Completing the action programme, in 2024, the Group continued to update and verify its Business Continuity Plan to take account of the changes in the scenario and in the Group’s organisational, technology and logistic infrastructure, of the rules set by the Parent Company and of the applicable EU legislation and regulations (DORA).

In 2024, the main activities were:

- Updating of the Business Continuity Policy and whole manual;
- Periodic testing and certification exercises on the solutions for information system recovery and on critical processes in the business continuity scope, including that of critical providers.
- Carrying out IMPT (workstations) tests and ILSI (logical unavailability of the Information System) tests following a new strategy designed in 2023.
- Adequacy assessment and analysis of business continuity plans and of the relevant tests of providers of Outsourced Critical and Important Functions (CIF), continuing also with the activity on NON-CIF vendors involved in critical processes.
- Testing the Crisis Management Organizational Model (Italian acronym MOGC), by simulating a Distributed Denial-of-Service (DDoS) attack.
- The updating the Business Impact Analysis (“BIA”) on the corporate processes in the business continuity scope, covering also critical processes under DORA.
- The activity started to digitalize the BIA process and interviews on the ITSM tool.
- Participation in the Campi Flegrei crisis simulation, together with the other components of the Italian financial sector.

In 2025 the BCMS (Business Continuity Management System) digitalization will continue.

Critical or Important Functions (CIF or Critical or Important Services, called PSEE – Provisions of Outsourced Essential Services - by Crédit Agricole S.A.)

The structure in charge of control on CIF/Critical or Important Services, which is part of the Risk Management and Permanent Controls Function, governs the system of controls on compliance with the process to outsource critical functions; furthermore, it has specific duties concerning the definition of the risk monitoring controls. This structure has a role of management and methodological support, especially as regards the assessment of risks associated with outsourcing arrangements.

Having regard to Internal Normative Instruments, within the project of alignment with the DORA regulation, the set of internal normative instruments was revised and the revision will enter into force in January 2025 and will implement new organizational and control mechanisms.

In FY 2024, the most material initiatives of the Risk Management and Permanent Controls Functions continued in line with the previous FYs, thus ensuring:

- Strong support to the corporate structures in the phases of outsourcing management, aimed both at proper implementation of the process and at wider dissemination of an outsourcing culture and the analysis of the associated risks.
- The review and upgrading -by the Unit responsible for control on outsourced critical and important functions - of the monitoring tools it uses to perform its tasks.
- The review and update of the tools used to assess risks associated with outsourcing.
- Monitoring of the process for the preparation of the Register of Outsourcing Arrangements as a tool for the governance and management of information concerning all outsourcing arrangements in force, with different level of detail for critical and important functions.
- General monitoring on and actions to increase the awareness of the outsourced service owners as regards their responsibilities. In this scope, the monitoring and control systems were constantly updated, also based on the instructions given by Crédit Agricole S.A..

PART F - INFORMATION ON CONSOLIDATED EQUITY

Section 1 – Consolidated equity

A. Qualitative disclosures

The own funds management policy implemented by the Crédit Agricole Italia Banking Group is aimed at maintaining an adequate level of resources in order to be able to cope at any time with the risks taken.

B. Quantitative disclosures

B.1 Consolidated book equity: breakdown by type of undertaking

The breakdown of consolidated equity as at 31 December 2024 is given below:

Equity items	Prudential consolidation	Insurance undertakings	Other companies	Eliminations and adjustments from consolidation	Total 31 Dec. 2024
1. Capital	1,119,897	-	2,690	-	1,122,587
2. Share premium reserve	3,496,998	-	1,788	-	3,498,786
3. Reserves	2,213,990	-	-845	-	2,213,145
3.5 Interim dividends	-	-	-	-	-
4. Equity instruments	740,000	-	-	-	740,000
5. (Treasury Shares)	-6	-	-	-	-6
6. Valuation reserves	-64,743	-	-	-	-64,743
- Equity securities designated at fair value through other comprehensive income	-16,139	-	-	-	-16,139
- Hedging of equity securities designated at fair value through other comprehensive income	-	-	-	-	-
- Financial assets (other than equity securities) measured at fair value through other comprehensive income	-4,055	-	-	-	-4,055
- Property, plant and equipment	-	-	-	-	-
- Intangible assets	-	-	-	-	-
- Hedging of investments in foreign operations	-	-	-	-	-
- Cash flow hedges	-	-	-	-	-
- Hedging instruments (non-designated elements)	-	-	-	-	-
- Foreign exchange differences	-	-	-	-	-
- Non-current assets held for sale and discontinued operations	-	-	-	-	-
- Financial liabilities designated at fair value through profit or loss (changes in own credit rating)	-	-	-	-	-
- Actuarial gains (losses) pertaining to defined-benefit pension plans	-44,536	-	-	-	-44,536
- Shares of valuation reserves on equity investments measured using the equity method	-13	-	-	-	-13
- Special revaluation laws	-	-	-	-	-
7. Profit (loss) for the period (+/-) Group share and minority interests	810,308	-	-30	-	810,278
Total	8,316,444	-	3,603	-	8,320,047

B.2 Valuation reserves of financial assets measured at fair value through other comprehensive income: breakdown

Assets/Values	Prudential consolidation		Insurance undertakings		Other companies		Eliminations and adjustments from consolidation		Total 31 Dec. 2024	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	11,340	144	-	-	-	-	-	-	11,340	144
2. Equity securities	2,740	18,879	-	-	-	-	-	-	2,740	18,879
3. Loans	-	-	-	-	-	-	-	-	-	-
Total 31 Dec. 2024	14,080	19,023	-	-	-	-	-	-	14,080	19,023
Total 31 Dec. 2023	15,191	20,116	-	-	-	-	-	-	15,191	20,116

B.3 Valuation reserves of financial assets measured at fair value through other comprehensive income: annual changes

	Debt securities	Equity securities	Loans
1. Opening balance	11,528	-16,453	-
2. Increases	10,103	996	-
2.1 Fair value gains	7,452	496	-
2.2 Adjustments for credit risk	2,161	X	-
2.3 Reclassification to profit or loss of negative reserves from disposal	490	X	-
2.4 Transfers to other equity components (equity securities)	-	500	-
2.5 Other changes	-	-	-
3. Decreases	10,435	682	-
3.1 Fair value losses	464	614	-
3.2 Recoveries on credit risk	191	-	-
3.3 Reclassification to profit or loss of positive reserves from disposal	9,780	X	-
3.4 Transfers to other equity components (equity securities)	-	68	-
3.5. Other changes	-	-	-
4. Closing balance	11,196	-16,139	-

B.4 Valuation reserves relating to defined-benefit plans: annual changes

	31 December 2024
1. Opening balance	-44,726
2. Increases	263
2.1 Actuarial gains	263
2.2 Other changes	0
3. Decreases	73
3.1 Actuarial losses	0
3.2 Other changes	73
4. Closing balance	-44,536

Section 2 – Own Funds and supervisory requirements for Banks

Please, refer to the disclosure on own funds and capital adequacy contained in Sections 2 and 3 of the public disclosure (“Basel III Pillar 3”), on the website of the Crédit Agricole Italia Banking Group, <https://gruppo.credit-agricole.it/>, posted concomitantly with the publication of the Parent Company’s Annual Report and Financial Statements.

PART G - BUSINESS COMBINATIONS

In 2024 no business combinations were made.

PART H - TRANSACTIONS WITH RELATED PARTIES

The regulation issued by the Bank of Italy on 12 December 2011, on risk assets and conflicts of interest with associated persons falls within the scope of the framework regulation concerning related parties (Article 2391-bis of the Italian Civil Code, Article 53 of the Italian Consolidated Law on Banking 53 of the Italian Consolidated Law on Banking (TUB) and CONSOB Regulation No. 17221/10) and has been designed to *“control the risk that the closeness of some persons to the Bank’s decision-making centers may compromise the objectivity and impartiality of decisions relating to loan granting and other transactions with the same persons, with possible distortions in the allocation of resources, in the Bank’s exposure to risks not adequately measured or controlled, potential damages to depositors and shareholders”*. This regulation entered into force on 31 December 2012 and, therefore, the first supervisory reporting was sent on 31 March 2013, as expected by the competent Authorities.

The Crédit Agricole Italia Banking Group had already adopted a Regulation on Transactions with Related Parties implementing the original CONSOB regulation of 2010; afterwards, on 11 December 2012, in accordance with the regulation issued by the Bank of Italy, Crédit Agricole Italia approved the Document “Regulation for Risk Assets and Conflicts of Interests with Persons Associated with the Crédit Agricole Italia Banking Group”, in order to give the Group a specific internal normative instrument on this matter and to harmonize the various regulations in force; the Document was then updated on 29 July 2014.

On 25 July 2018, the Board of Directors of Crédit Agricole Italia approved the adoption of the new “Regulation on transactions with Associated Persons”, which was then adopted by the other Banks and Companies of the Banking Group, which formalized, in a single normative instrument, the procedures that the Banks and Companies of the Crédit Agricole Italia Banking Group had to apply to transactions with Associated Persons, in compliance with the regulations in force at the time issued by CONSOB and by the Bank of Italy. Afterwards, with resolution no. 21624 of 10 December 2020 CONSOB amended the Regulation on Transactions with Related Parties as issued with its previous resolution no. 17221 of 12 March 2010. As the amendments entered into force on 1 July 2021, the Crédit Agricole Italia Banking Group duly aligned its “Regulation on Transactions with Associated Persons” those amendments.

Furthermore, the document implements the amendments introduced with the 33rd update of 23 June 2020 to Bank of Italy Circular no. 285 “Supervisory Provisions for Banks - Risk assets and conflicts of interest with associated persons”, whereby a new chapter, Chapter 11, was added to Part III, up to then contained in Circular no. 263/2006, aligning it to the new regulatory framework and, specifically, it excluded, under certain conditions, equity investments in insurance undertakings from the scope of application of prudential limits.

Later on, with the 35th update to Circular no. 285 of 17 December 2013, which was published on the Italian Official Journal issue no. 165 of 15 July 2021, the Bank of Italy laid down the obligation for banks to comply – by 31 January 2022 – with Article 88(1)(4) and (5) of Directive 2013/36/EU (CRD), as amended by Directive 2019/878/EU (CRD V), on loans to members of the management body and their related parties. Therefore, in January 2022, the Regulation was updated implementing the new Supervisory provisions.

As a consequence of the changed corporate structure of the Group resulting from the mergers of Credito Valtellinese S.p.A. and Crédit Agricole FriulAdria S.p.A. into Crédit Agricole Italia S.p.A., it was appropriate to make yet another update to the Regulation on Transactions with Associated Persons.

Indeed, as the Banking Group perimeter no longer includes any entities whose shares are listed (publicly held to any material extent, the Bank has no longer the obligation to apply the provisions laid down in CONSOB Regulation no. 17221 on related parties.

Therefore, on 23 March 2023, the Board of Directors approved the aforementioned Regulation in its updated version.

Furthermore, the Board of Directors of the Parent Company approved the internal Policies governing controls on risk assets and conflicts of interest with the Group’s Associated Persons. That document describes, as regards the operational characteristics and strategies of the Bank and of the Group, the business sectors and the types of business transactions, also not entailing the assumption of risk assets, from which conflicts of interest may arise, as well as the controls implemented in the organizational structure and in the internal controls system in order to ensure constant compliance with the prudential limits and decision-making procedures referred to in the aforementioned Regulation.

Besides identifying the related parties and their connected persons of the Crédit Agricole Italia Banking Group, the “Regulation on Transactions with Associated Persons” lays down, in compliance with the principles established by the applicable legislation on related parties, the proceedings and rules aimed at ensuring transparency and substantial and procedural fairness of transactions with related parties and their connected persons carried out by Crédit Agricole Italia, directly or through any of its subsidiaries. The Regulation also defines the cases, criteria and circumstances in which, without prejudice to full compliance with all obligations and requirements, full or partial application of the Regulation may be excluded. It also lays down prudential limits to risk assets with associated persons, sets the procedures to process and approve transactions with related parties, defines specific rules with regard to transactions with related parties made by the companies belonging to the Group and lays down procedures and timeframes for the provision of reporting and appropriate documentation on the transactions (i) to independent directors/Related Party Committee, as well as, where necessary, (ii) to the control bodies.

With regard to controls, the required activities are carried out by the various relevant corporate roles and structures, in different capacities and in the different phases of the process, in order to ensure constant compliance with the prudential limits and resolution-making procedures as provided for by the applicable legislation, also pursuing the objective to appropriately prevent and manage potential conflicts of interests that may result from transactions with associated persons.

Perimeter of Related Parties

The International Accounting Standards and International Financial Reporting Standards govern disclosure on transactions with related parties in IAS 24, which was endorsed by the European Union with Regulation (EU) no. 1126/2008 as amended.

In accordance with the definition given in IAS 24, a related party is a person or entity that is related to the entity that is preparing its financial statements (“reporting entity”). Specifically:

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
 - (i) Has control or joint control over the reporting entity;
 - (ii) Has significant influence over the reporting entity; or
 - (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the Crédit Agricole Group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of the Crédit Agricole Group);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In the definition of related party, an associate includes the subsidiaries of the associate and a joint venture includes the subsidiaries of the joint venture.

Close member of a person’s family are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity, and include:

- a) that person’s children and spouse or domestic partner;
- b) children of that person’s spouse or domestic partner;
- c) dependents of that person or that person’s spouse or domestic partner.

Those persons are reported in column “Other related parties” of the table given in paragraph “Information on transactions with related parties”.

Information on remuneration of managers vested with strategic responsibilities and information on transactions with related parties is given below in compliance with Circular no. 262 “Banks’ financial statements: layouts and preparation” of 22 December 2005, issued by the Bank of Italy as updated, in accordance with IAS 24.

1. Information on remuneration of managers vested with strategic responsibilities

“Managers vested with strategic responsibilities” includes individuals having direct and indirect power and responsibility over the planning, management and control of the operations of all the companies of the Crédit Agricole Italia Banking Group, including Directors, both executive and non-executive, and the members of control bodies.

The remuneration of Directors and Auditors is established with specific resolutions passed by the General Meeting of Shareholders.

The table below reports the amounts of the man benefits awarded to Directors, Auditors and Managers tasked with strategic responsibilities.

	31 Dec. 2024
Short-term employee benefits	11,204
Post-employment benefits	212
Other long-term benefits	-
Employee severance benefits	-
Share-based payments	-

2. Information on transactions with related parties

These are transaction with associated persons (related parties and their connected persons), entailing the assumption of risk assets, transfer of resources, services or obligations, regardless of whether a price is paid, including mergers and demergers.

Main financial transactions with related parties

	Cash and cash equivalents	Financial assets measured at fair value through profit or loss	Financial assets through other comprehensive income	Financial assets measured at amortized cost: loans to Customers	Financial assets measured at amortized cost: due from Banks	Financial liabilities measured at amortized cost: due to Customers	Financial liabilities measured at amortized cost: due to Banks	Guarantees given
Controlling Company	192,220				1,337,331		1,691,209	25,023
Entities exercising significant influence on the Company						6,181		
Associates				2,018		15,772		1,246
Directors and Managers with strategic responsibilities				3,460		4,900		297
Other related parties	36,249	82,710	3,609	4,266,801	2,273,294	245,359	13,596	113,335
Total	228,468	82,710	3,609	4,272,279	3,610,626	272,212	1,704,804	139,901

Main income transactions with related parties

	Net interest income	Net fee and commission income	Personnel expenses
Controlling Company	-160,410	-2,247	-219
Entities exercising significant influence on the Company	-1,603	67	-
Associates	-336	60	-
Directors and Managers with strategic responsibilities	79	310	-11,416
Other related parties	258,992	552,945	1,126

PART I - SHARE-BASED PAYMENTS

QUALITATIVE DISCLOSURES

The Group has no agreements in place for payments based on its shares.

The share capital increase by the Parent Company Crédit Agricole S.A., in favour of all Employees of the Crédit Agricole Group was completed in August 2024 with the allotment of shares to Employees.

The Employees were given the opportunities to invest in shares of Crédit Agricole S.A. with a 20% discount vs. market value. These shares will be tied for the following five years (until 31 May 2029), at the end of which time each employee may freely dispose of them.

In 2024, this financial transaction entailed a cost equal to the discount applied to the shares subscribed, which had – as a balancing item in accordance with IFRSs – an identical increase in equity through a specific reserve.

Having regard to multi-year incentive systems, their countervalue has an increase in liabilities as its balancing item.

QUANTITATIVE DISCLOSURES

The specific reserve recognized in equity as the balancing item of personnel expenses and equal to the discount applied to the shares in Crédit Agricole S.A. subscribed by Crédit Agricole Italia employees, as reported in the previous paragraph, amounts to Euro 358 thousand.

PART L - SEGMENT REPORTING

OPERATIONS AND PROFITABILITY BY BUSINESS SEGMENT

In compliance with IFRS 8 “Operating Segments”, the figures on operations and profitability by business segment are given using the “management reporting approach”.

In compliance with the Bank of Italy provisions, segment reporting was prepared, in line with the Group management reporting, using the multiple ITR (internal transfer rate) method, integrating also the cost of liquidity.

The Crédit Agricole Italia Group operates through an organizational structure that comprises:

- The **Retail Banking, Private Banking and Financial Advisors** channels serving individuals, households and *small businesses*.
- The **Corporate Banking** channel serving larger-size enterprises.

Therefore, given the features of the Group, the Other channel is of a residual nature and includes the activities pertaining to central functions, with specific reference to governance.

The data are presented in compliance with the reclassified layouts contained in the management report on operations and compared with 2023, balance sheet data are presented consistently with the statutory layouts.

The “**Retail Banking, Private banking and Financial Advisors**” channels generated Operating income of Euro 2,400 million (+16.5%): Net interest income (+29.9%), Net fee and commission income (+4.6%), income from trading of financial assets decreased; Operating expenses decreased (-4.1%) thanks to the continuous rationalization of branches in geographical terms. Operating income came to Euro 1,165 million (up by +51.0%). Net of the Cost of risk, which came to Euro 106 million (28 bps) and after taxes, the Net profit came to Euro 724 million (up by +80.9%).

The “**Corporate Banking**” channel generated Operating income of Euro 598 million (+8.9%), with net interest income growing (+15.4%), net fee and commission income slightly decreasing (-4.8%) and income from trading of financial assets decreasing by -14.2%; the Operating Profit came to Euro 414 million (+12.1%). Net of the Cost of risk, which came to Euro 147 million (72 bps) and after taxes, the Net profit came to Euro 183 million (up by +9.2%).

Assets by segment (point-in-time volumes) consisted of net loans to customers; as at 31 December 2024, the assets of the Retail Banking, Private Banking and Financial Advisors channels came to Euro 38,220 million (+0.9%); the assets of the Corporate Banking channel came to Euro 20,274 million (+3.5%); to the “other” channel an amount of Euro 7,143 million was allocated, mainly consisting of institutional counterparties, which are managed by the relevant central functions.

Liabilities by segment (point-in-time volumes) consisted of direct funding from Customers. Within this aggregate, funding of the Retail Banking, Private Banking and Financial Advisors channels came to Euro 50,741 million (-0.1%); the Corporate Banking channel posted a balance of Euro 12,089 million (+1.9%); to the “other” channel an amount of Euro 3,107 million was allocated, mainly regarding institutional counterparties.

It is pointed out that unallocated assets and liabilities report the set of inter-bank transactions, the Covered Bonds issued and other balance sheet aggregates, such as: unallocated property, plant and equipment/intangible assets, tax assets/liabilities and specific-purpose provisions.

In accordance with IFRS 8, it is reported that the Group business operations are essentially carried out in the Italian national territory, they are not subject to periodic performance reporting to the management with breakdown by foreign geographical area. The Group has not achieved revenues resulting from transactions with single external customers for amounts exceeding 10% of the income recognized in the financial statements.

SEGMENT REPORTING AS AT 31 DECEMBER 2024

	Retail Bnkg, Private Bnkg and Financial Advisors	Corporate Banking;	Other	Total
Operating income				
Net interest income	1,271,759	421,465	96,969	1,790,192
Net fee and commission income	1,131,437	157,096	- 26,731	1,261,802
Dividend income	-	-	13,193	13,193
Financial income (loss)	1,967	12,320	10,687	24,973
Other net operating income	- 5,270	7,396	10,174	12,300
Net operating income	2,399,893	598,275	104,292	3,102,460
Personnel and administrative expenses and amortization	- 1,234,974	- 183,990	- 237,553	- 1,656,517
Operating margin	1,164,919	414,285	- 133,261	1,445,943
Net provisions for risks and charges	- 3,491	- 4,798	8,936	648
Net impairments of loans	- 102,407	- 141,878	- 28	- 244,313
Impairment of securities	-	-	- 683	- 683
Total cost of risk	- 105,898	- 146,676	8,225	- 244,348
Gains (losses) on other investments	-	-	- 16,281	- 16,281
Profit (loss) before taxes from continuing operations	1,059,021	267,609	- 141,316	1,185,314
Taxes on income from continuing operations	- 335,319	- 84,834	45,116	- 375,037
Profit (loss) for the FY	723,702	182,775	- 96,201	810,277
Assets and liabilities				
Assets by segment (customers)	38,219,729	20,273,817	7,142,796	65,636,341
Equity investments in associates	-	-	28,130	28,130
Unallocated assets	-	-	24,687,754	24,687,754
Total assets	38,219,729	20,273,817	31,858,680	90,352,225
Liabilities by segment	50,740,673	12,089,262	3,107,434	65,937,369
Unallocated liabilities	-	-	16,094,809	16,094,809
Total liabilities	50,740,673	12,089,262	19,202,243	82,032,178

SEGMENT REPORTING AS AT 31 DECEMBER 2023

	Retail Bnkg, Private Bnkg and Financial Advisors	Corporate Banking;	Other	Total
Operating income				
Net interest income	978,805	365,237	456,460	1,800,502
Net fee and commission income	1,082,136	165,082	- 26,688	1,220,530
Dividend income	-	-	12,667	12,667
Financial Income (loss)	2,927	14,361	12,025	29,313
Other net operating income	- 4,278	4,677	- 2,558	- 2,159
Net operating income	2,059,592	549,356	451,905	3,060,853
Personnel and administrative expenses and amortization	- 1,288,046	- 179,725	- 237,262	- 1,705,033
Operating margin	771,545	369,631	214,644	1,355,820
Net provisioning for risks and charges	- 9,801	- 6,459	- 6,563	- 22,823
Net adjustments to loans	- 191,795	- 124,005	-	- 315,800
Impairment of securities	-	-	11,124	11,124
Total Cost of Risk	- 201,596	- 130,464	4,561	- 327,499
Gains (losses) on other investments			- 16,235	- 16,235
Profit (loss) before taxes from continuing operations	569,949	239,168	202,969	1,012,086
Taxes on income from continuing operations	- 169,990	- 71,727	- 60,443	- 302,159
Profit (loss) for the FY	399,960	167,441	142,526	709,927
Assets and liabilities				
Assets by segment (customers)	37,868,123	19,596,438	6,554,912	64,019,472
Equity investments in associates	-	-	25,803	25,803
Unallocated assets	-	-	27,647,203	27,647,203
Total assets	37,868,123	19,596,438	34,227,918	91,692,478
Liabilities by segment	50,794,891	11,861,226	3,293,358	65,949,475
Unallocated liabilities	-	-	17,713,307	17,713,307
Total liabilities	50,794,891	11,861,226	21,006,665	83,662,782

PART M - DISCLOSURE OF LEASES

SECTION 1 - LESSEE

The additional information on leases required by IFRS16 is given below.

For the Group, the scope of application comprises property leases and car and IT infrastructure rentals. Property leases represent the most impacted scope; these contracts concern properties used as branches, officers and guest accommodation.

Right of Use

Lease type	No. of contracts in force as at 31 Dec. 2024	Right of Use value as at 31 Dec. 2024	Amortization for the FY	Impairment/ Recoveries in the period
Buildings used in operations	859	252,180	-44,208	-57
Buildings used for investment	104	2,440	-1,495	-
Other property, plant and equipment assets: vehicles	472	3,678	-1,799	-
Other property, plant and equipment: IT structures	3	16,155	-2,596	-
Total	1,438	274,454	-50,097	-57

Lease Liability

Lease type	Remaining liability as at 31 Dec. 2024	Remaining liability - breakdown by term to maturity				interest expenses for the FY
		Term to maturity < 1 year	Term to maturity between 1 and 3 years	Term to maturity between 3 and 6 years	Term to maturity of over 6 years	
Buildings and land used in operations	292,050	45,957	77,476	93,352	75,266	-9,907
Buildings used for investment	2,488	1,062	1,166	203	57	-89
Other property, plant and equipment assets: vehicles	3,809	1,543	1,912	354	-	-126
Other property, plant and equipment: IT structures	8,407	3,480	2,325	2,601	-	-135
Total	306,753	52,042	82,878	96,509	75,323	-10,257

Breakdown of real estate operating lease contracts by geographical area and by annual lease payment bracket

REGION	Lease payments up to 5 thousand	Lease payments from 5 to 50 thousand	Lease payments from 50 to 100 thousand	Lease payments above 100 thousand	Total
EMILIA ROMAGNA	3	191	23	4	221
LOMBARDY	14	113	53	31	211
VENETO	1	63	25	12	101
TUSCANY	4	42	20	8	74
SICILY	4	48	7	4	63
PIEDMONT	4	26	21	11	62
LAZIO	1	23	12	23	59
CAMPANIA	-	28	20	9	57
LIGURIA	6	33	9	4	52
OTHER	5	45	9	4	63
Total	42	612	199	110	963

Frequency of payment instalment by lease type

Lease type	Instalment frequency	Number of contracts
Operating properties	Monthly	55
	Quarterly	725
	other	79
	Total	859
Property used for investment	Quarterly	103
	Monthly	1
	Total	104
Vehicles	Monthly	472
	Total	472
Other property, plant and equipment assets: IT structures	Two-monthly	2
	annual	1
	Total	3
Totals		1,438

Lease contracts out of the IFRS 16 scope of application (recognition exemptions paragraph 5 IFRS 16)

The Company has applied paragraph 6 of IFRS16 to short-term leases and to leases with the underlying asset having low value.

The table reports the information of which in paragraph. 53 letter d) of IFRS 16.

Lease type	Short term lease - 2024 rents	Low value lease - 2024 rents
Real Estate properties	218	15
Vehicles	93	-
POS	-	3,648
PC and mobile phones	-	5,035
Other	311	8,698

SECTION 2 – LESSOR

2. FINANCE LEASES

QUALITATIVE DISCLOSURES

Finance leases are contracts whereby one of the parties (lessee) asks a lease firm (lessor) to purchase an asset from a manufacturer or seller (supplier) or to have it manufactured, in order to enjoy its use against a periodic lease payment.

The Group, specifically, Crédit Agricole Leasing Italia, recognizes finance leases in accordance with IFRS 16 and classifies them under financial assets measured at amortized cost.

In accordance with finance lease contracts (the specialist entity of the Group is Crédit Agricole Leasing Italia), the lessee, at the end of the set lease term and granted that it has fulfilled all obligations undertaken, is entitled to choose:

- To acquire the ownership of the asset by paying a pre-set price (redemption value).
- To return the leased asset.

Lease terms, whose duration is based on the useful life of the assets, and the pre-set redemption value of the leased assets are such to generally induce lessees to purchase the asset at end of the lease term.

QUANTITATIVE DISCLOSURES

The table below reposts the classification by time bands of lease payments to be received and the reconciliation between payments to be received and lease loans.

Non-performing exposures (bad loans, Unlikely to Pay and non-performing past due exposures) have been allocated to the relevant time bands based on the recovery forecast for financial reporting measurement purposes.

Performing exposures are stated gross of the related collective impairment.

2.1 Classification of payments to be received by time band

TIME BANDS	Total 31 Dec. 2024		
	Lease payments to be received		Total lease payments to be received
	Non-performing exposures	Performing exposures	
Up to 1 year	7,195	873,802	880,997
From over 1 year to 2 years	18,907	738,711	757,618
From over 2 year to 3 years	10,056	583,223	593,279
From over 3 year to 4 years	937	399,181	400,118
From over 4 year to 5 years	26	223,292	223,318
From over 5 years	65	402,024	402,089
Total lease payments to be received	37,186	3,220,233	3,257,419
RECONCILIATION WITH LOANS			
Unearned financial income (-)	-	-305,137	-305,137
Unguaranteed residual value (-)	-	-	-
Collective adjustments	-	-33,238	-33,238
Lease loans	37,186	2,881,858	2,919,044

TIME BANDS	Total 31 Dec. 2023		
	Lease payments to be received		Total lease payments to be received
	Non-performing exposures	Performing exposures	
Up to 1 year	17,647	801,189	818,836
From over 1 year to 2 years	6,973	670,388	677,361
From over 2 year to 3 years	18,192	544,026	562,218
From over 3 year to 4 years	4,710	395,863	400,573
From over 4 year to 5 years	460	231,730	232,190
From over 5 years	9	423,366	423,375
Total lease payments to be received	47,991	3,066,562	3,114,553
RECONCILIATION WITH LOANS			
Unearned financial income (-)	-	-243,031	-243,031
Unguaranteed residual value (-)	-	-	-
Collective adjustments	-	-30,421	-30,421
Lease loans	47,991	2,793,110	2,841,101

These loans are reported in Part B) of this Note to the financial statements, Section 4 - Financial assets measured at amortized cost: breakdown by type of loans to customers”.

The total balance of lease loans reported in Part B Section 4 also includes Euro 8.3 million in loans receivables resulting from subleasing transactions on contracts for property leasing in.

Information on interest income on lease loans is given in Part C - Section 1 - Table 1.1 Interest and similar income: breakdown”.

Financed assets are different according to the lease applicant and/or the nature of business operations. In general, financed assets belong to 4 categories: motor vehicles (cars, commercial vehicles and industrial vehicles), air rail naval (aircraft, pleasure boats, railway cars), equipment and property (commercial and industrial buildings both completed and to be built) and renewable energy equipment (photovoltaic plants, wind turbines, hydroelectric plants, etc.).

2.2 Lease loans classified by quality and type of leased asset

	Lease loans			
	Performing exposures		Non-performing exposures	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
A. Movable assets	826,079	866,820	21,675	36,562
- Land	-	-	-	-
- Buildings	826,079	866,820	21,675	36,562
B.Capital assets	1,478,131	1,487,270	11,900	9,101
C. Movable assets	577,648	439,020	3,611	2,328
- Motor vehicles	487,742	378,009	3,609	2,328
- Air sea and rail	89,906	61,011	2	-
- Other	-	-	-	-
D. Intangible assets	-	-	-	-
- Trademarks	-	-	-	-
- Software	-	-	-	-
- Other	-	-	-	-
Total	2,881,858	2,793,110	37,186	47,991

The finance lease contracts signed with Customers provide for risk management in accordance with the Group policies.

OTHER INFORMATION

Leaseback transactions

Sale and leaseback is a transaction whereby the leased asset is sold and immediately leased back, by signing a lease contract for the same asset.

Loans resulting from leaseback contracts, which, for Crédit Agricole Leasing Italia S.r.l., have no particular features in their clauses, except possibly in the ones relating to the regulation of the Supplier role (identifiable with the lessee), came to Euro 171 million.

3. OPERATING LEASES

The disclosure required by paragraph 97 of IFRS 16 is given below.

1.1 Classification of payments to be received by time band

The payments to be received reported in the table refer to property lease contracts.

There are no variable payments not included in the reported amounts and there are no purchase options on the leased asset.

Time bands	31 Dec. 2024 Lease payments to be received	31 Dec. 2023 Lease payments to be received
Up to 1 year	1,452	2,601
From over 1 year to 2 years	1,291	2,306
From over 2 year to 3 years	1,194	2,121
From over 3 year to 4 years	1,041	2,015
From over 4 year to 5 years	900	1,864
Over 5 years	2,306	3,363
Total	8,184	14,270

DISCLOSURE OF THE FEES FOR THE AUDIT OF THE ACCOUNTS AND NON-AUDIT SERVICES PURSUANT TO ARTICLE 149-*DUODECIES* OF THE ISSUER REGULATION

FEES FOR:	31 Dec. 2024
Statutory audit of annual accounts	1,701
Certification services	92
Other services	386
Total	2,179

DISCLOSURE OF GOVERNMENT AID

The transparency requirements on Government aid are laid down in Article 1, paragraphs 125-129, of Italian Law no. 124/2017 but the wording gave rise to several problems in terms of interpretation and application. The worries expressed by trade associations (including Assonime, the Italian Association of Joint-stock Companies) were for the most part solved by Article 35 of Italian Decree Law no. 34/2019 (Growth Decree), which, in many cases, clarifies important matters, in order to streamline and rationalize the aforementioned requirements.

The Law establishes the obligation to disclose, in the note to the financial statements – and, where applicable, in the note to the consolidated financial statements – the amounts of and other information on “grants, subsidies, advantages, contributions or aids, in money or in kind, not given in general and other than considerations, remuneration or compensations, received from public administration bodies and other identified entities” (hereinafter for short “public funding”).

Noncompliance with these obligations is punished with a civil fine equal to 1% of the received amounts, with a minimum fine of Euro 2,000 and the ancillary penalty of complying with the disclosure obligation. If the offender does not comply with the set disclosure obligation and does not pay the fine within 90 days of its imposition, it shall be required to return the all the amounts received to the entities that granted them.

In order to prevent accumulation of non-relevant information, the Euro 10,000 threshold has been kept, below which the recipient is not required to disclose any information on the received government aid..

Furthermore, in August 2017 the Italian national Government Aid Registry was set up at the Directorate-general for business incentive at the Italian Ministry of Economic Development, where all Government aid and small amount aid to businesses shall be entered by those that give or manage such aid.

For any aid to Crédit Agricole Italia, please refer to the “Registry Transparency” section, which is publicly available.

COUNTRY-BY-COUNTRY REPORTING

Country where the Company is headquartered: ITALY

A) NAME OF THE COMPANIES HEADQUARTERED IN THE COUNTRY AND NATURE OF THEIR BUSINESS

Company name	Nature of its business
Crédit Agricole Italia S.p.A.	Company operating in the sector of retail banking services, commercial banking services and retail intermediation services
Crédit Agricole Leasing Italia S.r.l.	Private limited liability company operating in the placement and management of lease products
Crédit Agricole Group Solutions S.c.p.A.	Not-for-profit consortium company, with the corporate purpose of providing, mainly to and/or in the interest of its shareholders, organizational, technical, IT and administrative services
Crédit Agricole Italia OBG S.r.l.	Private limited liability company that was incorporated pursuant to the Italian Law on Securitization Transactions and Issue of Covered Bonds; it is currently being used for a Covered Bond programme
Crédit Agricole Real Estate Italia S.r.l.	Private limited liability company operating in the real estate sector whose corporate purpose comprises property purchasing, renting and selling
San Piero Immobiliare S.p.A. in liquidazione	Private limited liability company operating in the real estate sector whose corporate purpose comprises property purchasing, renting and selling
San Giorgio Immobiliare S.p.A. in liquidazione	Private limited liability company operating in the real estate sector whose corporate purpose comprises property purchasing, renting and selling
Agricola Le Cicogne S.r.l.	Private limited liability company operating in the management of land and farms, both owned and of third parties
Stelline Real Estate S.p.A.	Private limited liability company operating in the real estate sector whose corporate purpose comprises property purchasing, renting and selling
Le Village by CA Parma S.r.l.	Company operating in the promotion and dissemination of innovation in products, services and processes
Le Village by CA Triveneto S.r.l.	Company operating in the promotion and dissemination of innovation in products, services and processes
Le Village by CA Alpi società Benefit S.r.l.	Company operating in the promotion and dissemination of innovation in products, services and processes
Le Village by CA Milano S.r.l.	Company operating in the promotion and dissemination of innovation in products, services and processes
Le Village by CA Sicilia S.r.l.	Company operating in the promotion and dissemination of innovation in products, services and processes

B) REVENUE

Item (thousands of Euros)	31 Dec. 2024
Net banking income ^(*)	3,107,309

C) NUMBER OF EMPLOYEES

Item	31 Dec. 2024
Number of employees expressed as full-time equivalents ^(**)	12,053

D) PROFIT OR LOSS BEFORE TAXES

Item (thousands of Euros)	31 Dec. 2024
Profit on continuing operations before taxes ^(**)	1,185,314

E) TAXES ON PROFIT OR LOSS

Item (thousands of Euros)	31 Dec. 2024
Taxes on income from continuing operations (*)	-375,037

F) GOVERNMENT GRANTS RECEIVED

Item (thousands of Euros)	31 Dec. 2024
Government grants	66

(*) Data source: 2024 Annual Report and Financial Statements of the Crédit Agricole Italia Banking Group.

(**) In accordance with Bank of Italy Circular 285, "Number of employees expressed as full-time equivalents" is the ratio of the total hours worked by all employees, excluding overtime, to the annual total provided for by the relevant contract for a full-time employee.

CERTIFICATION OF THE CONSOLIDATED SUSTAINABILITY STATEMENT PURSUANT TO ARTICLE 81-TER, PARAGRAPH 1, OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS



The undersigned Giampiero Maioli, as Chief Executive Officer, and Pierre Débourdeaux, Senior Manager in charge of the preparation of the company accounting statements of Crédit Agricole Italia S.p.A., attest, pursuant to Art.154-bis, paragraph 5-ter, of the Italian Legislative Decree No.58 of 24 February 1998, that the Sustainability Statement included in the Consolidated Report on Operations was drawn up:

- in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and of Legislative Decree 6 September 2024, No.125;
- with the specifications adopted pursuant to Article 8 paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Parma, 18 March 2025

Chief Executive Officer

Pierre Débourdeaux

Chief Financial Officer and Senior Manager in charge of the
preparation of the Company accounting statements

Crédit Agricole Italia S.p.A. - Sede Legale Via Università, 1 - 43121 Parma - telefono 0521.912111

Capitale Sociale euro 1.102.071.064,00 i.v. - Iscritta al Registro Imprese di Parma, Codice Fiscale n. 02113530345, aderente al Gruppo IVA Crédit Agricole Italia, Partita Iva n. 02886650346, Codice ABI 6230.7, iscritta all'Albo delle Banche al n. 5435, Aderente al Fondo Interbancario di Tutela dei Depositi e al Fondo Nazionale di Garanzia, Capogruppo del Gruppo Bancario Crédit Agricole Italia iscritto all'Albo dei Gruppi Bancari al n. 6230.7 - Società soggetta all'attività di Direzione e Coordinamento di Crédit Agricole S.A.

in accordance with article 14-bis of Legislative Decree No. 39 of 27 January 2010

To the shareholders of Crédit Agricole Italia SpA

In accordance with articles 8 and 18, paragraph 1, of Legislative Decree No. 125 of 6 September 2024 (hereinafter also the “Decree”), we have undertaken a limited assurance engagement on the consolidated sustainability report of the Crédit Agricole Italia Group (hereinafter also the “Group”) for the year ended 31 December 2024 prepared in accordance with article 4 of the Decree, presented in the specific section of the consolidated report on operations.

Based on the procedures performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability report of the Crédit Agricole Italia Group for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the reporting criteria adopted by the European Commission pursuant to Directive (EU) 2013/34/UE (*European Sustainability Reporting Standards*, hereinafter also the “ESRS”);
- the information set out in paragraph “*Disclosure under article 8 of regulation (EU) 2020/852 (EU Taxonomy regulation)*” of the consolidated sustainability report is not prepared, in all material respects, in accordance with article 8 of Regulation (UE) No. 852 of 18 June 2020 (hereinafter also the “Taxonomy Regulation”).

We conducted our limited assurance engagement in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our responsibilities under this Standard are further described in the *Auditor's Responsibilities for the Limited Assurance Conclusion on the Consolidated Sustainability Report* section of this report.



We are independent in accordance with the principles of ethics and independence applicable to assurance engagements on consolidated sustainability reporting under Italian law. Our firm applies International Standard on Quality Management 1 (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the directors and the board of statutory auditors of Crédit Agricole Italia SpA for the consolidated sustainability report

The directors are responsible for developing and implementing the procedures adopted to identify the information included in the consolidated sustainability report in accordance with the provisions of the ESRS (hereinafter the “materiality assessment process”) and for describing those procedures in the paragraph “*Description of the processes to identify and assess material impacts, risks and opportunities*” of the consolidated sustainability report.

The directors are also responsible for preparing the consolidated sustainability report, which contains the information identified through the materiality assessment process, in accordance with the provisions of article 4 of the Decree, including:

- its compliance with the ESRS;
- its compliance with article 8 of the Taxonomy Regulation of the information set out in paragraph “*Disclosure under article 8 of regulation (EU) 2020/852 (EU Taxonomy regulation)*”.

That responsibility involves designing, implementing and maintaining, in the terms prescribed by law, such internal control as they determine is necessary to enable the preparation of a consolidated sustainability report in accordance with article 4 of the Decree that is free from material misstatement, whether due to fraud or error. That responsibility also involves selecting and applying appropriate methods for processing the information, as well as developing hypotheses and estimates about specific items of sustainability information that are reasonable in the circumstances.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Inherent limitations in the preparation of the consolidated sustainability report

As reported in paragraph “*Disclosure in relation to specific circumstances*”, section “*Responsibility in Governance*”, for the purpose of reporting forward-looking information in accordance with ESRS, the directors are required to prepare such information on the basis of assumptions, described in the consolidated sustainability report, about future events and possible future actions by the Group. Because of the uncertainty connected with any future event, in terms both of occurrence and of the extent and timing of occurrence, variances between actual results and forward-looking information may be significant.



As reported in paragraph “*Estimation of information on the value chain*”, section “*Responsibility in Governance*”, the disclosure about Scope 3 emissions is subject to greater inherent limitations compared with Scope 1 and 2 emissions, because of the poor availability and relative accuracy of the information used to define both qualitative and quantitative information on Scope 3 emissions related to the value chain.

Auditor’s responsibilities for the limited assurance conclusion on the consolidated sustainability report

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that contains our conclusion. 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 decisions of users taken on the basis of the consolidated sustainability report.

As part of our engagement designed to achieve limited assurance in accordance with the Standard on Sustainability Assurance Engagements - SSAE (Italia), we exercised professional judgement and maintained professional scepticism throughout the engagement.

Our responsibilities include:

- Performing risk assessment procedures to identify the disclosures where a material misstatement, whether due to fraud or error, is likely to arise;
- Designing and performing procedures to verify the disclosures where a material misstatement is likely to arise. 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;
- Directing, supervising and performing a limited assurance engagement on the consolidated sustainability report and assuming full responsibility for the conclusion on the consolidated sustainability report.

Summary of the work performed

An engagement designed to obtain limited assurance involves performing procedures to obtain evidence as a basis for our conclusion.

The procedures performed were based on our professional judgement and included inquiries, primarily of personnel of Crédit Agricole Italia Group responsible for the preparation of the information presented in the consolidated sustainability report, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

We performed the following main procedures:

- we understood the Group’s business model and strategies, and the environment in which it operates with reference to sustainability issues;



- we understood the processes underlying the generation, collection and management of the qualitative and quantitative information included in the consolidated sustainability report;
- we understood the process implemented by the Group to identify and assess the material impacts, risks and opportunities, in accordance with the double materiality principle, related to sustainability issues and, based on the information thus obtained, we considered whether any contradictory items emerged that could point to the existence of sustainability issues not considered by the Company in the materiality assessment process;
- we identified the disclosures where a material misstatement is likely to arise;
- we defined and performed procedures, based on our professional judgement, to address the risks of material misstatement identified;
- we understood the process implemented by the Group to identify the eligible exposures and to determine the proportion aligned in accordance with the provisions of the Taxonomy Regulation, and we verified the related disclosures in the consolidated sustainability report;
- we reconciled the information reported in the consolidated sustainability report with the information reported in the consolidated financial statements in accordance with the applicable financial reporting framework, or with the accounting information used for the preparation of the consolidated financial statements, or with management accounting information;
- we verified the structure and presentation of disclosures included in the consolidated sustainability report in accordance with the ESRS;
- we obtained management's representation letter.

Milan, 8 April 2025

PricewaterhouseCoopers SpA

Signed by

Raffaella Preziosi
(Partner)

This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF ITALIAN LEGISLATIVE DECREE 58/1998



1. The undersigned Giampiero Maioli, Chief Executive Officer, and Pierre Débourdeaux, Senior Manager in charge of the preparation of the company accounting statements of Crédit Agricole Italia S.p.A., hereby certify, considering also the provisions of article 154-bis, paragraphs 3 and 4, of legislative decree No. 58 of 24 February 1998:

- the adequacy in relation to the company's characteristics and
- the actual application of the administrative and accounting procedures for the formation of the consolidated financial statement during the course of the 2024 financial year.

2. With regard to this, no significant aspects have emerged.

3. The undersigned certify also that:

3.1 The consolidated report and financial statements as at 31 december 2024:

- a) have been drawn up in compliance with the applicable international accounting principles endorsed within the European Union pursuant to EC Regulation no. 1606/2002 of the European Parliament and of the European Council dated 19 July 2002;
- b) correspond to the results recorded in the accounting books and registers;
- c) furnishes a true and correct representation of the capital, economic and financial situation of the issuer and of the companies included in the consolidation.

3.2 The management report includes a reliable analysis on the management trend and performance, as well as of the situation of the issuer and of the companies included in the consolidation, and a description of the major risks and uncertainties to which they are exposed.

Parma, 18 March 2025

Giampiero Maioli

Chief Executive Officer

Pierre Débourdeaux

Chief Financial Officer and Senior Manager in charge of the
preparation of the Company accounting statements

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REPORT OF THE BOARD OF AUDITORS ON THE ACTIVITIES PERFORMED AND ON THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

Report of the Board of Auditors on the activities performed and on the separate and consolidated financial statements as at 31 December 2024

Dear Shareholders,

The Board of Auditors (hereinafter also the "Board") has the duty to report to the General Meeting of the Shareholders of Crédit Agricole Italia S.p.A. (hereinafter referred to simply as "Crédit Agricole Italia" or "CA Italia") on the supervisory activities it performed in the financial year or on any omissions and any reprehensible facts detected pursuant to Article 2429, paragraph 2, of the Italian Civil Code. The Board of Auditors is also entitled to make observations and proposals on the Annual Report and Financial Statements, their approval and on the matters falling within its mandate.

In 2024, the Board of Auditors performed its institutional duties in compliance with the Italian Civil Code, with Italian Legislative Decrees 385/1993 (the Italian Consolidated Law on Banking, Italian acronym TUB), 58/1998 (the Italian Consolidated Law on Finance, Italian acronym TUF) and 39/2010 as amended and/or supplemented, with the Articles of Association and with the provisions issued by the competent Authorities exercising supervision and control, and in accordance also with the standards of conduct recommended by Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (the Italian National Council of Chartered Accountants and Accounting Experts, Italian acronym CNDCEC).

1. Appointment and activities of the Board of Auditors

This Board of Auditors was appointed by the General Meeting of Shareholders on 27 April 2022: On that date, the General Meeting appointed Chairman Luigi Capitani and Standing Auditors Maria Ludovica Giovanardi, Francesca Michela Maurelli, Germano Montanari and Enrico Zanetti, with term of office until the approval of the Annual Report and Financial Statements as at 31 December 2024.

As to the *Organismo di Vigilanza* (body engaged in offence prevention and required by Italian Legislative Decree 231/2001), the Board of Directors of Crédit Agricole Italia S.p.A., at its meeting of 27 April 2022, confirmed its decision to assign the relevant functions to a collective body other than the Board of Auditors and consisting of:

- Two external advisors having specific knowledge, skills and professional experience;
- The Chief Compliance Officer of the Bank;

As regards the activities performed, in 2024 the Board held 36 meetings, having average duration of approximately 1.5 hours. In 2024 and up to the date of this Report, the Board held 16 meetings.

In 2024, the Board of Auditors also attended:

1. All the General Meetings of Shareholders, all the meetings of the Board of Directors and Executive Committee; therefore, it can vouch that those meetings were held in compliance with the Articles of Association and with the applicable legislation governing the operations of those Bodies and, at such meetings, the Board obtained exhaustive information on the exercise of the respective responsibilities and powers, as well as on the most material transactions;
2. All the meetings of the Risk and Internal Control Committee;
3. The meetings of the Audit Committee for Internal Control, which is a BoD Committee, holding joint meetings, and constantly cooperated and coordinated with it;
4. The meetings of the Loan Committee of the Bank and of the Group, represented by its Chairman or another Auditor;
5. The meetings of the Related Party Committee in compliance with the "Regulation for Risk Assets and Conflicts of Interests with Associated Persons" of the Crédit Agricole Italia Group, as well as the meetings of the Appointments Committee and of the Remuneration Committee, represented by its Chairman and/or another Auditor;
6. The meetings of the Sustainable Development Committee, represented by its Chairman and by another Auditor;
7. The meetings of the *Organismo di Vigilanza*, set up pursuant to Italian Legislative Decree 231/01, represented by its Chairman and/or another Auditor.

In the reporting period, as to the aspects falling within its responsibility scope, this Board supervised:

- Compliance with the applicable legislation and regulations and with the Articles of Association, proper management and on the adequacy of the organizational and accounting structures;
- The effectiveness and proper operation of the overall system of internal controls;
- The adequacy of the system for risk management and control;

- Correct exercise of strategic and management control carried out by CA Italia in its capacity as the Parent Company.

Specifically, this Board:

- Obtained information from the Directors, thanks to its participation in the meetings of the Board of Directors and of the Board Committees and in the meetings and exchanges of information with the Chief Executive Officer and the Top Management, on the general performance and outlook of operations, as well as on the material transactions, in terms of their size or features, carried out by the Company;
- Worked in coordination with the Subsidiaries' Boards of Auditors;
- Carried out, on 22 July 2024, the Board's self-assessment in accordance with the applicable regulations;
- Implemented its annual work plan that provided for regular meetings especially with the Top Management, the Heads of Central Control Functions (Compliance, Risk Management and Permanent Controls, Internal Audit) and the Heads of functions responsible for the management of operations and administration for the review of the reports prepared by them;
- Carried out induction and training activities, also by participating in external events;
- Worked in cooperation, also through specific meetings and contacts, with the *Organismo di Vigilanza*, the Body in charge of offence prevention - AML, Terrorism Financing, etc. - provided for by Italian Legislative Decree No. 231/01.

Moreover, in 2024 and up to the date of preparation of this Report, the Board expressed its opinion on several matters, including:

- Report on non-compliance risks;
- ICAAP and ILAAP process;
- Co-optation of a Director;
- Remuneration of the Chief Executive Officer;
- Integrated report by the Control Functions;
- Report on CIF;
- Reports by the Controls Functions on investment services;
- Annual report by the Anti-Money Laundering Function;
- Resolution on the outcomes of the AML and Transparency audits and replies to the Bank of Italy
- Report on internal validation activities and report prepared by the Internal Audit Function on the AIRB system.

Based on the activities performed, no problems or matters to be reported were found.

2. Material transactions in the period

2.1. Atypical or unusual transactions and Transactions with related parties

The Annual Report and Financial Statements, the information obtained at the meetings of the Board of Directors and the information received from the Chairman and from the Chief Executive Officer, from the Management, from the Chief Audit Executive, from the Boards of Auditors of the subsidiaries and by the Statutory Auditor gave no evidence of the existence of atypical and/or unusual transactions carried out with third parties, with related or intra-group parties.

As regards intra-group transactions and transactions with related parties, this Board also acknowledges that, in paragraph 2 of "Part H" of the Note to the Financial Statements, the material transactions finalized in 2024 are reported

2.2. Most significant transactions and *Operazioni di maggior rilievo* (material transactions) In 2024, the CA Italia Banking Group carried out several material transactions, which the Board of Auditors constantly monitored, also, where so provided for, through the verifications performed by the Risk Management and Permanent Controls Function.

Of these, the following significant ones are to be specifically mentioned:

- Issue of Covered Bonds: In 2024 the Group finalized three new issues of Covered Bonds for a total of Euros 1,6 billion, including a green issue for Euro 500 million with maturity of over 9 years and yet another public issue of Covered Bonds for Euro 1 billion and maturity of 12 years.

- ii. Support to innovation: Within the Medium-long Term Plan, as regards support to innovation in the Italian ecosystem, Crédit Agricole Italia finalized the acquisition of stakes in two innovative startups. Specifically: 1) In February 2024, CA Italia acquired a stake of approx. 29% in Startup Style Renaissance;
- 2) In June 2024, CA Italia acquired a stake of approx. 3% in Foolfarm;
- iii. Le Village by CA Project: In 2024 nationwide activity programmes went live for partner firms and for the accelerated startups accelerate, whereby over 250 new business opportunities could be generated and national Demo Days could be organized involving more than 150 investors and Venture Capital Funds. Furthermore, in October 2024, Le Village by CA Sicilia was opened (whose shareholders are the Crédit Agricole Italia Group, Amundi and two leading firms based in the region);
- iv. Reorganization of Le Village by CA Milano: Finalization of the reorganization of Le Village by CA Milano with a share capital increase of Euro 1.2 million, whereby Crédit Agricole Italia acquired control of the company with a 51% stake.

Having regard to "Operazioni di maggior rilievo" (most material transactions), this Board acknowledged, among other things, the opinions were issued by the Risk Management and Permanent Controls Function on the following matters:

- Full sale of the equity investment in Rajna Immobiliare, amounting to 50% of its share capital, to Banca Popolare di Sondrio;
- Acquisition of a 1.5% unit in a private equity (FSI II Fund).

3. Supervisory activities

3.1. Supervisory activities on the adequacy of the internal control system

The Crédit Agricole Italia Banking Group has adopted an internal controls system that is compliant with the model adopted by the Controlling Company Crédit Agricole S.A. and with the Supervisory regulations (specifically, Bank of Italy Circular 285/2013).

Therefore, the Group has implemented an internal controls system consisting of the set of rules, functions, structures, resources, processes and procedures that have been designed to ensure the achievement of the following objectives:

- Compliance of corporate operations with the applicable legislation and supervisory regulations, as well as with the internal policies, regulations and procedures;
- Effectiveness and efficiency of the corporate processes;
- Verifying that the set corporate strategies and policies are properly implemented;
- Keeping risks within the limits set in the Risk Appetite Framework;
- Safeguarding the value of assets and protecting from losses;
- Reliability and security of corporate information and IT procedures;
- Preventing the risk that the entities of the Group may be involved, also unintentionally, in unlawful activities (with specific regard to money/laundersing, usury and terrorism financing).

As set forth in the Report on Corporate Governance and Ownership Structure, the types of controls within CA Italia are structured as follows:

1. Permanent control, which comprises:

- 1st-degree controls, exercised on a continuous basis by the employees performing the transactions, by the persons they report to on a solid line, or executed by the automated systems for transaction processing; the activities for the production of accounting data and for the preparation of the Financial Statements are subject to specific first-degree controls that are carried out within the accounting teams;
- 2nd-degree/first-level (2.1) controls, which are carried out by persons engaged in operating tasks, but other than those directly involved in the transactions subject to control; specifically, within the central administrative structures,

- controls are performed to monitor all the functions that can access the accounting information system;
2. 2Nd-degree/2nd level (2.2) controls, which are carried out by staff who are engaged in specialist functions for top level permanent controls and are not authorized to take risks, i.e. staff engaged in Compliance, Risk Management and Permanent Controls functions;
 3. 3rd-degree, control that is performed by the Internal Audit Function on a periodic basis through remote audits, on-site inspections and review of documents.

The Board of Auditors can reliably state that it supervised the effectiveness and proper operation of the overall system of internal controls, also through regular and constant meetings with the Risk Management and Permanent Controls Central Function, the Internal Audit Central Function, the Compliance Central Function and with the Manager in charge of the preparation of the company accounting documents, receiving copies of the reports prepared by the various Corporate Bodies and Committees engaged in control functions,

To this end, the Board of Auditors also supervised the operations of the subsidiary "Crédit Agricole Group Solutions Società Consortile per Azioni", a not-for-profit consortium company that was incorporated in 2015 and provides services, mainly but not exclusively, to or in the interest of its shareholders.

All the Group's activities relating to Operational Processes, Technical and Logistics, Safety and Security, Business Continuity, Real Estate Management and Human Resources Administration were transferred to this Company.

3.2. Supervisory activities on the adequacy of the risk management system

The founding principles informing all activities for risk management and control deployed by CA Italia are the following:

- Clear identification of risk-taking responsibilities;
- Measurement and control systems that are compliant with the Supervisory guidelines and consistent with the solutions more frequently adopted at an international level;
- Organizational separation between operating and control functions.

The risks detected, controlled and integrated (considering diversification benefits) in the economic capital are defined as:

- Credit and counterparty risks (this category also includes concentration risk);
- Market risk of the Trading Book;
- Price risk of the Banking Book;
- Interest rate risk of the Banking Book;
- Liquidity risk;
- Foreign exchange risk of the Banking Book;
- Operational risk (including Information and Communication Technology Risk).

The Crédit Agricole Italia Banking Group defines its Risk Strategy on a yearly basis, which sets the risk levels that the Group deems adequate to its development strategy. Based on the strategy, which is submitted to the Risk Committee of Crédit Agricole S.A. for its approval, global limits (alert thresholds) are set and are appropriately supplemented with operational limits that are specific to each single Entity in the Group. This system, setting limits and/or alert thresholds, is submitted to the Boards of Directors of the Parent Company Crédit Agricole Italia and of the single Entities of the Group for their approval.

The Risk Management and Permanent Controls Function (Italian acronym RPC) performs risk management and control activities for all the Companies of the Crédit Agricole Italia Banking Group.

3.3. Supervisory activities on the statutory audit of the accounts

Pursuant to Articles 16 and 19 of Italian Legislative Decree no. 39/2010, as amended by Italian Legislative Decree no. 135/2016 implementing Directive 2014/56/EU, the Board of Auditors has the role of Audit Committee in charge of internal control and of the statutory audit of the accounts and is responsible, amongst other things, for:

- Monitoring the financial reporting process and presenting any recommendations or proposals aimed at ensuring its integrity;
- Verifying the effectiveness of the systems of internal control, quality and risk management of the Company and, where applicable, of the internal audit, as regards financial reporting of the audited entity, with no breach of its independence;
- Monitoring the statutory audit of the annual financial statements, both separate and consolidated and the activity to certify compliance of the consolidated Sustainability Report;
- Verifying and monitoring the independence of the audit firm tasked with the statutory audit of the accounts pursuant to Articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of the Decree and to Article 6 of Regulation (EU) 537/2014 of 16 April 2014, especially as regards the provision of services other than statutory audit (non-audit services) to the audited entity, in compliance with Article 5 of the Regulation;
- Supervising the procedure for the selection of statutory auditors or audit firms and recommending statutory auditors or audit firms to be appointed pursuant to Article 16 of Regulation (EU) 537/2014, where necessary.

That being said, in order to perform its monitoring on the statutory audit and the independence of the audit firm tasked with the statutory audit, this Board worked in cooperation with the independent audit firm PricewaterhouseCoopers S.p.A., performing, pursuant to the aforementioned Article 19, in 2024 and up to the date of this Report to the Shareholders, continuous monitoring of the activities carried out by the Independent Audit Firm.

To this end, regular meetings were held in the reporting period, both to examine the quarterly accounts and to exchange data and information as relevant for the performance of the respective tasks and for the analysis of the outcomes of the work carried out by the Audit Firm.

Besides exchanging information, the Board of Auditors examined the following reports issued by the Statutory Auditor PricewaterhouseCoopers S.p.A. on 8 April 2025:

- The Audit Report on the Separate Financial Statements issued pursuant to Article 14 of Italian Legislative Decree No. 39/2010 and to Article 10 of Regulation (EU) No. 537/2014, which is dealt with in the "Separate and Consolidated Financial Statements" paragraph,
- The Audit Report on the Separate Financial Statements issued pursuant to Article 14 of Italian Legislative Decree No. 39/2010 and to Article 10 of Regulation (EU) No. 537/2014, which is dealt with in the "Separate and Consolidated Financial Statements" paragraph;
- The report on the limited review of the Consolidated Sustainability Report pursuant to Article 14-*bis* of Italian Legislative Decree 39/2010;
- The Additional Report, issued pursuant to Article 11 of Regulation (EU) No. 537/2014, including the annual confirmation of independence, pursuant to Article 6(2)(a) of Regulation (EU) No. 537/2014 and to paragraph 17 of International Standard on Auditing (ISA) Italia 260.

Overall, it is reported that the Independent Audit Firm did not inform this Board, at the regular meetings held or in its reports, of any remarks or findings of irregularities, problems and/or material inadequacy.

As regards verification of the statutory auditor's independence, in 2024, pursuant to Article 19 of Italian Legislative Decree No. 39/2010, the Board of Auditors verified and monitored the independence of the audit firm PricewaterhouseCoopers S.p.A. tasked with the statutory audit of the accounts, pursuant to Articles 10, 10-*bis*, 10-*ter*, 10-*quater* and 17 of the aforementioned Decree and to Article 6 of Regulation (EU) 537/2014, especially as regards the provision of non-audit services to the audited entity. Moreover, as reported above, the Board of Auditors received the statement confirming the Audit Firm's independence, and found no inconsistencies.

Specifically, in 2024 this Board issued a total of 11 pre-approvals.

3.4. Supervisory activities on the adequacy of financial reporting process

As regards financial reporting processes, this Board of Auditors carried out thorough reviews with both the Administration and Taxation Function and the Finance Function, and with the Manager in Charge of the preparation of the Company's accounting documents, as well as with the Independent Audit Firm: These reviews did not show any problems affecting the internal control system concerning the financial reporting process. The administrative and accounting procedures for the preparation of the separate and consolidated financial statements were designed and implemented under the responsibility of Manager in Charge, who, jointly with the Chief Executive Officer, vouches for their adequacy and actual implementation. At the aforementioned regular meetings, the Manager in Charge did not report any material shortcomings in the operational and control processes, which could bias the warranted adequacy and actual application of the administrative-accounting procedures, in order to give a true and correct income, financial and cash flow representation of operations, in compliance with the international accounting standards.

On 18 March 2025, the Manager in Charge and the Chief Executive Officer signed the certifications on the separate and consolidated financial statements as at 31 December 2022 required by Article 81-ter of the Issuers' Regulation approved by CONSOB with Resolution 11971/1999 as amended and supplemented.

This Board of Auditors also examined the certification of the half-yearly and annual reports prepared by the Manager in Charge: no one of these documents reports any material shortcomings in the internal control systems concerning the Company's financial reporting and/or accounting system.

Based on the information it obtained and on the analyses it made, this Board of Auditors can deem the administrative and accounting system of the CA Italia Banking Group as overall adequate and compliant with the applicable legislation and regulations.

4. Remuneration policies

The Board of Auditors can report that, at its meeting held on 18 March 2025, the Board of Directors approved the "Remuneration Policies of the Crédit Agricole Italia Banking Group for 2025" document, which shall be submitted to the General Meeting of Shareholders.

That document defines the principles and standards used to design, implement and monitor the Group's remuneration systems and was reviewed by the Internal Audit Department, as was the appropriate application of the 2023 policies as regards the payment of the variable remuneration components awarded in 2024, with no anomalies found.

On this matter, in the reporting period, the Board of Auditors also participated, represented by its Chairman or by another of its Members, in the meetings of the Appointments Board Committee and of the Remuneration Board Committee.

5. Relations with Supervisory Authorities

Having regard to the relations with Supervisory Authorities, the Board of Auditors performed its duties in accordance with the applicable legislation, was regularly informed of all communications received and constantly followed the preparation of the related responses and requested activities.

In the reporting period and up to the date of preparation of this Report, no charges were filed pursuant to Article 2408 of the Italian Civil Code.

6. Separate and Consolidated Financial Statements and Sustainability Report

6.1. Separate and Consolidated Financial Statements

The Annual Report and Separate Financial Statements as at 31 December 2024 are governed by Italian Legislative Decree no. 38 of 28 February 2005 and by Bank of Italy Circular no. 262 of 22 December 2005 as updated, and were prepared in accordance with the International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) applicable as at 31 December 2024, and endorsed by the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002.

In the Note to the Financial Statements, the Management Body stated that no exceptions were made to the application of the IAS/IFRS.

The Separate Financial Statements and the Management Report accompanying them are deemed adequate to provide information on the Bank's situation, its performance in the reporting period and outlook (also taking account of the indications given in the joint document issued by the Bank of Italy/CONSOB (Italian Securities and Exchange Commission)/ISVAP (Italian Insurance Supervisory Authority) No. 4 of 3 March 2010, on the application of the IAS/IFRS).

The profit for the period came to Euro 793,627 thousand (up by Euro +90,377 thousand vs. the previous FY).

The Consolidated Financial Statements as at 31 December 2024 are governed by Italian Legislative Decree No. 38 of 28 February 2005 and by Circular No. 262 of the Bank of Italy of 22 December 2005, as updated, and were prepared in accordance with the International Accounting Standards and the International Financial Reporting Standards (IAS/IFRS) as well as with the relevant interpretations issued by the IFRIC, endorsed by the European Commission pursuant to Regulation (EC) No. 1606/2002 of 19 July 2002. As specified by the Directors in the Note to the Consolidated Financial Statements, the consolidation perimeter consists, in addition to the Parent Company Crédit Agricole Italia S.p.A., of its subsidiaries of which in Section 3 of Part A of the Note to the Consolidated Financial Statements.

Having regard to the Consolidated Financial Statements as at 31 December 2024, the General Meeting is also informed that this Board supervised their general layouts, their general compliance with the applicable law in terms of preparation and layouts and, on this matter, no remarks are to be made. Moreover, this Board verified compliance with the standards concerning the preparation of the Management Report.

Having regard to the 2024 consolidated profit of Euro 808,284 thousand, it is pointed out that this figure was not impacted by any non-recurring effects.

As mentioned above, on 8 April 2025, this Board of Auditors received the Independent Auditor's Report pursuant to Article 14 of Italian Legislative Decree No. 39 of 27 January 2010, and to Article 10 of Regulation (EU) No. 537/2014 on the financial statements as at 31 December 2024, whereby the Independent Auditors express their opinion that both the separate and consolidated financial statements provide a *"truthful and correct representation of the reporting entity's equity and financial position as at 31 December 2023, of its profit or loss and cash flows for the reporting year, in compliance with the International Financial Reporting Standards endorsed by the European Union and with the measures implementing Article 9 of Italian Legislative Decree No. 38 of 28 February 2005 and Article 43 of Italian Legislative Decree no. 136 of 18 August 2015."*

Furthermore, this Board acknowledged that, on 18 March 2025, the Manager in Charge and the Chief Executive Officer signed the certifications on the separate and consolidated financial statements as at 31 December 2024 required by Article 81-ter of the Issuers' Regulation approved by CONSOB with Resolution 11971/1999 as amended and supplemented.

Lastly, having regard to the Management Report and to some specific pieces of information contained in the report on corporate governance and ownership structure, it is pointed out that the statutory auditor's reports attest that they are consistent with the Group's Consolidated Financial Statements and with the Separate Financial Statements as at 31 December 2024 and have been prepared in compliance with the applicable law.

6.2. Consolidated Sustainability Report

Italian Legislative Decree of 6 September 2024 transposed Directive (EU) 2022/2464 (CSRD) reforming corporate sustainability reporting into the Italian law.

In compliance with that Directive, as of 31 December 2024, the Sustainability Report, prepared on a consolidated basis with the same consolidation perimeter used for the financial statements, shall be part of the Management Report to the Consolidated Financial Statements, along with

the certification of the Sustainability Report in accordance with Article 154-*bis* of Italian Legislative Decree 58/1998, paragraph 5-*ter*.

Within the governance model, the Crédit Agricole Italia Group uses an internal certification system structured as follows:

- With a specific statement, the Manager in charge certifies that the Sustainability Report included in the Management Report has been prepared in compliance with the reporting standards applied under the CSRD;
- The Head of the Corporate Affairs and Sustainability Function, who coordinates the activities for the preparation of the Sustainability Report, working with the structure of the Manager in charge, is responsible for sub-certifying that the sustainability report has been prepared in compliance with the adopted standards.

Therefore, within its activities, this Board of Auditors supervised, pursuant to Italian Legislative Decree 125/24 and, where applicable, to the Italian Consolidated Law on Finance, obtaining timely and accurate information from the Group, also as regards the ESG business model and strategy.

Final considerations on the Consolidated Sustainability Report:

The Crédit Agricole Italia Group prepared its Consolidated Sustainability Report. Which meets the requirements laid down by the applicable legislation and regulations, first and foremost by Italian Legislative Decree No. 125/2024, regarding corporate sustainability reporting, transposing Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive - CSRD).

In the relevant report issued on 8 April 2025, the Sustainability Auditor also acknowledged that, *"Based on the work we performed, we found no elements that may make us think that:*

- *The consolidated sustainability report of the Crédit Agricole Italia Group for the FY closed as at 31 December 2024 was not prepared, in all its significant aspects, in compliance with the sustainability reporting standards adopted by the European Commission under Directive (EU) 2013/34/UE {European Sustainability Reporting Standards, hereinafter referred to also as "ESRS"};*
- *The information contained in paragraph "Disclosure under Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation)" of the consolidated sustainability report was not prepared, in all significant aspects, in compliance with Article 8 of Regulation (EU) No. 852 of 18 June 2020 (hereinafter referred to also as "Taxonomy Regulation")."*

In accordance with Italian Legislative Decree No. 125 of 6 September 2024, this Board of Auditors acknowledges that, based on the verifications made and information acquired, no non-compliance issues and/or no breaches of the applicable legislation and regulations were found.

7. Events occurred after the reporting date

From 31 December 2024 to the approval of the 2024 Annual Report and Financial Statements, no such facts occurred as to significantly change the assessments and measurements made by the Directors and represented in the financial, profit and loss and cash flow position of the Group.

The Separate and Consolidated Financial Statements report:

- **Covered bonds**
In early 2025 Crédit Agricole Italia completed the first issue in the year of a Covered Bond in the Italian market, for an amount of 1 billion Euros and maturity of 9 years.
- **Sale of Global Broker S.p.A.**
On 4 February 2025, Crédit Agricole Italia finalized the sale of the entire equity investment it held in Global Broker S.p.A. (amounting to 30% of its share capital); however, it is reported that the sale was made at a price consistent with the equity investment's carrying amount and, therefore, the sale generated no significant impacts on profit or loss.

8. Dividend distribution proposal

As regards dividend distribution, the Board of Directors of Crédit Agricole Italia S.p.A. has proposed:

- The allocation of Euro 2,500,000 to the fund for charity and support to social and cultural initiatives;
- The distribution of dividends for a total amount of Euro 430,358,750, which is equal to a dividend of Euro 0.3905 for each one of the 1,102,071,064 outstanding shares;
- The allocation of Euro 360,768,640 to extraordinary reserve.

9. Conclusions

Dear Shareholders,

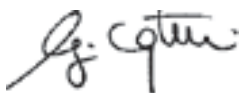
Considering the information and evidence obtained in its supervisory activities and reported above, considering the outcome of the activities performed by the firm tasked with the statutory audit of accounts PricewaterhouseCoopers S.p.A. as contained in its Independent Auditor's Report pursuant to Article 14 of Italian Legislative Decree No. 39 of 27 January 2010, and to Article 10 of Regulation (EU) No. 537/2014, and considering the Certifications signed by the Chief Executive Officer and by the Manager in charge of the preparation of the corporate accounting documents, the Board of Auditors unanimously deems that there are no reasons why you should not approve the draft Annual Report and Financial Statements as at 31 December 2024, as prepared and submitted to you by the Board of Directors.

The Board of Auditors agrees with the dividend distribution proposal as made by the Board of Directors on 18 March 2025.

Parma, 8 April 2025

For the Board of Auditors

(Luigi Capitani)



INDEPENDENT AUDITORS' REPORT



Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of Crédit Agricole Italia SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Crédit Agricole Italia Group (the "Group"), which comprise the consolidated balance sheet as of 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and article 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 Consolidated Financial Statements* section of this report. We are independent of Crédit Agricole Italia SpA (the "Company") pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Principali indirizzi degli uffici PwC

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Key Audit Matters

Recoverability of the book value of goodwill arising from business combinations

Notes to the consolidated financial statements

Part A – Accounting policies

Part B – Information on the Consolidated Balance Sheet, Section 10 of assets

As of 31 December 2024, the book value of goodwill arising from business combinations is equal to Euro 1,316 million.

The directors assess the recoverable value of goodwill, at least annually (impairment test). Such assessment, aimed at identifying any impairment losses, is based, pursuant to IAS 36 “Impairment of assets”, on the comparison between the book value and the higher of fair value less costs to sell and the value in use of the Cash Generating Unit (the CGU).

The estimate of the value in use of the CGU was carried out using the Dividend Discount Model, in the excess capital version.

This methodology, consolidated and recognised in the prevailing practice, requires the use of information, parameters and assumptions, which were also developed with the support of the parent company Crédit Agricole S.A.. The determination of the recoverable value of the goodwill requires the directors to make estimates that, by their nature, contain significant elements of professional judgement with particular reference to expected cash flows.

Auditing procedures performed in response to key audit matters

During the performance of our audit, we considered the internal control system relevant to the preparation of the consolidated financial statements. Specifically, we carried out the following main activities, also with the support of the PwC network experts:

- understanding and evaluating the process and methodology adopted by the directors to perform the impairment test;
- verifying the consistency of the evaluation method adopted with the requirements of IAS 36, taking also into account the market practice;
- assessing the reasonableness of the forecast data used to determine the prospective cash flows of the identified CGU, and the data consistency with the forecast plans;
- evaluation of the reasonableness of the main assumptions used by the directors in the evaluation process, also by checking with external data where available, the main quantitative parameters (cost of capital, discount and growth rates) used to determine the recoverable amount of the CGU;
- verification of the accuracy of the mathematical calculations underlying the valuation models used and their correctness;
- evaluating the results of the sensitivity analyses carried out by the directors in order to determine the changes in the main assumptions which could impact on the evaluation of the recoverable value of goodwill;
- verifying the completeness and adequacy of the disclosure provided by the directors in the notes to the financial statements in accordance with



Key Audit Matters

For the reasons set out above, we considered the recoverability of the book value of goodwill to be a key audit matter of the consolidated financial statements as of 31 December 2024.

Auditing procedures performed in response to key audit matters

the requirements of international accounting standards and the applicable regulatory framework, as well as the communications of the Supervisory Authorities.

Recoverability of “non-convertible” deferred tax assets

Notes to the consolidated financial statements

Part A – Accounting policies

Part B – Information on the Consolidated Balance Sheet, Section 11 of assets

Part C – Information on the Consolidated Income Statement, Section 21

As of 31 December 2024, the line item 110 b) “Deferred tax assets” included Deferred Tax Assets (hereinafter also “DTAs”) for an amount equal to Euro 1,089 million, of which Euro 664 million represented by tax assets which are not convertible pursuant to Law 214/2011.

The directors carry out the periodic assessment of the recoverability of the DTAs through the performance of a specific estimation process (the probability test) aimed, in accordance with IAS 12 “Income Taxes”, at verifying the availability of sufficient future taxable income, also in consideration of the different companies of the Crédit Agricole Italia Group's participation in the tax consolidation regime of the Crédit Agricole S.A. Group in Italy.

The assessment of the recoverability of DTAs requires the use of information, parameters and assumptions that present a high degree of subjectivity and complexity, with particular reference to the estimation of future taxable income.

During the performance of our audit, we considered the internal control system relevant to the preparation of the consolidated financial statements. In particular, in order to address such key audit matter, we carried out the following main activities, also with the support of the PwC network experts:

- understanding and evaluating the process and methodology adopted by the directors to perform the probability test;
- verifying the consistency of the methodology adopted with the requirements of IAS 12, taking also into consideration the professional practice, as well as the communications and recommendations of the Supervisory Authorities;
- assessing the reasonableness of the main qualitative and quantitative assumptions adopted for the preparation of the probability test based on the applicable tax framework;
- verifying the consistency of the income flows behind the probability test with those used in other relevant valuation processes;
- verifying the accuracy of the mathematical calculations underlying the probability test and their correctness;
- evaluating the results of the sensitivity analyses carried out by the directors on the recoverability of the DTAs when the parameters adopted change;



Key Audit Matters

For the reasons set out above, we considered the recoverability of the “non-convertible” deferred tax assets to be a key audit matter of the consolidated financial statements as of 31 December 2024.

Valuation of performing loans to customers measured at amortized cost

Notes to the consolidated financial statements

Part A – Accounting policies

Part B – Information on the Consolidated Balance Sheet, Section 4 of assets

Part C – Information on the Consolidated Income Statement, Section 8

Part E – Information on risks and relative hedging policies – Section 1

Performing loans to customers (Stage 1 and 2) as of 31 December 2024 amount to Euro 64,805 million representing about 91 per cent of line item “40 b) Financial assets measured at amortized cost – loans to customers”, corresponding to 70 per cent of total assets of the consolidated financial statements.

Net adjustments for credit risk on these loans recognised during the year amount to Euro 7.8 million and represent the best estimate made by the directors in order to recognise, as of the balance sheet date, the expected credit losses (ECL) of the loan portfolio, based on applicable international accounting standards.

The estimation processes and valuation methods adopted are characterised by a high degree of professional judgement and require the estimation of numerous relevant variables. The use of significant

Auditing procedures performed in response to key audit matters

- verifying the completeness and adequacy of the disclosure provided in the notes to the financial statements in accordance with the requirements of international accounting standards, the applicable regulatory framework, as well as the communications and recommendations issued by the Supervisory Authorities.

During the performance of our audit, we considered the internal control system relevant to the preparation of the consolidated financial statements. In order to address such key audit matter, we carried out the following main activities, also with the support of the PwC network experts:

- analysing the adequacy of the IT environment and verifying the operational effectiveness of the relevant controls governing the IT systems and applications used by the Group for loan assessment purposes;
- understanding and evaluating the design of relevant controls in the areas of loan monitoring, classification and evaluation and verifying the operational effectiveness of certain controls;
- procedures of comparative analysis of the performing loans to customers and of the related coverage indices, including by comparison with the previous periods' figures and with sector information;
- understanding and verifying the appropriateness of the policies, procedures and models used, as well as the related updates, for measuring SICR, staging and determining ECL;
- understanding and verifying the methods to determine the main estimation parameters used in the models for calculating the ECL, in light



Key Audit Matters

assumptions is relevant for to verification of the Significant Increase in Credit Risk (SICR), and also to allocate portfolios to the different stages (Staging), as well as to determine the assumptions and input data for the Expected Credit Loss (ECL) models. These models incorporate the prospective information developed centrally by the parent company Crédit Agricole S.A., according to a multi-scenario approach.

For the current fiscal year, these estimation processes were affected by some methodological updates compared to the previous year. In particular, in addition to the ordinary process of updating the input data and refining the risk parameters, the Group, in agreement with the parent company Crédit Agricole S.A., has also carried out updates to the qualitative criteria for allocation to various risk stages and to post-model adjustments. These interventions were considered necessary in order to improve the predictive capacity of the models in use, to factor in the uncertainties of the macro-economic context, as well as to factor in certain additional risk elements that were not adequately captured by the models currently used.

Considering the significance of the financial statement value, the complexity of the processes and methodologies adopted, and taking also into account the refinements and updates made to the criteria and methods used during the year, we considered the valuation of the loans in question to be a key audit matter of the consolidated financial statements as of 31 December 2024.

Auditing procedures performed in response to key audit matters

also of the refinements and updates introduced during the year. In particular, we verified the reasonableness of the estimates made by the directors in defining the expected macroeconomic scenarios, also through comparison with external sources, as well as the post-model adjustments applied and related reasonableness;

- verification of the correct application of the defined valuation criteria, the completeness and accuracy of the databases used to calculate the ECL, and the accuracy for calculating the risk parameters;
- verification, on a sample basis, of the reasonableness of the classification under performing loans on the basis of the different information available on the debtor status, including external evidence;
- evaluation of the results of the sensitivity analyses carried out by the directors on the ECL against the macroeconomic scenarios affecting the risk parameters of the models used;
- verifying the completeness and adequacy of the disclosure provided by the directors in the notes to the financial statements in accordance with international accounting standards, the applicable regulatory framework, as well as the communications issued by the Supervisory Authorities.



Key Audit Matters

Valuation of non-performing loans to customers measured at amortized cost

Notes to the consolidated financial statements

Part A – Accounting policies

Part B – Information on the Consolidated Balance Sheet, Section 4 of assets

Part C – Information of the Consolidated Income Statement, Section 8

Part E – Information on risks and relative hedging policies – Section 1

Non-performing loans to customers (stage 3) as of 31 December 2024, show a balance of Euro 831 million corresponding to 1.2 per cent of line item “4o b) Financial assets measured at amortized cost – loans to customers”.

Net adjustments for credit risk on these loans recognised during the year amount to Euro 224.9 million and represent the best estimate made by the directors in order to adjust, as of the balance sheet date, the expected losses relating to the loan portfolio on the basis of the applicable international accounting standards.

The estimation processes and valuation methods, both analytical and lump-sum, are characterised by high complexity and a high degree of professional judgement requiring the estimation of numerous variables; the use of significant assumptions is particularly relevant to the estimation of expected future cash flows, their timing and the realisable value of collaterals, if any.

Considering the significance of the financial statement value of non-performing loans, the complexity of the processes and methodologies adopted and taking into account the high subjectivity of

Auditing procedures performed in response to key audit matters

During the performance of our audit, we considered the internal control system relevant to the preparation of the consolidated financial statements. In order to address such key audit matter, we carried out the following main activities, also with the support of the PwC network experts:

- analysis of the adequacy of the IT environment and verification of the operational effectiveness of the relevant controls governing the IT systems and applications used for loan assessment purposes;
- understanding and evaluating the design of relevant controls in the area of loan monitoring, classification and evaluation and verifying the operational effectiveness of certain controls;
- understanding and verifying the appropriateness of the valuation policies adopted by the Group;
- procedures of comparative analysis of loans to customers and related coverage indices, including by comparison with the previous periods' figures and with sector information;
- verifying, on a sample basis, the reasonableness of classification of the selected positions under non-performing loans, based on the different information regarding the debtor status, including external evidence. Additionally, analyses were carried out on the assumptions made with particular reference to the identification and quantification of future cash flows expected from recovery activities and the valuation of the guarantees covering such exposures;



Key Audit Matters

the assumptions and hypotheses, we considered the valuation of the loans in question to be a key audit matter of the consolidated financial statements as of 31 December 2024.

Auditing procedures performed in response to key audit matters

- verifying the completeness and adequacy of the disclosure provided by the directors in the notes to the financial statements in accordance with the requirements of international accounting standards, the regulatory framework, as well as the communications issued by the Supervisory Authorities.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and article 43 of Legislative Decree No. 136/15 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the parent company Crédit Agricole Italia SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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



As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we 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;
- We 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 Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' 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 Group'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 consolidated 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 Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.



Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 28 April 2021, the shareholders of Crédit Agricole Italia SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2021 to 31 December 2029.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Crédit Agricole Italia SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Crédit Agricole Italia Group as of 31 December 2024, including their consistency with the relevant consolidated financial statements and their compliance with the law.

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

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations, excluding the section on the consolidated sustainability reporting, and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the consolidated financial statements of Crédit Agricole Group as of 31 December 2024.

Moreover, in our opinion, the report on operations, excluding the section on the consolidated sustainability reporting, and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.



With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Our opinion on compliance with the law does not extend to the section of the report on operations relating to the consolidated sustainability reporting. The conclusions on the compliance of that section with the rules governing its preparation and on compliance with the disclosure requirements established by article 8 of Regulation (EU) 2020/852 are expressed by ourselves in the report prepared in accordance with article 14-bis of Legislative Decree No. 39/10.

Milan, 8 April 2025

PricewaterhouseCoopers SpA

Signed by

Raffaella Preziosi
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

CRÉDIT AGRICOLE ITALIA

REPORT AND FINANCIAL STATEMENTS FOR FINANCIAL YEAR



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FINANCIAL HIGHLIGHTS AND ALTERNATIVE PERFORMANCE MEASURES

APM – ALTERNATIVE PERFORMANCE MEASURES

Crédit Agricole Italia has defined some measures, which are set out in the tables of the Bank's KPIs and give Alternative Performance Measures ("APM") that are useful to investors as they facilitate the identification of trends in operations and significant financial parameters.

To correctly interpret the APMs, the following specifications are relevant:

- The APMs have been built up based exclusively on historical data of the Bank and give no indication about its future performance.
- APMs are not provided for by the International Financial Reporting Standards ("IFRS") and, albeit deriving from the Bank's Financial Statements, are not included in the audit of the accounts;
- APMs shall not be considered as replacements of the ratios provided for by the adopted financial reporting standards (IFRS);
- Said APMs shall be read along with the Bank's financial information as reported in its financial statements;
- The definitions of the measures used by the Bank, as they are not governed by the adopted financial reporting standards, may prove not homogeneous with those adopted by other companies/groups and, therefore, may be not be comparable to them;
- The APMs used by the Bank have been prepared with continuity and homogeneity of definition and representation for all the periods for which financial information have been included.

Income Statement highlights ^(a) (thousands of Euros)	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Net interest income	1,751,890	1,769,882	-17,992	-1.0
Net fee and commission income	1,260,478	1,218,548	41,930	3.4
Dividend income	13,243	14,200	-957	-6.7
Financial income (loss)	25,029	29,298	-4,269	-14.6
Other operating income (expenses)	-4,623	-9,748	-5,125	-52.6
Operating income	3,046,017	3,022,180	23,837	0.8
Operating expenses	-1,631,551	-1,686,822	-55,271	-3.3
Operating margin	1,414,466	1,335,358	79,108	5.9
Cost of risk ^(b)	-233,546	-315,055	-81,509	-25.9
<i>Of which net impairment losses on loans</i>	<i>-233,892</i>	<i>-304,137</i>	<i>-70,245</i>	<i>-23.1</i>
Profit (Loss) for the period	793,627	703,250	90,377	12.9

Balance Sheet highlights ^(a) (thousands of Euros)	31 Dec. 2024	31 Dec. 2023 (*)	Changes	
			Absolute	%
Loans to Customers	71,179,562	69,300,253	1,879,309	2.7
<i>Of which Securities measured at amortized cost</i>	<i>5,722,516</i>	<i>5,414,031</i>	<i>308,485</i>	<i>5.7</i>
Net financial assets/liabilities at fair value	155,912	153,276	2,636	1.7
Financial assets measured at fair value through other comprehensive income	3,736,957	3,865,221	-128,264	-3.3
Net due from banks	2,566,855	-2,889,854	5,456,709	
Equity investments	192,405	193,393	-988	-0.5
Property, plant and equipment and intangible assets	2,380,465	2,470,533	-90,068	-3.6
Total net assets	90,042,206	88,480,823	1,561,383	1.8
Funding from Customers	77,775,346	76,260,209	1,515,137	2.0
Indirect funding from Customers	102,007,757	92,888,389	9,119,368	9.8
<i>of which: asset management</i>	<i>53,918,202</i>	<i>50,028,256</i>	<i>3,889,946</i>	<i>7.8</i>
Equity	8,265,744	7,992,677	273,067	3.4

Operating structure	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Point-in-time number of employees	11,793	11,909	-116	-1.0
Average number of employees ^(c)	10,592	10,836	-244	-2.3
Number of branches	1,001	1,014	-13	-1.3

(a) The Ratios are based on the balance sheet and income statement data of the reclassified financial statements shown on pages 583 and 598. All in compliance with Consob letter no. 0031948 of 10 March 2017 and with ESMA Recommendation on alternative performance measures.

(b) The cost of risk includes provisioning for risks and charges, net adjustments to loans and impairment of securities.

(c) The average number has been calculated as the weighted average of employees and atypical workers, where the weight is the number of months worked in the year; part-time personnel is conventionally weighted at 50%.

(*) The 2023 figures of "Net due to banks" were reclassified to be comparable with 2024 figures.

FINANCIAL HIGHLIGHTS AND RATIOS

Structure ratios ^(a)	31 Dec. 2024	31 Dec. 2023 ^(*)
Net loans to Customers/Total net assets	72.7%	63.1%
Direct funding from Customers/Total net assets	86.4%	83.5%
Asset under management/Indirect funding from Customers	52.9%	68.4%
Net loans to Customers/Direct funding from Customers	84.2%	75.6%
Total assets ^(d) /Equity	11.1	11.7
Profitability ratios ^(a)	31 Dec. 2024	31 Dec. 2023
Net interest income/Operating income	57.5%	58.6%
Net fee and commission income/Operating income	41.4%	40.3%
Cost/Income ratio ^(e)	51.7%	52.5%
Net income/Average equity (ROE) ^(f)	10.0%	9.0%
Net income/Average tangible equity (ROTE) ^(f)	12.1%	11.0%
Net income /Total assets ^(d) (ROA)	0.9%	0.7%
Net income/Risk weighted assets	2.1%	2.0%
Risk ratios ^(a)	31 Dec. 2024	31 Dec. 2023 ^(*)
Gross bad loans/Gross loans to Customers with POCI assets	0.7%	0.8%
Net bad loans/Net loans to Customers	0.2%	0.2%
Gross non-performing exposures/Gross loans to customers (gross NPE ratio) with POCI assets	2.6%	3.1%
Net non-performing exposures/Net loans to customers (net NPE ratio)	1.2%	1.6%
Net adjustments to loans /Net loans to Customers ^(g)	0.4%	0.5%
Cost of risk ^(h) /Income from operations	16.5%	23.6%
Net bad loans/Total Capital ⁽ⁱ⁾	1.9%	1.7%
Total adjustments to non-performing loans /Gross non-performing loans with POCI assets	53.7%	50.3%
Total adjustments to performing loans/Gross performing loans	0.5%	0.6%
Productivity ratios ^(a) (in income terms)	31 Dec. 2024	31 Dec. 2023
Operating expenses/No. of Employees (average)	154.0	155.7
Operating income/No. of Employees (average)	287.6	278.9
Productivity ratios ^(a) (in financial terms)	31 Dec. 2024	31 Dec. 2023
Net loans to Customers /No. of employees (average)	6,179.9	5,318.6
Direct funding from Customers/No. of employees (average)	7,342.8	7,037.7
Gross banking income ^(k) /No. of employees (average)	23,153.3	21,505.6
Capital and liquidity ratios	31 Dec. 2024	31 Dec. 2023
Common Equity Tier 1 ^(k) /Risk-weighted assets (CET 1 ratio)	14.9%	14.5%
Tier 1 ^(l) /Risk-weighted assets (Tier 1 ratio)	16.9%	16.9%
Total Capital ^(l) /Risk-weighted assets (Total Capital Ratio)	19.9%	19.9%
Common Equity Tier 1 ^(k) (thousands of Euros)	5,566,665	5,088,285
Risk-weighted assets	37,411,264	34,987,716
Liquidity Coverage Ratio (LCR)	177.8%	243.9%
Net Stable Funding Ratio (NSFR)	130.8%	136.0%

(a) The Ratios are based on the balance sheet and income statement data of the reclassified financial statements shown on pages 583 and 598. All in compliance with Consob letter no. 0031948 of 10 March 2017 and with ESMA Recommendation on alternative performance measures.

(d) Ratio calculated based on total assets as reported in the financial statement.

(e) Ratio calculated excluding ordinary and extraordinary contributions to bank resolution funds and provisioning for Voluntary Redundancy.

(f) Ratio of net income to equity weighted average (for ROTE net of intangibles).

(g) Ratio calculated net of the government and non-government securities component.

(h) The cost of risk includes provisioning for risks and charges, net adjustments to loans and impairment of securities.

(i) Total Capital: total regulatory own funds.

(j) Net Loans to Customers + direct funding + indirect funding.

(k) CET 1: Common Equity Tier 1.

(l) Tier 1: Tier 1 Capital.

(*) The 2023 figures of "Net due to banks" were reclassified to be comparable with 2024 figures

MANAGEMENT REPORT

PERFORMANCE OF OPERATIONS

In a dynamic and very competitive market scenario, Crédit Agricole Italia proved once again able to generate considerable and sustainable profitability on a continuous basis, thanks to its balanced business model that focused on providing support to customers. The Group continued to respond in an effective manner to the financial needs of households and businesses, thanks to its wide range of specialist products designed for its Customers and made available by all the companies of the Group in Italy.

Crédit Agricole Italia specifically focused on providing support to the energy transition associated with Home Loans, with subsidized terms and conditions reserved to loans for the purchase of properties in energy efficiency class A or B, and specific advisory services supporting the energy efficiency upgrading of homes.

The Bank also continued to prove constant and growing support to its regions and corporate customers in order to assist them in improving their ESG positioning: in 2024 loans originated to support corporate customers' transition amounted to 1.2 billion Euros, consistently with the Group's NET Zero targets and strategies.

Commercial operations performed well in the main business lines, thanks to the diversified range of products and services made available to Customers, benefiting from the services provided by all the companies of the Crédit Agricole Group in Italy.

Worth mentioning is also the significant development in the customer base, with the acquisition of about 190 thousand new Customers (+7% YoY), thanks also to the material contribution of the digital channel (40%), progressively improving vs. the figures posted in the previous two years.

Giving evidence of its unfaltering focus on keeping high customer satisfaction standards, Crédit Agricole Italia ranked again no. 1 amount universal banks in Italy by Customer Recommendation Index - CRI, with this level of excellence already achieved in 2023 and confirmed by the latest surveys.

The attention to asset quality has remained constant: the gross and net NPE ratios further decreased - to 2.6% and 1.2% respectively - with further increase in the coverage ratio, which hit 53.7%.

Strong and continuously improving capital position, with capital well above the minimum requirements assigned by the ECB: as at 31 December 2024, Crédit Agricole Italia's CET1 ratio stood at 14.9% and its Total Capital ratio at 19.9%; liquidity also continued to be high with the LCR at 177.8%.

THE PERFORMANCE OF BALANCE SHEET AGGREGATES

The figures reported on the next pages are expressed in thousands of Euros.

Reclassified Balance Sheet

Assets	31 Dec. 2024	31 Dec. 2023 ^(*)	Changes	
			Absolute	%
Net financial assets/liabilities at fair value	155,912	153,276	2,636	1.7
Financial assets measured at fair value through other comprehensive income	3,736,957	3,865,221	-128,264	-3.3
Net due from banks	2,566,855	-2,889,854	5,456,709	
Loans to Customers	71,179,562	69,300,253	1,879,309	2.7
Equity investments	192,405	193,393	-988	-0.5
Property, plant and equipment and intangible assets	2,380,465	2,470,533	-90,068	-3.6
Tax assets	1,514,144	1,988,836	-474,692	-23.9
Other assets	8,315,906	13,399,165	-5,083,259	-37.9
Total assets	90,042,206	88,480,823	1,561,383	1.8

(*) The 2023 figures of "Net due to banks" were reclassified to be comparable with 2024 figures.

Liabilities	31 Dec. 2024	31 Dec. 2023 ^(*)	Changes	
			Absolute	%
Funding from Customers	77,775,346	76,260,209	1,515,137	2.0
Tax liabilities	291,739	273,325	18,414	6.7
Other liabilities	3,139,302	3,295,711	-156,409	-4.7
Specific-purpose provisions	570,075	658,901	-88,826	-13.5
Capital	1,102,071	1,102,071	-	-
Equity instruments	740,000	815,000	-75,000	-9.2
Reserves (net of treasury shares)	5,694,270	5,431,349	262,921	4.8
Valuation reserves	-64,224	-58,993	5,231	8.9
Profit (Loss) for the period	793,627	703,250	90,377	12.9
Total liabilities and equity	90,042,206	88,480,823	1,561,383	1.8

(*) The 2023 figures of "Net due to banks" were reclassified to be comparable with 2024 figures.

Reconciliation of the official and reclassified balance sheets

Assets	31 Dec. 2024	31 Dec. 2023 ^(*)
Net financial assets/liabilities at fair value	155,912	153,276
20 a. Financial assets held for trading	134,710	198,491
20 c. Financial assets mandatorily measured at fair value	157,998	153,026
20. Financial liabilities held for trading	-136,796	-198,241
Financial assets measured at fair value through other comprehensive income	3,736,957	3,865,221
30. Financial assets measured at fair value through other comprehensive income	3,736,957	3,865,221
Net due from banks	2,566,855	-2,889,854
40 a. Due from banks	4,495,279	2,331,657
10 a. Due to banks	-1,929,115	-5,221,913
To deduct: Lease liabilities	691	402
Loans to Customers	71,179,562	69,300,253
40 b. Loans to Customers	71,179,562	69,300,253
Equity investments	192,405	193,393
70. Equity investments	192,405	193,393
Property, plant and equipment and intangible assets	2,380,465	2,470,533
80. Property, Plant and Equipment	991,181	1,060,113
90. Intangible assets	1,389,284	1,410,420
Tax assets	1,514,144	1,988,836
100. Tax assets	1,514,144	1,988,836
Other assets	8,315,906	13,399,165
10. Cash and cash equivalents	5,295,826	10,383,272
120. Other assets	2,429,373	2,471,745
50. Hedging derivatives (Assets)	754,030	863,647
60. Fair value change of financial assets in macro-hedge portfolios	-164,801	-328,603
110. Non-current assets held for sale and discontinued operations	1,478	9,104
Total assets	90,042,206	88,480,823

(*) The 2023 figures of "Net due to banks" were reclassified to be comparable with 2024 figures.

Liabilities	31 Dec. 2024	31 Dec. 2023 ^(*)
Funding from Customers	77,775,346	76,260,209
10 b Due to Customers	61,804,562	61,974,658
To deduct: Lease liabilities	-288,539	-306,907
10 c. Debt securities issued	16,259,323	14,592,458
Tax liabilities	291,739	273,325
60. Tax liabilities	291,739	273,325
Other liabilities	3,139,302	3,295,711
10 a. Due to banks: of which lease liabilities	691	402
10 b. Due to customers: of which lease liabilities	288,539	306,907
40 Hedging derivatives (Liabilities)	1,672,836	2,139,540
50. Fair value change of financial liabilities in macro-hedge portfolios	-504,834	-791,351
80. Other liabilities	1,682,070	1,640,213
Specific-purpose provisions	570,075	658,901
90. Employee severance benefits	83,498	86,588
100. Provisions for risks and charges	486,577	572,313
Capital	1,102,071	1,102,071
160. Capital	1,102,071	1,102,071
Equity instruments	740,000	815,000
130. Equity instruments	740,000	815,000
Reserves (net of treasury shares)	5,694,270	5,431,349
140. Reserves	2,198,898	1,935,977
150. Share premium reserve	3,495,378	3,495,378
170. Treasury shares (-)	-6	-6
Valuation reserves	-64,224	-58,993
110. Valuation reserves	-64,224	-58,993
Profit (Loss) for the period	793,627	703,250
180. Profit (Loss) for the period	793,627	703,250
Total liabilities and equity	90,042,206	88,480,823

(*) The 2023 figures of "Net due to banks" were reclassified to be comparable with 2024 figures.

Loans to Customers

	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
- Current accounts	2,874,009	3,011,038	-137,029	-4.6
- Mortgage loans	45,661,048	44,961,500	699,548	1.6
- Invoice financing and credit facilities	16,122,239	14,901,251	1,220,988	8.2
- Non-performing loans	793,442	1,004,267	-210,825	-21.0
- Finance Leases	6,308	8,166	-1,858	-23
Loans to Customers	65,457,046	63,886,222	1,570,824	2.5
Securities measured at amortized cost	5,722,516	5,414,031	308,485	5.7
Total loans to Customers	71,179,562	69,300,253	1,879,309	2.7

As at 31 December 2024, loans to Customers came to 65.5 billion Euros, increasing by 1.6 billion Euros vs. 2023 (up by +2.5%) performing against the trend in the Italian banking system which proved decreasing (down by -1% Source ABI Monthly Outlook January 2025 “loans to households and non-financial corporations”). Net of non-performing loans (-21%), the perimeter of performing loans only, amounting to 64.7 billion Euros, increased by 3%, driven by home loans and by invoice financing and credit facilities to corporates.

Specifically, once again the Group provided constant support to the real economy, focusing especially on the ESG transition, through:

- Origination of home loans for 4.1 billion Euros, increasing vs. the previous year (+8%), growing at a faster pace than the market (which posted a lower performance of +1% Source: ABI Monthly Outlook (January 2025). Marked increased in loans financing the purchase of homes in energy efficiency classes A and B (+83% YoY), with a weight on total originated mortgage loans of 27% (vs. 16% in 2023) of ESG-linked loans;
- Loans to corporations coming to over 4 billion Euros (Corporate Banking), growing vs. 2023 (+4%), a performance that was achieved through a development path based on specialization, innovation and sustainability. Over 1.2 billion Euros in originated ESG products (Sustainability Linked Loans and Green Loans) to support corporations' sustainability, consistently with the Net Zero targets and bespoke for counterparties required to present non-financial reporting;
- Further strengthening of strategic positioning in the Agri Food business – a core segment for the Group – with loans up to +3% vs. 2023, while the market declined by -1.6% YoY (Source: the Bank of Italy). In 2024 Crédit Agricole Italia became an “Authorized Bank” for Supply Chain contracts within the 5th Tendering Procedure under Italy's Recovery and Resilience Plan, addressed to corporations operating in the agricultural and agri-food sectors, substantiating its tangible commitment to being a partner at the side of the Italian agri-food sector. Furthermore, the Bank presented its second “Agricoltura tra sostenibilità e innovazione” (Agriculture between Sustainability and Innovation) white book, in partnership with Bocconi University Agri Lab, concomitantly announcing a new amount of 3 billion Euros allocated to loans intended to finance sustainable development projects.

As at the reporting date, securities measured at amortized cost amounted to 5.7 billion Euros, up by 0.3 billion Euros vs. 31 December 2023.

Asset quality

	31 Dec. 2024			31 Dec. 2023		
	Gross exposure	Total adjustments	Net exposure	Gross exposure	Total adjustments	Net exposure
- Bad loans	484,481	345,878	138,603	525,767	409,095	116,672
- Unlikely to Pay	1,220,769	571,918	648,851	1,478,640	602,599	876,041
- Past-due/overlimit loans	9,812	3,824	5,988	18,250	6,696	11,554
Non-performing loans	1,715,062	921,620	793,442	2,022,657	1,018,390	1,004,267
- Performing loans - stage 2	6,706,287	294,603	6,411,684	7,376,099	312,573	7,063,526
- Performing loans - stage 1	58,314,339	62,419	58,251,920	55,884,651	66,222	55,818,429
Performing loans	65,020,626	357,022	64,663,604	63,260,750	378,795	62,881,955
Loans to Customers	66,735,688	1,278,642	65,457,046	65,283,407	1,397,185	63,886,222
Securities measured at amortized cost	5,735,913	13,397	5,722,516	5,426,766	12,735	5,414,031
Total loans to Customers	72,471,601	1,292,039	71,179,562	70,710,173	1,409,920	69,300,253

	31 Dec. 2024			31 Dec. 2023		
	Gross exposure/ total	Net exposure/ total	Coverage ratio	Gross exposure/ total	Net exposure/ total	Coverage ratio
- Bad loans	0.7%	0.2%	71.4%	0.8%	0.2%	77.8%
- Unlikely to Pay	1.8%	1.0%	46.8%	2.3%	1.4%	40.8%
- Past-due/overlimit loans	0.0%	0.0%	39.0%	0.0%	0.0%	36.7%
Non-performing loans	2.6%	1.2%	53.7%	3.1%	1.6%	50.3%
- Performing loans - stage 2	10.0%	9.8%	4.4%	11.3%	11.1%	4.2%
- Performing loans - stage 1	87.4%	89.0%	0.1%	85.6%	87.4%	0.1%
Performing loans	97.4%	98.8%	0.5%	96.9%	98.4%	0.6%
Loans to Customers	100.0%	100.0%	1.9%	100.0%	100.0%	2.1%

Asset quality further improved vs. the previous year: total net non-performing loans came to Euro 0.8 billion, down by -21% vs. December 2023, consistently with the derisking action under the Medium-Term Plan, thanks to effective management of non-performing exposures and to new defaults under control. The Non Performing Loans (NPL) coverage ratios hit 53.7%, increasing by 3.4 percentage points YoY due to the higher coverage ratio of Unlikely to Pay, which hit 46.8% (+6 percentage points).

Lower interest rates, along with the corporate model revision, led to the revision of downgrading thresholds with consequent reduction in stage 2 performing loans and increase in the related coverage ratio.

The NPL weight on total loans have also improved: the net NPL ratio decreased to 1.2% (vs. 1.6% in Dec. 2023) and the gross NPL ratio stood at 2.6% (vs. 3.1% in Dec. 2023).

Funding from Customers

	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
- Deposits	2,667,818	3,537,774	-869,956	-24.6
- Current and other accounts	58,225,126	57,367,491	857,635	1.5
- Other items	623,079	762,486	-139,407	-18.3
Due to Customers	61,516,023	61,667,751	-151,728	-0.2
Debt securities issued	16,259,323	14,592,458	1,666,865	11.4
Total direct funding	77,775,346	76,260,209	1,515,137	2.0
Indirect funding	102,007,757	92,888,389	9,119,368	9.8
Total funding	179,830,825	169,148,598	10,682,227	6.3

As at 31 December 2024, total funding, as the sum of direct and indirect funding, came to Euro 179.8 billion, increasing by Euro 10.7 billion (up by +6.3%) vs. 31 December 2023.

Specifically, total direct funding came to 77.8 billion Euros (up by +1.5 billion Euros, i.e. +2.0% YoY), in line with the system (+2.4% YoY Source: ABI Monthly Outlook January 2025). This growth took place in the most stable component of direct funding and resulted from both the issue of bonds and certificates of deposit and the placing on the market of two Covered Bonds Premium Label for a total of 1.5 billion Euros, of which 0.5 billion Euros in Green format. In this regard, it is pointed out that, at the XI Covered Bond Investor Conference in Frankfurt, Crédit Agricole Italia was awarded as “the most regular Italian issuer of covered bonds proving innovative – the only one with maturities of 10 years, 12 years, 15 years, 20 years and 25 years in the last decade”, giving evidence of the strong relationship established over time with Italian and international institutional investors.

Indirect funding

	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
- Wealth management	26,652,996	23,100,478	3,552,518	15.4
- Insurance products	27,265,206	26,927,778	337,428	1.3
Total assets under management	53,918,202	50,028,256	3,889,946	7.8
Assets under administration	48,089,555	42,860,133	5,229,422	12.2
Indirect funding	102,007,757	92,888,389	9,119,368	9.8

As at 31 December 2024, indirect funding came to Euro 102 billion, increasing by Euro 9.1 billion (up by +9.8%) vs. 31 December 2023, benefiting also from the growth in market prices. The asset management in-force business came to Euro 53.9 billion, increasing by Euro 3.9 billion (+7.8%) vs. the end of 2023, and showed higher growth in the products more related to market performances (wealth management up by +15.4%).

Assets under administration came to Euro 48.1 billion increasing by Euro 5.2 billion (+12.2%) with marked progress vs. 2023 thanks to purchases and subscription of securities, mostly government securities.

Financial assets and liabilities measured at fair value

	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Financial assets and liabilities measured at fair value through profit or loss				
- Debt securities	1,034	1,434	-400	-27.9
- Equity securities and units of collective investment undertakings	157,044	151,682	5,362	3.5
- Derivative financial instruments with positive FV	134,630	198,401	-63,771	-32.1
Total assets	292,708	351,517	-58,809	-16.7
- Derivative financial instruments with negative FV	136,796	198,241	-61,445	-31.0
Total liabilities	136,796	198,241	-61,445	-31.0
Net Total	155,912	153,276	2,636	1.7
Financial assets measured at fair value through other comprehensive income				
- Debt securities	3,487,359	3,615,157	-127,798	-3.5
- Equity securities	249,598	250,064	-466	-0.2
Total	3,736,957	3,865,221	-128,264	-3.3

As at 31 December 2024 financial assets measured at fair value through other comprehensive income amounted to Euro 3.7 billion, decreasing by 3.3% YoY.

Government securities held

	31 Dec. 2024			31 Dec. 2023		
	Nominal value	Book value	Valuation reserve	Nominal value	Book value	Valuation reserve
Financial assets held for trading						
Italian Government securities	1	1	X	11	13	X
Argentinian Government securities	87	-	X	87	-	X
Financial assets through other comprehensive income						
Italian Government securities	3,485,000	3,487,359	11,195	3,633,500	3,615,157	11,528
Financial assets measured at amortized cost						
Italian Government securities	4,987,000	5,036,894	X	4,565,000	4,655,255	X
Total	8,472,088	8,524,254	11,195	8,198,598	8,270,425	11,528

As at 31 December 2024, the total of government securities held amounted to Euro 8.5 billion in nominal terms, increasing by Euro 0.3 billion vs. the end of 2023 resulting from the portfolio measured at amortized cost.

Equity investments

	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
- Subsidiaries	166,257	166,941	-684	-0.4
- Joint arrangements	-	288	-288	-100.0
- Investees subject to significant influence	26,148	26,164	-16	-0.1
Total	192,405	193,393	-988	-0.5

The “Equity investments of the Bank” item came to Euro 192 million as at 31 December 2024, decreasing by Euro 1 million vs. the end of 2023.

The main changes occurred in 2024 were: the subscription of the Le Village by CA Milano S.r.l. share capital increase (Euro 612 thousand), the incorporation of Le Village by CA Sicilia S.r.l. (Euro 500 thousand), the full sale of Rajna Immobiliare S.r.l. (for a price of Euro 600 thousand, generating gains of Euro 339 thousand), the write-downs of Stellite Real Estate S.p.A. (Euro 1,460 thousand), Le Village by CA Milano S.r.l. (Euro 336 thousand), Global Broker S.p.A. (Euro 16 thousand) and Rajna Immobiliare S.r.l. (Euro 27 thousand).

Property, plant and equipment and intangible assets

As at the end of 2024, Property, Plant and Equipment and Intangible Assets amounted to Euro 2.4 billion (-3.6% YoY).

Specifically, “property, plant and equipment” came to Euro 1 billion (-6.5% YoY), due to decommissioning of and adjustments to property, as well as to the recognition of depreciation and of the change in assets recognized as “right of use” (in compliance with IFRS 16); “intangible assets” came to Euro 1.4 billion (-15% YoY) with this figure including goodwill for Euro 1.3 billion.

Specific-purpose provisions

	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Employee severance benefits	83,498	86,588	-3,090	-3.6
Provisions for risks and charges	486,577	572,313	-85,736	-15.0
a) commitments and guarantees given	91,689	78,921	12,768	16.2
b) post-employment and similar obligations	28,932	30,643	-1,711	-5.6
c) other provisions for risks and charges	365,956	462,749	-96,793	-20.9
Total specific-purpose provisions	570,075	658,901	-88,826	-13.5

As at 31 December 2024, specific-purpose provisions came to Euro 570.1 million, slightly decreasing by Euro 88.8 million YoY (-13.5%): specifically, item “other provisions for risks and charges” decreased by Euro 96.8 million for uses mainly of provisions for personnel and of provisions for risks for loan management.

Equity

	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Share capital	1,102,071	1,102,071	-	-
Share premium reserve	3,495,378	3,495,378	-	-
Income reserves	2,195,068	1,932,471	262,597	13.6
Other reserves	3,830	3,506	324	9.2
Reserve for valuation of financial assets through other comprehensive income	-20,195	-14,794	5,401	36.5
Reserves from valuation of actuarial gains (losses) relating to defined-benefit pension plans	-44,029	-44,199	-170	-0.4
Equity instruments	740,000	815,000	-75,000	-9.2
Treasury shares	-6	-6	-	-
Profit for the FY	793,627	703,250	90,377	12.9
Total (book) equity	8,265,744	7,992,677	273,067	3.4

As at 31 December 2024, book equity stood at Euro 8.3 billion, increasing by Euro 0.3 billion YoY (+3.4%).

The increase mainly resulted from the profit for the FY amounting to 794 million Euros net of distributed dividends (362 million Euros) and from the decrease in equity instruments (-75 million Euros).

The “Equity instruments” item reports the amount of additional tier 1 (AT1) instruments, amounting to Euro 740 million as at the end of 2024.

Own Funds and capital ratios

	31 Dec. 2024	31 Dec. 2023
A. Common Equity Tier 1 (CET1) prior to the application of prudential filters	7,059,990	6,782,765
of which CET1 instruments subject to transitional arrangements	-	-
B. CET1 (+/-) prudential filters	-38,506	-34,971
C. CET1 gross of the elements to be deducted and of the effects of the transitional regime (A +/- B)	7,021,484	6,747,794
D. Elements to be deducted from CET1	1,454,819	1,659,509
E. Transitional regime - Impact on CET1 (+/-)	-	-
F. Total Common Equity Tier 1 (CET1) (C-D+/-E)	5,566,665	5,088,285
G. (Additional Tier 1 (AT1) gross of the elements to be deducted and of the effects of the transitional regime	740,000	815,000
of which AT1 instruments subject to transitional arrangements	-	-
H. Elements to be deducted from AT1	-	-
I. Transitional regime- Impact on AT1 (+/-)	-	-
L. Total Additional Tier 1 (AT1) (G - H +/- I)	740,000	815,000
M. Tier 2 (T2) gross of the elements to be deducted and of the effects of the transitional regime	1,120,454	1,070,001
of which T2 instruments subject to transitional arrangements	-	-
N. Elements to be deducted from T2	-	-
O. Transitional regime- Impact on T2 (+/-)	-	-
P. Total Tier 2 (T2) (M - N +/- O)	1,120,454	1,070,001
Q. Total own funds (F + L + P)	7,427,119	6,973,286

Capital adequacy

	Non-weighted amounts		Weighted amounts/requirements	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
A. RISK ASSETS				
A.1 Credit and counterparty risks	94,558,477	96,114,879	32,596,113	30,541,546
1. Standardized approach	58,212,735	60,105,236	24,633,164	22,097,167
2. IRB approach	36,344,788	36,008,298	7,955,696	8,432,019
2.1 Foundation	-	-	-	-
2.2 Advanced	36,344,788	36,008,298	7,955,696	8,432,019
3. Asset-backed securities	954	1,345	7,253	12,360
B. SUPERVISORY CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risks			2,607,689	2,443,324
B.2 Credit valuation adjustment risk			1,380	1,534
B.3 Regulatory risk			-	-
B.2 Market risks			543	638
1. Standardized approach			543	638
2. Internal models			-	-
3. Concentration risk			-	-
B.3 Operational risk			383,289	353,522
1. Basic indicator approach			-	-
2. Standardized approach			383,289	353,522
3. Advanced approach			-	-
B.5 Other measurement elements			-	-
B.6 Total prudential requirements (*)			2,992,901	2,799,018
C. RISK ASSETS AND CAPITAL ADEQUACY RATIOS				
C.1 Risk-weighted assets			37,411,264	34,987,716
C.2 Common Equity Tier 1/Risk-weighted assets (CET 1 capital ratio)			14.9%	14.5%
C.3 Tier 1 capital /Risk-weighted assets (Tier 1 capital ratio)			16.9%	16.9%
C.4 Total own funds/risk-weighted assets (Total capital ratio)			19.9%	19.9%

The minimum capital requirements applying to Crédit Agricole Italia as at 31 December 2024 amounted to the sum of:

- Minimum requirement under Article 92 of the CRR: Common Equity Tier 1 (CET1) ratio 4.50%; Tier 1 (T1) ratio 6.00%; Total Capital (TC) ratio 8.00%.
- Capital conservation buffer (CCB) in accordance with Article 129 of the CRD (2.50%).
- Systemic Risk Buffer (SyRB buffer), pursuant to Article 133 of the CRD, required by the Bank of Italy as of 31 December 2024 with a target rate to be reached by 30 June 2025: equal to 0.44% as at 31 December 2024.

Based on the foregoing, as at 31 December 2024 the requirements to be complied with by Crédit Agricole Italia were as follows:

- 7.44% the CET1 ratio;
- 8.94% the T1 ratio;
- 10.94% the TC ratio.

As at 31 December 2024, Common Equity Tier 1 hit Euro 5,567 million, increasing vs. the previous FY (Euro 5,088 million). This increase mainly reflects the evolution in book equity items, including the calculation of the portion of annual earnings retained, lower deductions for DTA, lower deductions for other intangible assets and lower deductions resulting from Calendar Provisioning (NPL backstop).

In 2024 the following issues and repayments of subordinated instruments were carried out: issue in June of an AT1 instrument of Euro 275 million and concomitant repayment, on the early repayment date provided for by the related contract, of an AT1 instrument of Euro 350 million issued in 2018; new issues of T2 instruments for Euro 45 million in June and another Euro 80 million in September; issue, in December, of a T2 instrument of Euro 190 million and concomitant early repayment of a T2 instrument of Euro 250 million issued in 2017. The Tier 2 Capital amount includes both the effect of the amortization of the junior notes and the above-listed repayments and new issues of T2 instruments.

Risk-weighted assets came to Euro 37,411 million, increasing vs. 2023 (up by Euro +2.4 billion) essentially in line with the development in commercial activities.

Following the above-reported developments, the Common Equity Tier 1 ratio as at 31 December 2024 came to 14.9% (14.5% as at 31 December 2023), the Tier 1 ratio to 16.9% (essentially in line with the figure as at 31 December 2023) and the Total Capital ratio to 19.9% (in line with the figure as at the end of the previous year). All ratios proved well above the minimum requirements.

PROFIT OR LOSS

Crédit Agricole Italia proved once again able to generate considerable and sustainable profitability on a continuous basis, thanks to its balanced business model that focused on providing support to customers. Net income increased by +12.9% vs. the previous year, hitting 794 million Euros.

The figures reported on the next pages are expressed in thousands of Euros.

Reclassified income statement

	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Net interest income	1,751,890	1,769,882	-17,992	-1.0
Net fee and commission income	1,260,478	1,218,548	41,930	3.4
Dividend income	13,243	14,200	-957	-6.7
Financial income (loss)	25,029	29,298	-4,269	-14.6
Other operating income (expenses)	-4,623	-9,748	-5,125	-52.6
Operating income	3,046,017	3,022,180	23,837	0.8
Personnel expenses	-943,597	-933,343	10,254	1.1
Administrative expenses	-580,350	-640,619	-60,269	-9.4
Amortization of intangible assets and depreciation of property, plant and equipment	-107,604	-112,860	-5,256	-4.7
Operating expenses	-1,631,551	-1,686,822	-55,271	-3.3
Operating margin	1,414,466	1,335,358	79,108	5.9
Net provisions for risks and charges	1,028	-22,042	23,070	
Net adjustments to loans	-233,892	-304,137	-70,245	-23.1
Impairment of securities	-682	11,124	-11,806	
Gains (losses) on other investments	-20,140	-18,243	1,897	10.4
Profit (loss) before taxes from continuing operations	1,160,780	1,002,060	158,720	15.8
Taxes on income from continuing operations	-367,153	-298,810	68,343	22.9
Profit (Loss) for the period	793,627	703,250	90,377	12.9

Reconciliation between the Official and the Reclassified Income Statements

	31 Dec. 2024	31 Dec. 2023
Net interest income	1,751,890	1,769,882
30. Net interest income	1,741,717	1,716,982
90. Net gains (losses) on hedging activities: of which amortized cost effect of hedging of debt instruments	808	-874
100. Gains (losses) on disposal or repurchase of: a) financial assets measured at amortized cost: o/w gains on disposal on inflation-linked BTP govies	7,239	40,273
100. Gains (losses) on disposal or repurchase of: b) financial assets measured at fair value through other comprehensive income: of which gains on the disposal of inflation BTP	2,126	13,501
Net fee and commission income	1,260,478	1,218,548
60. Net fee and commission income	1,260,115	1,217,420
To deduct: Fee and commission expenses on disposal of investments	-	648
200. Other operating expenses/income: of which Commission income from Fast Loan Application Processing	363	480
Dividends and similar income = item 70	13,243	14,200
Financial income (loss)	25,029	29,298
80. Net gains (losses) on trading activities	17,079	14,667
90. Net gains (losses) on hedging activities	-12,068	-8,897
90. Net gains (losses) on hedging activities: of which amortized cost effect of hedging of debt instruments	-808	874
100. Gains (losses) on disposal or repurchase of: a) securities classified as financial assets measured at amortized cost	4,960	10,824
100. Gains (losses) on disposal or repurchase of: b) financial assets measured at fair value through other comprehensive income	21,362	26,007
To deduct: release of provision for impairment of securities measured at fair value through other comprehensive income	-2,921	-2,149
To deduct: gains on disposal of inflation BTP Italian Government securities	-2,126	-13,501
100. Gains (losses) on disposal or repurchase of: c) financial liabilities	-728	-1,670
110. Net gains (losses) on other financial assets and liabilities measured at fair value through profit or loss	-1,781	2,566
To deduct: b) other financial assets mandatorily measured at fair value of which measurement of financial instruments	2,060	577
Other operating income (expenses)	-4,623	-9,748
200. Other operating costs/income	408,189	379,757
To deduct: expenses recovered	-408,821	-387,199
To deduct: recovered expenses for the management of non-performing loans	-2,569	-1,778
To deduct: Commission income from Fast Loan Application Processing	-363	-480
To deduct: gains/losses from sublease contract under IFRS 16	-1,059	-101
220. Gains (Losses) on equity investments of which Price Adjustment for disposal of equity investments	-	53
Operating income	3,046,017	3,022,180
Personnel expenses = item 160 a)	-943,597	-933,343
Administrative expenses	-580,350	-640,619
160. Administrative expenses: b) other administrative expenses	-1,001,467	-1,040,134
To deduct: expenses for the management of non-performing loans	12,296	12,316
200. Other operating expenses/income: of which expenses recovered	408,821	387,199
Depreciation and amortization	-107,604	-112,860
180. Net adjustments to/recoveries on property, plant and equipment	-108,409	-114,160
To deduct: impairment/impairment recoveries on non-current assets held for investment/ IFRS 16 right of use	21,941	19,003
To deduct: impairment on assets held for sale under IFRS 5	-	3,433
190. Net adjustments to//recoveries on intangible assets	-21,136	-21,136

	31 Dec. 2024	31 Dec. 2023
Operating expenses	-1,631,551	-1,686,822
Operating margin	1,414,466	1,335,358
Adjustments on goodwill = item 240	-	-
Net provisions for risks and charges	1,028	-22,042
170. Net provisioning for risks and charges; b) other net provisioning	-1,822	-38,042
To deduct: provision for loan management	2,850	16,000
Net adjustments to loans	-233,892	-304,137
100. Gains (losses) on disposal or repurchase of: a) financial assets measured at amortized cost	31,308	73,647
To deduct gains (losses) on disposal or repurchase of: a) securities classified as financial assets measured at amortized cost	-4,960	-10,824
To deduct: release of provision for impairment of securities measured at amortized cost	-1,623	-9,528
To deduct: gains on disposal of inflation BTP Italian Government securities	-7,239	-40,273
110. Net gains (losses) on other financial assets and liabilities measured at fair value through profit or loss: of b) of other financial assets mandatorily measured at fair value: of which measurement of financial instruments	-2,060	-577
130. Net adjustments for credit risk of: a) financial assets measured at amortized cost	-225,020	-275,094
To deduct: net adjustments for credit risk of: a) securities classified as financial assets measured at amortized cost	2,286	-1,048
140. Gains/Losses on contract modifications without derecognition	-1,238	-7,495
160. Administrative expenses: b) other administrative expenses: of which expenses for the management of non-performing loans	-12,296	-12,316
200. Other operating expenses/income: of which recovered expenses for the management of non-performing loans	2,569	1,778
170. Net provisioning for risks and charges: a) commitments and guarantees given	-12,769	-6,407
170. Net provisioning for risks and charges: b) other net provisioning o/w provision for loan management	-2,850	-16,000
Impairment of securities	-682	11,124
130. Net adjustments for credit risk to: a) o/w securities classified as financial assets measured at amortized cost	-2,286	1,048
130. Net adjustments for credit risk of: b) financial assets measured at fair value through other comprehensive income	-2,940	-1,601
100. Gains (losses) on disposal or repurchase of: a) of which impairment release on securities measured at amortized cost	1,623	9,528
100. Gains (losses) on disposal or repurchase of: a) of which impairment release on securities measured at fair value through other comprehensive income	2,921	2,149
Gains (losses) on other investments	-20,140	-18,243
180. Net adjustments to/recoveries on property, plant and equipment: o/w impairment/impairment recoveries on non-current assets held for investment/IFRS 16 right of use	-21,941	-19,003
180. Net adjustments to/recoveries on property, plant and equipment	-	-3,433
200. Other operating costs/income: o/w gains/losses from sublease contracts under IFRS 16	1,059	101
220. Gains (losses) on equity investments	-1,164	1,896
To deduct: Price Adjustment on disposal of equity investments	-	-53
50. Fee and commission expense: of which Fees and Commissions on disposal of investments	-	-648
230. Net gains (losses) from property, plant and equipment and intangible assets measured at fair value	-	-
250. Gains (losses) on disposals of investments	1,906	2,897
Profit (loss) before taxes from continuing operations	1,160,780	1,002,060
Taxes on income from continuing operations	-367,153	-298,810
270. Taxes on income from continuing operations	-367,153	-298,810
Profit (Loss) for the period	793,627	703,250

Operating income

Operating income hit 3,046 million Euros, growing by +0.8% YoY, driven by the increase in the fee and commission component, which grew by +3.4% YoY, while net interest income slightly decreased (-1.0% YoY).

Net interest income

	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Business with customers	1,712,049	1,715,821	-3,772	-0.2
Business with banks	329,700	117,220	212,480	
Debt securities issued	-704,867	-500,950	203,917	40.7
Financial assets held for trading	6	6	-	-
Assets measured at fair value	521	273	248	90.8
Securities measured at amortized cost	182,877	240,530	-57,653	-24.0
Securities through other comprehensive income	132,310	134,377	-2,067	-1.5
Other net interest income	99,294	62,605	36,689	58.6
Net interest income	1,751,890	1,769,882	-17,992	-1.0

Net interest income came to 1,752 million Euros (-1.0% YoY). In H2 the ECB started to ease its monetary policy and lowered its Deposit Facility Rate (DFR) to 3.0% (-100 bps vs. 31 December 2023). In this context, net interest income proved essentially stable thanks to specific interest rate risk hedging policies.

Net fee and commission income

	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
- guarantees given and received	15,383	13,068	2,315	17.7
- collection and payment services	99,667	94,107	5,560	5.9
- current accounts	254,226	279,039	-24,813	-8.9
- debit and credit card services	90,781	81,862	8,919	10.9
Commercial banking business	460,057	468,076	-8,019	-1.7
- securities intermediation and placement	273,199	246,659	26,540	10.8
- intermediation in foreign currencies	7,458	7,053	405	5.7
- asset management	12,854	11,483	1,371	11.9
- distribution of insurance products	373,868	339,990	33,878	10.0
- other intermediation/management fee and commission income	57,186	65,702	-8,516	-13.0
Management, intermediation and advisory services	724,565	670,887	53,678	8.0
Other net fee and commission income	75,856	79,585	-3,729	-4.7
Total net fee and commission income	1,260,478	1,218,548	41,930	3.4

Fee and commission income came to Euro 1,260 million, increasing by +3.4% YoY: the performance of this aggregate resulted from the good contribution of the “management, intermediation and advisory services” component, which grew by +8.0% YoY, driven by the brilliant results of placement of Wealth Management products, as well as by market dynamism; conversely, the contribution from “commercial banking activities” decreased (-1.7% YoY), with a decrease in income from keeping and managing current accounts (-8.9% YoY) only partially offset by the good performance of collection and payment services (+5.9% YoY) and debit and credit card services (+10.9% YoY), associated with the development in transaction volumes and transactions by customers.

Dividend income

Dividend income came to 13.2 million Euros, mainly regarding the stake in the Bank of Italy for Euro 9.6 million.

Financial income (loss)

	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Interest rates	5,794	4,404	1,390	31.6
Stocks	-1	-	1	-
Foreign exchange	11,286	10,263	1,023	10.0
Total gains (losses) on financial assets held for trading	17,079	14,667	2,412	16.4
Total gains (losses) on assets held for hedging	-12,876	-8,023	4,853	60.5
Net gains (losses) on financial assets and liabilities measured at fair value	279	3,143	-2,864	-91.1
Total gains (losses) on securities recognized as assets and liabilities measured at amortized cost	4,232	9,154	-4,922	-53.8
Total gains (losses) on securities through other comprehensive income	16,315	10,357	5,958	57.5
Financial income (loss)	25,029	29,298	-4,269	-14.6

Financial income came to Euro 25 million, down by Euro 4 million YoY, with the decrease resulting from several factors, such as the measurement of hedges (-4.9 million Euros), which was affected by the lower rates on hedges of fixed-rate liabilities, and realized gains and losses/measurement of securities mandatorily measured at fair value (-2.9 million Euros). Conversely, income from trading activities increased (+2.4 million Euros), as regards both interest rates and foreign exchange, as did income from the sale of own proprietary securities (+1 million Euros).

Other operating income (expenses)

The Balance of the "Other operating income/expenses" item was negative by Euro 5 million, improving by Euro 5 million vs. 2023 and reports contingent assets for insurance refunds.

Operating expenses

	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
Personnel expenses	-943,597	-933,343	10,254	1.1
- general operating expenses	-51,612	-56,163	-4,551	-8.1
- IT services	-261,823	-260,639	1,184	0.5
- direct and indirect taxes	-175,946	-160,107	15,839	9.9
- real estate property management	-11,292	-13,757	-2,465	-17.9
- legal and other professional services	-15,765	-18,898	-3,133	-16.6
- advertising and promotion expenses	-23,096	-19,248	3,848	20.0
- indirect personnel expenses	-6,129	-8,787	-2,658	-30.2
- contributions to bank resolution funds	-58,000	-101,038	-43,038	-42.6
- other expenses	-385,508	-389,181	-3,673	-0.9
- expenses and charges recovered	408,821	387,199	21,622	5.6
Administrative expenses	-580,350	-640,619	-60,269	-9.4
- intangible assets	-21,136	-21,136	-	-
- property, plant and equipment	-86,468	-91,724	-5,256	-5.7
Depreciation and amortization	-107,604	-112,860	-5,256	-4.7
Operating expenses	-1,631,551	-1,686,822	-55,271	-3.3
Operating expenses net of contributions to bank resolution funds	-1,573,551	-1,585,784	-12,233	-0.8

Operating expenses came to Euro 1,632 million decreasing by Euro 55 million, i.e. by 3.3%, of which Euro 43 million for lower contributions to the Bank Resolution Fund, as it reached the necessary amount in 2023.

Net of that expense, the other administrative expenses decreased by 3.2% , thanks to the structural efficiency enhancing actions, whereby the cost basis could be reduced over time; conversely, the cost for personnel increased by 1.1% due to the alignment with the applicable Italian national collective bargaining agreement, partly offset by the reduction in employees on staff; total operating costs, including depreciation and amortization (stable YoY) came to Euro 1,574 million, decreasing (-0.8% YoY).

Thanks to costs that proved stable and income that grew, the Cost/Income ratio improved and, net of contributions to Bank Resolution Funds came to 51.7% vs. 52.5% in 2023.

Operating margin

The 2024 operating margin came to Euro 1,414 million, increasing by +5.9% YoY; net of the contributions to bank resolution funds, the figure hit Euro 1,472 million, up by +2.5% YoY.

Net provisions for risks and charges

Net provisions for risks and charges referred mostly to non-lending-related legal disputes. The aggregate benefited from recoveries on provisions set aside upon the PPA recognized following the acquisition of Creval, for which the probability of the specific risk ceased to exist.

Net adjustments to loans

	31 Dec. 2024	31 Dec. 2023	Changes	
			Absolute	%
- bad loans	-68,817	-65,685	3,132	4.8
- Unlikely to Pay	-125,920	-150,071	-24,151	-16.1
- Past-due loans	-5,518	-4,847	671	13.8
Non-performing loans	-200,255	-220,603	-20,348	-9.2
- Performing loans - stage 2	-9,402	-89,587	-80,185	-89.5
- Performing loans - stage 1	4,409	47,069	-42,660	-90.6
Performing loans	-4,993	-42,518	-37,525	-88.3
Net losses on impairment of loans	-205,248	-263,121	-57,873	-22.0
Gains/Losses on contract modifications without derecognition	-1,238	-7,495	-6,257	-83.5
Measurement of financial instruments	-2,059	-577	1,482	
Provision for loan management	-2,850	-16,000	-13,150	-82
Expenses/recovered expenses for loan management	-9,728	-10,536	-808	-7.7
Net adjustments for guarantees and commitments	-12,769	-6,408	6,361	99.3
Net adjustments to loans	-233,892	-304,137	-70,245	-23.1

Net adjustments to loans, coming to Euro 234 million, proved on a significantly decreasing trend from Euro 304 million in the same period of the previous year (-23.1% YoY). Furthermore, thanks to close attention to asset quality, the volumes of new defaults, could be kept at extremely low amounts (default rate at 0.7%), this contributed to a marked decrease in net non-performing loans (-21.0% YoY).

The weights of adjustments to loans came to 36 bps vs. 48 bps as at December 2023.

Gains (losses) on other investments

Activities on other investments posted an amount of -20 million Euros mainly resulting from writedowns of the property portfolio (in accordance with the Group policy) for Euro 21.9 million, and from losses on equity investments for Euro 1.2. Million, with a positive effect of Euro 1.9 million from sale of properties.

Profit (loss) before taxes from continuing operations and net income

Profit before taxes came to Euro 1,161 million in 2024, increasing by 159 million Euros (+15.8%) vs. 2023.

After taxes, amounting to Euro 367 million, the net book profit came to Euro 794 million, increasing by Euro 90.4 million (+12.9% YoY) vs. 2023.

Comprehensive income

	31 Dec. 2024	31 Dec. 2023
10. Profit (Loss) for the period	793,627	703,250
Other comprehensive income after tax not reclassified to profit or loss		
20. Equity securities designated at fair value through other comprehensive income	313	-9,741
30. Financial liabilities designated at fair value through profit or loss (changes in own credit rating)	-	-
40. Hedging of equity securities designated at fair value through other comprehensive income	-	-
50. Property, Plant and Equipment	-	-
60. Intangible assets	-	-
70. Defined-benefit plans	170	-5,555
80. Non-current assets held for sale and discontinued operations	-	-
90. Share of valuation reserve on equity investments measured with the equity method:	-	-
Other income components reclassified to profit or loss		
100. Hedges of investments in foreign operations	-	-
110. Foreign exchange differences	-	-
120. Cash flow hedges	-	-
130. Hedging instruments (non-designated elements)	-	-
140. Financial assets (other than equity securities) measured at fair value through other comprehensive income	-5,714	10,887
150. Non-current assets held for sale and discontinued operations	-	-
160. Share of valuation reserves on equity investments measured using the equity method:	-	-
170. Total other comprehensive income after taxes	-5,231	-4,409
140. Comprehensive income (Item 10+170)	788,396	698,841

Comprehensive income came to 788 million Euros and mainly consisted of the profit for the period (amounting to 794 million Euros) and of the fair value changes of assets directly recognized in equity reserves, which report a total negative impact of 5.7 million Euros; equity securities designated at fair value through other comprehensive income generated a positive contribution of Euro 0.3 million, and defined-benefit plans gave a positive contribution of 0.2 million Euros.

It is pointed out that the inclusion in comprehensive income of the item reporting “Financial assets measured at fair value through other comprehensive income” entails strong volatility that must be taken into account when analyzing the table.

OTHER INFORMATION

LE VILLAGE BY CA

The Le Village by CA project is an initiative that was devised and started in France in 2014 by the *Fédération Nationale du Crédit Agricole*, pursuing the goal of creating an innovation ecosystem at an international level involving startups, large companies and all the Entities of the Crédit Agricole Group. The ecosystem has been growing at a fast pace and today it is one of the most important innovation networks in Europe.

In this context Crédit Agricole Italia S.p.A. continued to develop the Le Village by CA ecosystem setting up, in April 2024, “Le Village by CA Sicilia”, based in Catania, Sicily. The go-live of the new Le Village was promoted with a specific Call4Startup, whereby 10 startups were selected and given access to an acceleration path in view of the opening of the new hub in Catania.

The new entity pursues the goals of supporting the growth of startups, speeding up businesses’ innovation, attracting talents and disseminating knowledge and awareness of these topics, to generate a positive economic and social impact on the area as a whole.

At present, in Italy five Villages are in operations: Le Village by CA Milano S.r.l., Le Village by CA Parma S.r.l., Le Village by CA Triveneto S.r.l. (Based in Padua), Le Village by CA delle Alpi società Benefit S.r.l. And Le Village by CA Sicilia Srl. In but few years the ecosystem has become one of the main accelerators of startups in Italy, establishing many strategic partnerships with institutions, Research Centers and top Universities.

COVERED BONDS

In the reporting period, Crédit Agricole Italia finalized three new issues of Covered Bonds for a total of 1,6 billion Euros. Specifically, Crédit Agricole Italia placed:

- An issue of Green Covered Bonds for Euro 500 million with maturity of over 9 years. Consistently with the Group’s ESG objectives, the issue aimed at financing or refinancing a pool of residential mortgage loans selected based on sustainability criteria and originated for the purchase or construction of high energy efficiency properties, in accordance with the Green Bond Framework of the Crédit Agricole Group.
- Another issue on the market of Covered Bonds, for an amount of 1 billion Euros and maturity of 12 years.

DISCLOSURE ON TRANSACTIONS WITH RELATED PARTIES

Detailed information on intra-group transactions and on transactions with related parties, including information on the weight of the transactions or existing positions with said counterparties on equity, the financial situation and profit or loss, along with tables summarizing those effects, is given in Part H of the Note to the financial statements.

RESEARCH AND DEVELOPMENT

For information on research and development activities, please see other parts of the Management Report to the Consolidated Financial Statements, specifically the chapter on the Strategic Plan and Business Development Lines as regards the creation of new products and services for Customers.

RISKS AND UNCERTAINTIES

The risk monitoring, management and control policies continue to be key pivots on which, in the present and future scenario, Banks must measure themselves both against each other and against domestic and international markets.

Crédit Agricole Italia’s governance bodies continue to give high and constant attention to development and growth, through close monitoring of the risk the Bank is exposed to, considering also the effects of the uncertainty about the macroeconomic evolution and of the complex geopolitical situation, which has become a feature of the present historical period. These issues may indeed generate impacts on the financial, cash flow and profit or loss structure that the Bank is required to manage and keep at acceptable levels, in order to protect savings (and thus its Customers’ trust) and lending (healthy drivers of growth).

Crédit Agricole Italia uses risk control methods, measurement standards and tools that are consistent throughout the Crédit Agricole Group and appropriate for both the type and size of the risks taken, also in such a complex economic scenario as the present one.

In the reporting year, the economic activity proved on a growth trend, with international development outperforming the early 2024 expectations. The recovery in households' purchasing power was driven not only by inflation gradually going back to its target level, but also by the increase in nominal wages, which contributed to support consumption and domestic demand in a significant manner. Nevertheless, 2024 was not free from uncertainty elements: besides the war in Ukraine and the Israeli-Palestinian conflict, which were widely factored in by markets, other elements arose, such as political instability in some Countries of the Euro Zone and the worsening of trade tensions between the USA and China, especially in the last part of the year.

In this scenario, the main international Central Banks started to cut their key interest rates at a quite even pace, contributing to stimulating a first recovery in real estate and credit markets, albeit maintaining a data-dependent approach and giving no guidance about further lowering interest rates, in order to ensure that underlying inflationary pressure remain under control on a sustained basis.

The assessment giving evidence of the Bank's ability to continue as a going concern is based on both the sound capital position, which shows a reassuring and high buffer on top of the requirements set by the ECB, and on its present liquidity above the regulatory threshold, as well as on the healthy and prudent management that has always been a distinctive feature of the Group, while ensuring steady development through sustainable growth strategies and the commitment to providing households and businesses with support.

For reporting on the main risks to which Crédit Agricole Italia is exposed, please see the specific section of the notes to the financial statements.

TREASURY SHARES

The Parent Company Crédit Agricole Italia holds 6,221 treasury shares.
For more information on equity, please see the note to the financial statements.

SOCIAL RESPONSIBILITY

For more exhaustive information on social responsibility, please see the Consolidated Sustainability Report in the Management Report to the Consolidated Financial Statements.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURE - INFORMATION PURSUANT TO ARTICLE 123-B/S PARAGRAPH 2, LETTER B) OF ITALIAN LEGISLATIVE DECREE NO. 58/98 (THE ITALIAN CONSOLIDATED ACT ON FINANCE -TUF)

For the Report on corporate governance and ownership structure, please refer to the Annual Report and Consolidated Financial Statements of the Crédit Agricole Italia Banking Group.

PROPOSAL TO THE GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

The Annual Report and Financial Statements for the financial year from 1 January to 31 December 2024, submitted for your examination, consist of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows, the Note to the Financial Statements, as well as of the Annexes, and are accompanied by the Management Report.

Considering that the legal reserve already amounts – in accordance with Article 2430 of the Italian Civil Code – to one fifth of the share capital, the proposal for the allocation of net income for the period amounting to Euro 793,627,390 is as follows:

To the fund for charity and support to social and cultural initiatives.....	2,500,000
To the Shareholders in an amount of Euro 0.3905 to each one of the 1,102,071.064 outstanding ordinary shares(*).....	430,358,750
To extraordinary reserve	360,768,640

(*) To the treasury shares held by the Bank as at the ex-dividend date no dividend shall be due and the related amount shall be allocate to extraordinary reserve.

In accordance with the applicable legislation, the dividend shall be payable effective from 06 May 2025 and with ex-coupon date on 02 May 2025.

Parma, 18 March 2025

The Chairman of the Board of Directors
Ariberto Fassati

FINANCIAL STATEMENTS

BALANCE SHEET

Assets	31 Dec. 2024	31 Dec. 2023
10. Cash and cash equivalents	5,295,825,535	10,383,271,686
20. Financial assets measured at fair value through profit or loss	292,708,157	351,516,894
a) financial assets held for trading;	134,710,119	198,490,863
c) other financial assets mandatorily measured at fair value	157,998,038	153,026,031
30. Financial assets measured at fair value through other comprehensive income	3,736,957,036	3,865,220,988
40. Financial assets measured at amortized cost	75,674,840,662	71,631,909,311
a) due from banks	4,495,278,789	2,331,656,702
b) Loans to customers	71,179,561,873	69,300,252,609
50. Hedging derivatives	754,029,734	863,647,208
60. Fair value change of financial assets in macro-hedge portfolios (+/-)	-164,801,095	-328,603,257
70. Equity investments	192,405,098	193,393,383
80. Property, Plant and Equipment	991,180,745	1,060,113,417
90. Intangible assets	1,389,283,887	1,410,420,055
- of which goodwill	1,315,925,274	1,315,925,274
100. Tax assets	1,514,144,153	1,988,835,876
a) current	447,194,235	612,560,954
b) deferred	1,066,949,918	1,376,274,922
110. Non-current assets held for sale and discontinued operations	1,478,470	9,104,327
120. Other assets	2,429,372,531	2,471,744,982
Total assets	92,107,424,913	93,900,574,870

Liabilities and Equity	31 Dec. 2024	31 Dec. 2023
10. Financial liabilities measured at amortized cost	79,992,999,616	81,789,029,047
a) Due to banks	1,929,114,773	5,221,912,860
b) Due to Customers	61,804,561,603	61,974,657,969
c) Debt securities issued	16,259,323,240	14,592,458,218
20. Financial liabilities held for trading	136,795,758	198,241,205
40. Hedging derivatives	1,672,836,490	2,139,540,183
50. Fair value change of financial liabilities in macro-hedge portfolios (+/-)	-504,833,788	-791,351,178
60. Tax liabilities	291,739,007	273,324,927
a) current	250,990,107	228,397,888
b) deferred	40,748,900	44,927,039
80. Other liabilities	1,682,067,854	1,640,213,092
90. Employee severance benefits	83,497,774	86,587,780
100. Provisions for risks and charges	486,577,488	572,312,581
a) commitments and guarantees given	91,689,498	78,920,545
b) post-employment and similar obligations	28,931,923	30,642,792
c) other provisions for risks and charges	365,956,067	462,749,244
110. Valuation reserves	-64,223,718	-58,992,972
130. Equity instruments	740,000,000	815,000,000
140. Reserves	2,198,898,154	1,935,977,337
150. Share premium reserve	3,495,378,045	3,495,378,045
160. Capital	1,102,071,064	1,102,071,064
170. Treasury shares (-)	-6,221	-6,017
180. Profit (Loss) for the period (+/-)	793,627,390	703,249,776
Total liabilities and equity	92,107,424,913	93,900,574,870

INCOME STATEMENT

Items	31 Dec. 2024	31 Dec. 2023
10. Interest and similar income	3,502,041,456	3,185,296,048
Of which: interest income calculated with the effective interest method	3,495,418,711	3,178,723,436
20. Interest and similar expenses	(1,760,323,563)	(1,468,314,058)
30. Net interest income	1,741,717,893	1,716,981,990
40. Fee and commission income	1,308,889,507	1,267,069,232
50. Fee and commission expense	(48,775,415)	(49,649,202)
60. Net fee and commission income	1,260,114,092	1,217,420,030
70. Dividend and similar income	13,243,327	14,199,886
80. Net gains (losses) on trading activities	17,078,865	14,666,737
90. Net gains (losses) on hedging activities	(12,068,334)	(8,896,922)
100. Gains (losses) on disposal or repurchase of:	51,941,862	97,983,249
a) financial assets measured at amortized cost	31,307,749	73,646,512
b) financial assets measured at fair value through other comprehensive income	21,362,421	26,006,975
c) financial liabilities	(728,308)	(1,670,238)
110. Net gains (loss) on other financial assets and liabilities measured at fair value through profit or loss	(1,780,726)	2,565,560
b) other financial assets mandatorily measured at fair value	(1,780,726)	2,565,560
120. Net banking income	3,070,246,979	3,054,920,530
130. Net adjustments/recoveries for credit risk on:	(227,959,573)	(276,695,263)
a) financial assets measured at amortized cost	(225,019,565)	(275,093,803)
b) financial assets measured at fair value through other comprehensive income	(2,940,008)	(1,601,460)
140. Gains/Losses on contract modifications without derecognition	(1,237,684)	(7,495,410)
150. Net financial income (loss)	2,841,049,722	2,770,729,857
160. Administrative expenses:	(1,945,063,810)	(1,973,476,522)
a) personnel expenses	(943,596,593)	(933,342,881)
b) other administrative expenses	(1,001,467,217)	(1,040,133,641)
170. Net provisions for risks and charges	(14,591,178)	(44,449,090)
a) commitments and guarantees given	(12,768,958)	(6,407,381)
b) other net provisions	(1,822,220)	(38,041,709)
180. Net adjustments to/recoveries on property, plant and equipment	(108,408,622)	(114,159,433)
190. Net adjustments to/recoveries on intangible assets	(21,136,168)	(21,136,168)
200. Other operating costs/income	408,188,010	379,758,085
210. Operating costs	(1,681,011,768)	(1,773,463,128)
220. Gains (losses) on equity investments	(1,164,234)	1,895,865
250. Gains (losses) on disposals of investments	1,906,366	2,897,002
260. Profit (Loss) before tax from continuing operations	1,160,780,086	1,002,059,596
270. Taxes on income from continuing operations	(367,152,696)	(298,809,820)
280. Profit (Loss) after tax from continuing operations	793,627,390	703,249,776
300. Profit (Loss) for the period	793,627,390	703,249,776

STATEMENT OF COMPREHENSIVE INCOME

Items	31 Dec. 2024	31 Dec. 2023
10. Profit (Loss) for the period	793,627,390	703,249,776
Other comprehensive income after tax not reclassified to profit or loss		
20. Equity securities designated at fair value through other comprehensive income	313,216	(9,740,760)
30. Financial liabilities designated at fair value through profit or loss (changes in own credit rating)		
40. Hedging of equity securities designated at fair value through other comprehensive income		
50. Property, Plant and Equipment		
60. Intangible assets		
70. Defined-benefit plans	169,947	(5,555,812)
80. Non-current assets held for sale and discontinued operations		
90. Share of valuation reserve on equity investments measured with the equity method:		
Other income components reclassified to profit or loss		
100. Hedging of investments in foreign operations:		
110. Foreign exchange differences		
120. Cash flow hedges		
130. Hedging instruments (non-designated elements)		
140. Financial assets (other than equity securities) measured at fair value through other comprehensive income	(5,713,909)	10,887,112
150. Non-current assets held for sale and discontinued operations		
160. Share of valuation reserve on equity investments measured with the equity method:		
170. Total other comprehensive income after taxes	(5,230,746)	(4,409,460)
180. Comprehensive income (Item 10+170)	788,396,644	698,840,316

It is pointed out that the inclusion in comprehensive income of the item reporting “Financial assets measured at fair value through other comprehensive income” entails strong volatility that must be taken into account when analyzing the table.

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2024

	Capital: ordinary shares	Share premium reserve	Reserves:		Valuation reserves	Equity instruments	Treasury shares	Profit (Loss) for the period	Equity
			retained earnings reserves	other					
EQUITY AS AT 31 DEC. 2023	1,102,071,064	3,495,378,045	1,932,471,645	3,505,692	-58,992,972	815,000,000	-6,017	703,249,776	7,992,677,233
ALLOCATION OF THE PROFIT OR LOSS FOR THE PREVIOUS FY									
Reserves	-	-	341,233,781	-	-	-	-	-341,233,781	-
Dividends and other allocations	-	-	-	-	-	-	-	-362,015,995	-362,015,995
CHANGES FOR THE PERIOD									
Changes in reserves	-	-	-294,804	-	-	-	-	-	-294,804
Transactions on equity									
Issues of new shares	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-204	-	-204
Extraordinary dividend distribution	-	-	-	-	-	-	-	-	-
Change in equity instruments	-	-	-78,342,207	-	-	-75,000,000	-	-	-153,342,207
Derivatives on treasury shares	-	-	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company assigned to employees and directors	-	-	-	324,047	-	-	-	-	324,047
Comprehensive income	-	-	-	-	-5,230,746	-	-	793,627,390	788,396,644
EQUITY AS AT 31 DEC. 2024	1,102,071,064	3,495,378,045	2,195,068,415	3,829,739	-64,223,718	740,000,000	-6,221	793,627,390	8,265,744,714

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2023

	Capital: ordinary shares	Share premium reserve	Reserves:		Valuation reserves	Equity instruments	Treasury shares	Profit (Loss) for the period	Equity
			retained earnings reserves	other					
EQUITY AS AT 31 DEC. 2022	1,102,071,064	3,496,073,455	1,767,081,339	3,180,740	-54,583,512	815,000,000	-	552,879,190	7,681,702,276
ALLOCATION OF THE PROFIT OR LOSS FOR THE PREVIOUS FY									
Reserves	-	-	250,695,446	-	-	-	-	-250,695,446	-
Dividends and other allocations	-	-	-	-	-	-	-	-302,183,744	-302,183,744
CHANGES FOR THE PERIOD									
Changes in reserves	-	-	206,044	-	-	-	-	-	206,044
Transactions on equity									
Issues of new shares	-	-695,410	-	-	-	-	-	-	-695,410
Purchase of treasury shares	-	-	-	-	-	-	-6,017	-	-6,017
Extraordinary dividend distribution	-	-	-	-	-	-	-	-	-
Change in equity instruments	-	-	-85,511,184	-	-	-	-	-	-85,511,184
Derivatives on treasury shares	-	-	-	-	-	-	-	-	-
Shares and rights on shares of the Parent Company assigned to employees and directors	-	-	-	324,952	-	-	-	-	324,952
Comprehensive income	-	-	-	-	-4,409,460	-	-	703,249,776	698,840,316
EQUITY AS AT 31 DEC. 2023	1,102,071,064	3,495,378,045	1,932,471,645	3,505,692	-58,992,972	815,000,000	-6,017	703,249,776	7,992,677,233

STATEMENT OF CASH FLOWS

	31 Dec. 2024	31 Dec. 2023
A. OPERATING ACTIVITIES		
1. Cash flows from operations	1,950,492,192	1,947,479,602
- profit (loss) for the FY (+/-)	793,627,390	703,249,776
- Gains/losses on financial assets held for trading and on OTHER financial assets/liabilities measured at fair value through profit or loss(-/+)	779,887	525,592
- Gains/losses on hedging activities (-/+)	-8,316,661	-180,970
- Net adjustments/recoveries for credit risk (+/-)	230,286,754	254,360,785
- Net adjustments to/recoveries on property, plant and equipment and intangible assets (+/-)	129,544,790	135,295,601
- Net provisions for risks and charges and other costs/revenues (+/-)	14,591,178	44,449,090
- Taxes, levies and tax credits not settled (+/-)	367,152,696	298,809,820
- Net adjustments/recoveries on discontinued operations net of tax effect (+/-)	-	-
- Other adjustments (+/-)	422,826,158	510,969,908
2. Cash flow generated/absorbed by financial assets	-3,702,675,068	9,815,190,606
- Financial assets held for trading	64,781,583	132,965,374
- Financial assets designated at fair value	-	-
- Financial assets mandatorily measured at fair value	-6,752,733	33,702,665
- financial assets measured at fair value through other comprehensive income	163,138,689	-277,199,843
- Financial assets measured at amortized cost	-4,197,442,802	9,486,458,564
- Other assets	273,600,195	439,263,846
3. Cash flow generated/absorbed by financial liabilities	-2,839,272,903	-3,889,284,035
- Financial liabilities measured at amortized cost	-2,082,160,125	-2,371,654,966
- Financial liabilities held for trading	-61,445,447	-130,807,403
- Financial liabilities designated at fair value	-	-
- Other liabilities	-695,667,331	-1,386,821,666
Net cash flow generated/absorbed by operating activities	-4,591,455,779	7,873,386,173
B. INVESTING ACTIVITIES		
1. Cash flow generated by:	34,533,988	43,482,024
- sales of equity investments	600,000	15,486,928
- dividends received on equity investments	13,243,327	14,199,886
- sales of property, plant and equipment	20,690,661	13,795,210
- sales of intangible assets	-	-
- sales of business units	-	-
2. Cash flow absorbed by:	-15,165,954	-21,197,373
- purchases of equity investments	-1,112,000	-5,124,900
- purchases of property, plant and equipment	-14,053,954	-16,072,473
- purchases of intangible assets	-	-
- purchases of business units	-	-
Net cash flows generated/absorbed by investing activities	19,368,034	22,284,651
C. FUNDING ACTIVITIES		
- issues/purchases of treasury shares	-204	-701,427
- issues/purchases of equity instruments	-153,342,207	-85,511,184
- dividend distribution and other	-362,015,995	-302,183,744
Net cash flows generated/absorbed by funding activities	-515,358,406	-388,396,355
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS FOR THE YEAR	-5,087,446,151	7,507,274,469

RECONCILIATION

Financial Statement items	31 Dec. 2024	31 Dec. 2023
Opening cash and cash equivalents	10,383,271,686	2,875,997,217
Total net increase/decrease in cash and cash equivalents for the year	-5,087,446,151	7,507,274,469
Cash and cash equivalents: foreign exchange effect	-	-
Closing cash and cash equivalents	5,295,825,535	10,383,271,686

KEY: (+) generated/from (-) absorbed/used in

In accordance with the amendment to IAS 7, introduced by Regulation no. 1990 of 6 November 2017, to be adopted for the first time in reporting periods starting on or after 1 January 2017, the information required under paragraph 44 B to measure changes in liabilities resulting from financing activities, irrespective of whether the changes result from cash flows or changes other than in cash equivalents, is given below.

	31 Dec. 2023	Changes from cash flows generated by financing activities	Changes from obtaining or losing control of subsidiaries or other businesses	Fair value changes	Other changes	31 Dec. 2024
Liabilities arising from financing activities (items 10, 20 and 40 of Liabilities)	81,987,270,252	- 2,045,736,711	-	188,261,833	-	80,129,795,374

NOTE TO THE FINANCIAL STATEMENTS

PART A – ACCOUNTING POLICIES

A.1 GENERAL PART

Section 1 – Statement of compliance with IAS/IFRS

The Annual Report and Financial Statements of Crédit Agricole Italia have been prepared pursuant to Italian Legislative Decree no. 38 of 28 February 2005, in accordance with the International Accounting Standards issued by the International Accounting Standards Board (IASB) and the related interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) endorsed by the European Commission, as provided for by Regulation (EC) No. 1606 of 19 July 2002.

Therefore, the IAS/IFRS in force as at 31 December 2024 (including the interpretations documents called SIC and IFRIC) have been applied, as endorsed by the European Commission.

The financial statements and the content of the Note to the financial statements have been prepared in compliance with Circular no. 262 “Banks’ financial statements: layouts and preparation” of 22 December 2005, issued by the Bank of Italy in the exercise of its powers under Article 9 of Italian Legislative Decree no. 38/2005 and based on the subsequent updates, with the latest one being the 18th update of 17 November 2022.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION AND ENTERED INTO FORCE IN 2024

In compliance with IAS 8, the table below reports the new international accounting standards or the amendments to standards already in force, along with the Regulations endorsing them, that shall mandatorily be applied for reporting periods starting on or after 1 January 2024.

Standards, amendments or interpretations	Publication date	Date of first application
Amendment IFRS16 - Lease Liability in a Sale and Leaseback The amendments require that, in applying the requirements for the measurement of lease liabilities in a sale and leaseback transaction with variable lease payments, the seller-lessee shall determine "lease payments" in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains	21 November 2023 (EU 2023/2579)	1 January 2024
Amendment to IAS1 Classification of Liabilities as Current or Non-Current – Non-current Liabilities with Covenants The amendments clarify that the classification of liabilities as current and non-current shall be based on the rights that are in existence at the end of the reporting period and improve the information that an entity shall provide when its right to defer the settlement of a liability by at least twelve months is subject to a covenant	20 December 2023 (EU 2023/2822)	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements" The amendments enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk	16 May 2024 (EU 2024/1317)	1 January 2024

The new IAS/IFRS and the amendments thereto in force since 1 January 2024, where applicable, have not entailed any material impacts on the financial situation and profit or loss of Crédit Agricole Italia.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION BUT NOT YET ENTERED INTO FORCE

The table below shows the international accounting standards and the international financial reporting standards that, as at 31 December 2024, had been endorsed by the European Union but had not yet entered into force and, therefore, were not applicable to Crédit Agricole Italia's financial statements:

Standards, amendments or interpretations	Publication date	Date of first application
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability – The amendment specifies how to assess whether a currency is exchangeable and how to determine a spot exchange rate if it is not	13 November 2024 (EU) 2024/2862	1 January 2025

INTERNATIONAL ACCOUNTING STANDARDS NOT YET ENDORSED BY THE EUROPEAN UNION

The standards and interpretations that have been published by the IASB but have not yet been endorsed by the European Union are not applicable by Crédit Agricole Italia.

Document title	Issued by IASB on IASB	Date of entry into force of the IASB document	Expected date of endorsement by the EU
IFRS 18 "Presentation and Disclosure in Financial Statements" replacing IAS 1 - "Presentation of Financial Statements"	24 April 2024	1 January 2027	TBD
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	30 May 2024	1 January 2026	TBD
Annual Improvements Volume 11 (IFRS1 – IFRS7- IFRS9 – IFRS10 – IAS7)	18 July 2024	1 January 2026	TBD
IFRS 19 Subsidiaries without Public Accountability: Disclosures	09 May 2024	1 January 2027	TBD

IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 “Presentation and Disclosure in Financial Statements”, published in April 2024, will replace IAS 1 “Presentation of Financial Statements” and will be applicable to reporting periods beginning on or after 1 January 2027, after being endorsed by the European Union.

The new standard lays down the requirements for the presentation and in financial statements aimed at improving how reporting entities represent financial information to the market and provide users with a better basis to analyse and compare companies’ financial performance. The standard does not change the bases of measurement of financial statement items nor the methods to recognize costs and revenues, but changes the bases and methods of presentation.

IFRS 18 will require a new structure of the income statement and mandatory subtotals with a classification of income and expenses in 3 categories: operating, investing and financing, besides the income taxes and discontinued operations already present in the income statement layout. As they concern the presentation of the income statement and financial disclosure, these changes shall be appropriately coordinated with Bank of Italy Circular no. 262, which governs the preparation and presentation of banks’ financial statements.

Furthermore, IFRS 18 will require more information on performance measures defined by the management (which the standards identifies as management-defined performance measures or MPMs) and used in public communications outside financial statements. The analysis and preparation works for the standard adoption by the Group are underway.

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027; in accordance with IAS 34 the entity shall present its income statement in compliance with the IFRS 18 requirements in its financial report for H1 2027, stating comparison data as at 30 June 2026.

Amendments to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments, which will be effective for reporting periods beginning on or after 1 January 2026, subject to endorsement by the European Union. The amendments concern the following:

- Clarification about the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic payment system;
- Clarifications and supplementary information to assess whether a financial asset with environmental, social and governance (‘ESG’)-linked and similar features passes the SPPI test;
- Requirement of new disclosure on some instruments with contractual terms that could change the amount of cash flows, such as some instruments with features linked to the achievement of environmental, social and governance (ESG) targets; and
- Update of the disclosure on equity instruments designated at fair value through other comprehensive income.

Annual Improvements

Annual improvements provide a mechanism for the IASB to efficiently issue a collection of minor amendments to the Accounting Standards.

IFRS 19 - IFRS 19 Subsidiaries without Public Accountability: Disclosures

On 9 May 2024 the IASB issued IFRS19, which will be effective for reporting periods beginning on or after 1 January 2027, after being endorsed by the European Union.

IFRS 19 is for entities that do not have public accountability and are subsidiaries of a parent company (either ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with the IFRSs and has the goal of simplifying the preparation of the financial statements by the subsidiaries deemed eligible for application, permitting them to apply the IFRSs with reduced disclosure requirements.

An entity has public accountability if its equity or debt instruments are traded in a public market, if it is in the process of issuing such instruments for trading in a public market, or if it holds assets in a fiduciary capacity for a broad group of outsiders (e.g. banks, credit unions, insurance companies, securities brokers/dealers, mutual funds and investment banks) as one of its primary businesses.

Section 2 – General preparation principles

The Annual Report and Financial Statements consist of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows and the Note to the Financial Statements, as well as of the Management Report on the performance of operations, on the profits (losses) made and on the Bank's financial and cash flow position.

The financial statements and the content of the note to the financial statements have been prepared in accordance with the Bank of Italy Circular no.262 of 22 December 2005 "Banks' financial statements: layouts and preparation", as amended, the latest being the 8th update of 17 November 2022.

In addition to the book figures as at 31 December 2024, the financial statements report the comparative figures from the latest approved financial statements as at 31 December 2023.

In accordance with Article 5 of Italian Legislative Decree No. 38/2005, the Euro has been used as the reporting currency.

The amounts in the Financial Statements, in the Note to the Financial Statements and in the Management Report are expressed in thousands of Euro, where not otherwise specified.

The consolidated financial statements have been prepared pursuing clarity and give a true and correct representation of the financial and cash flow situation and of the profit or loss for the period of Crédit Agricole Italia.

The Annual Report and Financial Statements have been prepared in compliance with the general presentation principles set out by IAS 1 and with the specific accounting standards endorsed by the European Commission and reported in Part A.2 of this Note.

No exceptions were made in applying the IASs/IFRSs.

Furthermore, these financial statements have been prepared in compliance with the communications and interpretation documents issued by the various Italian and EU regulators and supervisory authorities²⁹.

Going concern basis

The Annual Report and Financial Statements as at 31 December 2024 have been prepared on a going-concern basis, as Crédit Agricole Italia is believed to continue in operation in the foreseeable future.

Having regard to the disclosure required by IFRS 7 of the risks Crédit Agricole Italia is exposed to, appropriate information is given in the Management Report and in the Note to the financial statements.

The Note to the Financial Statements also reports the verifications that were carried out in order to assess any impairment of financial assets and intangible assets (including goodwill).

USE OF ESTIMATES AND ASSUMPTIONS IN PREPARING THE ANNUAL REPORT AND FINANCIAL STATEMENTS

To prepare the Annual Report and Financial Statements, estimates and assumptions must be made, which can generate significant effects on the values recognized in the Balance Sheet and in the Income Statement, as well as on the information on contingent assets and liabilities reported.

Making such estimates entails the use of the information that is available at the relevant time and of subjective assessments.

By their very nature, the estimates and assumptions used may vary from one period to another. Therefore, it cannot be ruled out that the recognized values for this reporting period may vary, even to a significant extent, in future periods, subsequent to any changes in the subjective assessments used. The economic effects

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29 Specific reference is made to the following:

- ESMA public statement of 24 October 2024 "European common enforcement priorities for 2024 corporate reporting".
- ESMA: public statement OF 25 OCTOBER 2023 "European Common Enforcement Priorities for 2023 Annual Financial Reports".

generated by the uncertainties in the macroeconomic scenario, affected especially by the wars between Russia and Ukraine and in the Middle East, require thorough analysis and consideration of the new economic context in the models to measure the recoverable amount of the Bank's assets. Therefore, those estimates and assessments entail unavoidable elements of uncertainty.

The main instances that require the use of subjective assessments to be made by the Senior Management are the following:

- Quantifying losses resulting from the impairment of loans and of other financial assets in general.
- Using measurement models for the recognition of the fair value of financial instruments that are not listed on active markets.
- Using measurement models for equity investments.
- Assessing the consistency of the value of goodwill and of the other intangible assets and property, plant and equipment.
- The quantification of the provisions for risks and charges, provisions for personnel and obligations concerning employees' benefits.
- Estimating the recoverability of deferred tax assets.
- Calculating the fair value of financial instruments to be used for financial reporting purposes.

The description of the accounting policies applied to the main aggregates reported in the financial statements provides detailed information on the major assumptions made and subjective assessments used in preparing the financial statements.

Impacts generated by the Russia-Ukraine war and by the war in the Middle East

The geopolitical tensions underway as at the date of preparation of the 2023 annual report and financial statements, resulting from the Russia-Ukraine war and the conflict in the Middle East, have generated new challenges and uncertainties in the macroeconomic scenario, increasing the risk of limited predictivity. From and forward-looking standpoint, those uncertainties may entail that financial statement items need to be revised, based on new information available, which however cannot at present be foreseen. It is pointed out that, to date, direct exposures to Russia and Ukraine are next to zero and exposures to the Middle East are modest by amount and number of counterparties.

CONTENTS OF THE FINANCIAL STATEMENTS

As described at the beginning of the Section, the financial statements and the content of the note to the financial statements have been prepared in compliance with the Bank of Italy Circular no. 262 "Banks' financial statements: layouts and preparation" of 22 December 2005 as amended, the latest being the 8th update of 17 November 2022.

Balance Sheet and Income Statement

The Balance Sheet and Income Statement contain items, sub-items and further information (the "of which" for items and sub-items) and comply with the templates supplied by the Bank of Italy with Circular No. 262 of 22 December 2005, as updated.

In the Income Statement, revenues are set forth without a sign, while expense figures are set forth in parenthesis.

Statement of Comprehensive Income

The statement of comprehensive income consists of items presenting the changes in the value of the assets recognized in the year offsetting the valuation reserves, net of the related tax effect.

The Statement of Comprehensive Income contains also the items with no amounts for the reporting year, and with no amounts for the previous year.

Negative amounts are set forth in parenthesis.

Statement of Changes in Equity

In order to facilitate understanding of the figures, the rows and columns of the Statement of Changes in Equity were inverted with respect to the same statement layout provided for by the above Bank of Italy Circular No. 262/2005. The statement shows the composition and movements of the shareholders' equity items during the reporting year and in the previous one, broken down into share capital (ordinary shares and savings shares), capital reserves, retained earnings reserves, comprehensive income and profit or loss.

The value of treasury shares is deducted from equity. No equity instruments other than ordinary shares have been issued.

Statement of Cash Flows

The statements of cash flows for the reporting period and for the previous one were prepared using the indirect method, based on which cash flows from operating activities are represented by the profit or loss for the year, adjusted for the effects of non-monetary transactions.

Cash flows are broken down into flows generated by operating activities, investment activities and funding activities.

In the Statement, cash flows generated in the period are reported without sign, while those absorbed are reported with a negative sign.

CONTENTS OF THE NOTE TO THE FINANCIAL STATEMENTS

The Note to the Financial Statements contains the information required by Bank of Italy Circular no. 262/2005, with its updates and specifications already applicable, as well as further information required by IAS/IFRS.

In the tables relating to the Income statement items, revenues are set forth without a sign, whereas expense figures are set forth in parenthesis.

Section 3 – Events occurred after the reporting date

From the reporting date to the approval of the 2024 Annual Report and Financial Statements, no such events occurred as to entail any material change in the assessments made by the Directors and represented in the balance sheet, income statement and statement of cash flows of Crédit Agricole Italia.

In the Management Report and in Section 4 “Other aspects”, the risks and uncertainties associated with the present macroeconomic scenario are reported.

Covered bonds

In early 2025 Crédit Agricole Italia successfully completed its first public issue in the year of Covered Bonds (OBG) in the Italian market for an amount of Euro 1 billion and 9-year maturity.

The issue received orders for over 7.6 billion Euros, posting the highest demand for a Covered Bond issue in the last 10 years, proving the unfaltering trust of the market in Crédit Agricole Italia.

Sale of Global Broker S.p.A.

On 4 February 2025 Crédit Agricole Italia finalized the sale of all the share it held in Global Broker S.p.A., amounting to 30% of the investee's share capital.

The sale price was in line with the equity investment's carrying amount and, therefore, the sale generated no significant impacts on profit or loss.

Section 4 – Other aspects

Risks and uncertainties

The risk monitoring, management and control policies continue to be key pivots on which, in the present and future scenario, Banks must measure themselves both against each other and against domestic and international markets.

Crédit Agricole Italia's governance bodies continue to give high and constant attention to development and growth, through close monitoring of the risk the Bank is exposed to, considering also the effects of the uncertainty about the macroeconomic evolution and of the complex geopolitical situation, which has become a feature of the present historical period. These issues may indeed generate impacts on the financial, cash flow and profit or loss structure that the Bank is required to manage and keep at acceptable levels, in order to protect savings (and thus its Customers' trust) and lending (healthy drivers of growth).

Crédit Agricole Italia uses risk control methods, measurement standards and tools that are consistent throughout the Crédit Agricole Group and appropriate for both the type and size of the risks taken, also in such a complex economic scenario as the present one.

In the reporting year, the economic activity proved on a growth trend, with international development outperforming the early 2024 expectations. The recovery in households' purchasing power was driven not only by inflation gradually going back to its target level, but also by the increase in nominal wages, which contributed to support consumption and domestic demand in a significant manner. Nevertheless, 2024 was not free from uncertainty elements: besides the war in Ukraine and the Israeli-Palestinian conflict, which were widely factored in by markets, other elements arose, such as political instability in some Countries of the Euro Zone and the worsening of trade tensions between the USA and China, especially in the last part of the year.

In this scenario, the main international Central Banks started to cut their key interest rates at a quite even pace, contributing to stimulating a first recovery in real estate and credit markets, albeit maintaining a data-dependent approach and giving no guidance about further lowering interest rates, in order to ensure that underlying inflationary pressure remain under control on a sustained basis.

The assessment giving evidence of the Bank's ability to continue as a going concern is based on both the sound capital position it firmly holds, which shows a reassuring and high buffer on top of the requirements set by the ECB, and on its present liquidity above the regulatory threshold, as well as on the healthy and prudent management that has always been a distinctive feature of the Group and of the Bank, while ensuring steady development through sustainable growth strategies and the commitment to providing households and businesses with support.

For reporting on the main risks to which Crédit Agricole Italia is exposed, please see the specific section of the notes to the financial statements.

SIGNIFICANT EVENTS IN THE REPORTING PERIOD

Issue of Covered Bonds

In the reporting period, the Group finalized new issues of Covered Bonds for a total of 1,6 billion Euros. Some of the main ones were:

- A Green format issue for 500 million Euros with maturity of over 9 years, which received orders for nearly 5 billion Euros, proving investors' appreciation for Crédit Agricole Italia. Consistently with the Group's ESG objectives, the issue aimed at financing or refinancing a pool of residential mortgage loans selected based on sustainability criteria and originated for the purchase of high energy efficiency properties, in accordance with the Green Bond Framework of the Crédit Agricole Group.
- Another issue on the market of Covered Bonds, for an amount of 1 billion Euros and maturity of 12 years. This issue also received a very good response from investors, receiving order for 4.6 billion Euros, giving yet further evidence that Crédit Agricole Italia is highly appreciated.

Owned real estate

Based on the yearly monitoring process conducted by the Bank on owned real estate assets, which takes into account both the updated appraisals and the presumed sale values obtained from underway negotiations, impairments were recognized for a total amount of Euro 21.9 million, mainly regarding "investment property". The impairment amount was recognized in the Income statement under item "180 Net adjustments to/recoveries on property, plant and equipment".

As at 31 December 2024 preliminary agreements for the sale of property, compliant with IFRS 5, had been signed amounting to a book value of Euro 1.5 million.

OTHER INFORMATION

Pillar II - GloBE

The new international tax rules laid down by the OECD in order to impose a top-up tax on profits of large multinational enterprises when the effective tax rate (ETR) in force in a jurisdiction in which they are based is below 15% entered into force on 1 January 2024.

2024 is the first reporting period to which these rules shall apply.

In accordance with the related EU Directive adopted at the end of 2022 (Directive (EU) 2022/2523) and transposed in the EU Member States (in Italy with Legislative Decree no. 209 of 27 December 2023), the Group estimated the GloBE top-up tax for HFY 2024.

The result of the estimate was a GloBE top-up tax equal to zero for Italy jurisdiction in 2024.

Furthermore, in compliance with the amendments to IAS 12, published on 23 May 2023 by the IASB and endorsed by the European Union on 8 November 2023, the Group has applied the mandatory temporary exception to the accounting for deferred taxes arising from the implementation of the GloBE rules.

Revision of the rules to deduct the portions of provisions and losses on loans and goodwill relating to the transformation of deferred tax assets ("DTA").

To determine the IRES and IRAP taxable bases, Italian Law no. 207/2024 – the 2025 Budget Law – requires, at Article 1 paragraphs 14-20, that the portions of some negative income components deductible in the 2025 and 2026 tax periods be deferred to following tax periods in accordance with specific rules, while also laying down specific criteria to determine payments on account for 2025 and 2026 tax periods and the following three.

The deferral specifically concerns the provisions and losses on loans to customers recognized some years ago, as well as the admitted tax amortization portions on some goodwill items for extraordinary transactions made in the past. On the higher income resulting from the revision of the above-listed deductions, the income portions that may be offset with previous tax losses is then reduced.

As regards Crédit Agricole Italia, these developments in the applicable legislation did not generate any effects on item “Taxes on income from continuing operations”, but only a longer time to recover the related DTAs. Conversely, they will generate financial effects on the concerned years because of the increase in the payments actually due in the coming FYs.

Life Insurance Guarantee Fund

Italian Law no. 213 of 30 December 2023 – 2024 Budget Law – lays down some provisions setting up a Life Insurance Guarantee Fund for the protection of beneficiaries and persons entitled to insurance benefits under life insurance policies in the event the insurance undertaking undergoes insolvency procedures.

The entities that are required to join the Guarantee Fund are:

- Italian insurance undertakings that are authorized to operate in one or more life insurance lines and the intermediaries on the Italian Single Register of Intermediaries, when the amount of annual premiums, collected or intermediated, in life lines is equal to or higher than 50 million Euros.
- The branches of non-EU insurance companies authorised to operate in one or more life insurance lines in Italy, unless they are members of a foreign insurance guarantee scheme that is equivalent at least as regards the guarantee level and scope.

Crédit Agricole Italia shall contribute to the Guarantee Fund, as it is on the Single Register of Insurance Intermediaries.

The Guarantee Fund will have its own financial endowment fed with the contributions from members, which shall be proportional to each member's liabilities and, in any case, equal to at least 0.4% (known as the “target level”) of the amount of the technical reserves for life lines of the member undertakings as at 31 December of the previous year.

The target level shall be reached gradually by 31 December 2035, through payments at least on a yearly basis to be made by intermediaries in the amount determined by the Guarantee Fund and notified every year to the members, with the possibility for extension in accordance with the rules issued by the Italian Ministry of the Economy and Finance. In the event the financial endowment decreases to a level below the set threshold, it shall be replenished, also with periodic contributions and for extended periods of time.

The general meeting setting up the Guarantee Fund, which was held on 13 December 2024, appointed the temporary Management Committee.

On 20 February 2025 the Management Committee notified the members of the data for the payment of the contribution for 2024.

Purchase of tax credits - Ecobonus

Within the measures deployed by the Italian Government to support the economy, Decree Law no. 34/2020 (known as “Relaunch” Decree) gives the possibility to deduct certain types of expenses as tax credits. Under the “Ecobonus” and “Sismabonus” schemes, as well as under other incentive schemes for building works, the incentive may be obtained also as a rebate in the price due to the vendor with the related tax credit transferred to the vendor.

The Crédit Agricole Italia Banking Group rolled out the service for the purchase of tax credits from Customers and, in accordance with the instructions given by the Bank of Italy/CONSOB/IVASS Work Group on the application of the IAS/IFRS to this scope, implemented a specific accounting policy. The policy provides for the recognition of purchased tax credits as assets in the Balance Sheet, under item 120 "Other assets", with initial recognition at fair value, equal to the purchase price paid to the Customers. For the tax credits, the Crédit Agricole Italia Group has also adopted the Business Models given below:

- "Hold to collect", whereby Crédit Agricole Italia recognizes the tax credits that were purchased to be held in order to be offset in the future.
- "Hold to collect and sell", with first-time adoption as of 2023, whereby Crédit Agricole Italia recognizes tax credits purchased in order to be offset in the future or to be sold. To date, under this Business model, the Bank has entered into contracts for the sale of tax credits for Euro 461.7 million over five years (of which sales for about Euro 42.7 million made in 2023 and Euro 140.5 million in 2024).

As at 31 December 2024 the reported balance of purchased tax credits, recognized under item "Other assets", came to Euro 1,809 million (of which Euro 829 million under the HTC business mode and Euro 980 million under the HTCS one).

It is pointed out that the recent developments in the applicable legislation introduced with Italian Decree-Law 39/2024, converted into Law no. 67/2024, have established that, effective as of 1 January 2025, banks and companies belonging to banking groups shall no longer be entitled to offset Ecobonus tax credits from transfers and rebates on the invoices price against social security contributions due and premiums of insurance policies covering occupational accidents and diseases, irrespective of when the credit arose. The infringement of this provision shall determine, against any entities infringing it, the recovery of the credit unlawfully offset and the related interest, as well as the imposition of a civil tax penalty.

In this regard, it is confirmed that said development does not generate any impacts on the financial statements of Crédit Agricole Italia.

The aforementioned Decree also provides for, in case of purchase of credits usable over four/five years at prices lower than 75% of their nominal value, a different period for the recovery of the purchased credits vs. the original ones. This provision also does not generate any effect for the Bank.

Option for the Italian domestic tax consolidation scheme

In March 2016, the national tax consolidation scheme was adopted, with effects since the 2015 tax period, by the Crédit Agricole Group in Italy; such scheme was introduced with Article 6 of Italian Legislative Decree No. 147 of 14 September 2015, according to which also the Italian "sister" companies, whose controlling Company is resident in an EU Member State, may exercise the option for consolidated taxation.

Initially, 18 Companies of the Group opted to join the tax consolidation scheme and, having been designated by Crédit Agricole S.A., Crédit Agricole Italia has undertaken the role of Consolidating Entity. Taking into account the new entities that joined the scheme in previous years and those that were terminated, as at 31 December 2022, the tax consolidation scheme consisted of 24 entities.

This regime provides for the consolidated companies to transfer their taxable income (or their tax loss), as regards the Italian corporate income tax (IRES), to the consolidating Entity Crédit Agricole Italia, which calculates a single taxable income or a single tax loss for the Group, as the algebraic sum of the income and/or losses of the single Companies, and recognizes a single tax account payable to or receivable from the Italian Inland revenue Service.

As balancing item of taxes/lower taxes for tax losses to be transferred to the consolidation scheme or withholdings, deductions and the like, the companies in the consolidation scheme recognize due and payables to/receivables from the consolidating entity.

In its Financial Statements, Crédit Agricole Italia recognizes matching items of due and payables to/receivables from the entities in the consolidation scheme.

Specifically, the intra-group balances resulting from the tax consolidation scheme are recognized in the items:

- "Financial assets measured at amortized cost - due from banks", or "Financial assets measured at amortized cost - loans to customers", in accordance with the kind of counterparty, for estimating the corporate income tax (IRES) transferred by the member entities to the tax consolidation scheme.

- “Financial liabilities measured at amortized cost - due to banks”, or “Financial liabilities measured at amortized cost - due to customers”, in accordance with the kind of counterparty, for the transfer of tax losses by the member entities to the tax consolidation scheme.

Lastly, the tax consolidation scheme's tax account payable to or receivable from the Italian Inland Revenue Agency is recognized under current tax liabilities or assets based on whether the IRES payable amount is higher or lower than the down-payments made.

Option for the VAT Group

In November 2018, the option for a VAT Group scheme pursuant to Article 1 paragraph 24 of Italian Law no. 232 of 11 December 2016 was exercised, with effects as of 1 January 2019; the VAT Group includes the subsidiaries of Crédit Agricole Italia having, at the same time, financial, economic and organisational links in force between them, as provided for by Italian Ministerial Decree of 6 April 2018 and by Circular no. 19/2018.

Crédit Agricole Italia is the Group's Representative Member. Subsequent to some mergers by absorption finalized in previous years and to the closure of other entities, the perimeter of the VAT Group, initially of 15 entities, consisted of 10 entities of the Group as at 31 December 2022. Thanks to this scheme, the member entities operate, for VAT purposes, as a single taxable person in their transactions with external companies, with a single VAT registration number. The main advantage generated by the exercise of this option is that, in general, the transactions between the Group member entities are not subject to VAT.

Publication of the Annual Report and Financial Statements in ESEF

On 30 December 2022, Commission Delegated Regulation (EU) 2022/2553 of 21 September 2022 amending the regulatory technical standards laid down in Delegated Regulation (EU) 2019/815 as regards the 2022 update of the taxonomy for the single electronic reporting format was published in the Official Journal of the European Union. It entered into force on 1 January 2023, with the possibility of early adoption.

Nonetheless, Crédit Agricole Italia qualifies for the exemption under Article 83 of CONSOB Issuer Regulation, which reads “Obligations for the preparation and publication of financial reports as envisaged in article 154-ter of the Consolidated Law shall not apply to: (...) b) issuers whose home Member State is Italy, which exclusively issue debt securities listed on a regulated market whose unit par value comes to at least 100.000 Euros, or an equivalent value in the event of currencies other than the Euro. (...)”.

For this reason, the Annual Report and Financial Statements of Crédit Agricole Italia as at 31 December 2024 will not be published in ESEF format.

Audit of the accounts

The Annual Report and Financial Statements are audited by PricewaterhouseCoopers S.p.A, implementing the Resolution passed by the General Meeting of Shareholders on 28 April 2021, whereby this Firm was assigned the audit task for the period 2021-2029.

Publication of the Annual Report and Financial Statements

The Board of Directors approved the draft Annual Report and Financial Statements as at 31 December 2024 of Crédit Agricole Italia and authorized their publication on 18 March 2025, pursuant also to IAS 10.

A.2 PART REPORTING ON THE MAIN FINANCIAL STATEMENT ITEMS

The IAS/IFRS that were adopted for the preparation of the annual report and financial statements as at 31 December 2024 are given below broken down by financial statement item, having regard to classification, recognition, measurement and derecognition of asset and liability items, as well as the methods to recognize revenues and costs. Said standards are the same ones used for the preparation of the annual report and financial statements as at 31 December 2023.

FINANCIAL INSTRUMENTS (IFRS 9, IAS 39 AND IAS 32)

DEFINITIONS

IAS 32 defines a financial instrument as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity, or any contract establishing contractual rights and obligations to receive or deliver cash or other assets.

Derivative instruments are financial assets or liabilities the value of which evolves in accordance with that on an underlying instrument; they require low or no initial investment and are settled at a later date.

Financial assets and liabilities have been recognized in the financial statements in accordance with IFRS 9, as endorsed by the Europe Union.

IFRS 9 lays down the bases for:

- Classification and measurement of financial instruments.
- Impairment of exposures for increase in credit risk.
- Hedge accounting, excluding macro hedging.

However, it is pointed out that Crédit Agricole Italia, in accordance with the instructions of its French Parent Company Crédit Agricole S.A. has exercised the option, which is given to IFRS 9 first-time adopters, to continue to fully apply IAS 39 as regards hedge accounting. Therefore, pending the entry into force of the future provisions contained in the new “dynamic risk management accounting model”, all hedging relationships are governed by IAS 39.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS MEASUREMENT OF FINANCIAL ASSETS AND LIABILITIES

Initial measurement

At their initial recognition, financial assets and liabilities are measured at fair value, as defined in IFRS 13.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants that have reasonable knowledge of it and are willing to trade without pressure .

Subsequent measurement

After their initial recognition, financial assets and liabilities shall be measured, in accordance with their classification, at amortized cost using the effective interest rate (EIR) method for debt instruments or at fair value. Derivative instruments shall always be measured at fair value.

Amortized cost is the amount at which a financial asset or liability is measured at initial recognition less principal repayments, plus or minus the accumulated amortization, in accordance with the effective interest rate method, of any difference between the initial amount and the amount at maturity and, for financial assets, adjusted by any loss coverage provision.

The effective interest rate (EIR) is the rate that discounts the estimated future cash flows (paid or collected) from the financial instrument through its expected life to the net book value of the financial asset or liability.

FINANCIAL ASSETS

Financial assets other than derivatives (debt instruments or equity instruments) shall be classified in one of the three categories given below:

- Financial assets at fair value through profit or loss.
- Financial assets at amortized cost; (for debt instruments only).
- Financial assets at fair value through equity (with recycling to profit or loss for debt instruments, without recycling to profit or loss for equity instruments).

The classification and measurement of financial assets depend on the financial asset nature, whether it qualifies as:

- Debt instrument (i.e. loans and securities with fixed or determinable payments).
- Units in OICR collective investment undertakings.
- Equity instruments (i.e. shares).

Debt instruments

The classification and measurement of a debt instrument is determined at its initial recognition and is based on two joint criteria: the business model and the analysis of its contractual characteristics in order to assess that the financial asset contractual terms provide for, at set dates, cash flows that are 'solely payments of principal and interest on the principal amount outstanding' (the "SPP test"), save in the cases in which the entity opts for fair value measurement. In that case, it is a specific designation of instruments to be measured at fair value through profit or loss.

Business Model

The business model expresses how a cluster of financial assets is collectively managed in order to order to pursue a set corporate objective, thus representing the strategy of Crédit Agricole Italia in managing its financial assets. The business model is determined for an asset portfolio, rather than specifically for a single financial asset.

There are three business models:

- Hold to Collect (HTC), the objective of which is to hold the financial asset to collect its contractual cash flows throughout its useful life; this model does not require that all the assets be held until their contractual maturity; however, any sale of HTC assets is subject to restrictions in accordance with IFRS 9 and based on the policy adopted by the Group, which are exhaustively described in the paragraph below.
- Hold to Collect and Sell (HTC&S), the objective of which is to hold the financial assets both to collect their contractual cash flows and to sell them; in this model, both the sale of financial assets and the collection of their cash flows are permitted.
- Other, this is a residual category that includes both financial assets held for trading and financial assets managed with a business model that does not qualify for the previous categories (Hold to Collect and Hold to Collect and Sell). In general, this classification applied to a portfolio of financial assets whose management and performance are measured based on fair value.

In accordance with the standard and with the choices made by the Group, the sale of financial assets classified in the HTC business model are allowed, for the reasons described below, based on whether the sale concerns a security portfolio or a loan portfolio.

Sales of **securities** are allowed for the following reasons:

- Increase in credit risk.
- Debt instruments close to maturity.
- The sales are frequent but not significant.
- Infrequent sales.

Specifically:

a) Sales allowed due to an increase in credit risk

Crédit Agricole Italia has identified the following criteria to allow the sale of debt securities classified in the Hold to Collect Business Model; the sale shall be allowed when even just one of the following criteria is met.

- Accounting indicator: downgrade from stage 1 to stage 2 or to stage 3;
- Risk indicators: downgrade of 3 notches in the issuer's long-term external rating (or the equivalent for internal rating) since the date of the instrument first recognition; downgrade of 2 notches in the issuer's country risk since the date of the instrument first recognition;
- Market indicators:
 - Material increase in the issuer's credit spread between the date of purchase and the date of sale of the instrument;

- Material evolution in the issuer's premium CDS between the date of purchase and the date of sale of the instrument;

b) Sales permitted as the debt instruments are close to maturity

Financial assets in the Hold to Collect portfolio may be sold if they are close to maturity and the proceeds from their sales approximate the collection of the remaining contractual cash flows .

In order to judge such sales consistent with the Hold to Collect Business Model, the following parameters were defined:

- Time to maturity considered admissible of 6 months;
- A maximum difference between the proceeds from the sale and the remaining contractual cash flows (amortized cost) of 3% (without taking fair value hedge effects into account).

c) Frequent but not significant sales

In the financial year, sales are permitted up to a 15% ceiling; this non-significance threshold varies in accordance with the portfolio average duration (as the average duration increases the lower the sellable amount is and vice versa).

d) Infrequent sales .

- Changes in the tax legislation entailing higher tax expenses generating a not negligible impact for Crédit Agricole Italia;
- Non-recurring transactions by the issuer/the issuer's group (e.g. mergers, sales of business units and, in general, any other non-recurring transaction impacting on the entity's equity);
- Changes in the applicable legislation or regulations;
- Need to strengthen capital requirements.

Sales of loans are allowed for the following reasons:

- Increase in credit risk;
- Loans close to maturity and with a sale price that approximates the remaining contractual cash flows;
- The sales are frequent but not significant;
- Significant Infrequent sales.

Specifically:

a) Sales allowed due to an increase in credit risk

Crédit Agricole Italia has identified the following criteria to allow the sale of loans classified in the Hold to Collect Business Model; the sale shall be allowed when even just one of the following criteria is met:

- Accounting indicator: downgrade from stage 1 to stage 2 or to stage 3;
- Risk indicators (applying to large-corporate customers only): downgrade of 3 notches in the issuer's long-term external rating (or the equivalent for internal rating) since the date of the instrument first recognition; downgrade of 2 notches in the issuer's country risk since the date of the instrument first recognition;

b) Sales permitted as the loans are close to maturity

The sales of loans in the Hold to Collect portfolio shall be allowed if all the following criteria set are met:

- The sale concerns financial assets with residual life of less than 6 months; the value of the assets sold is close to the amortized cost of the financial asset (also in case of frequent sales);
- The difference between the sale price and the amortized cost of the loan shall not be higher than 3% without taking into account fair value hedge effects.

c) Frequent but not significant sales

In the financial year, sales are permitted up to a 15% ceiling; this non-significance threshold varies in accordance with the portfolio average duration (as the average duration increases the lower the sellable amount is and vice versa).

d) Infrequent sales

- Changes in the tax legislation entailing higher tax expenses generating a not negligible impact for Crédit Agricole Italia;
- Non-recurring transactions by the issuer/the issuer's group (e.g. mergers, sales of business units and, in general, any other non-recurring transaction impacting on the entity's equity);
- Changes in the applicable legislation or regulations;
- Need to strengthen capital requirements.

The contractual characteristics ('Solely Payments of Principal & Interest' or SPPI test):

The SPPI test provides for a set of criteria to be examined as a whole, whereby it can be determined whether the contractual cash flows are consistent with the characteristics of a basic lending arrangement (repayments of face principal and payment of interests on the face principal still outstanding).

The test is passed if the financial instrument entitles exclusively to principal repayment and the collected interests represent the time value of money, the associated credit risk, other costs and risks of a classic lending arrangement, such as liquidity risk as well as a reasonable profit margin for the bank.

If no conclusion can be made with this qualitative analysis, a quantitative analysis (or benchmark test) shall be made. This additional analysis consists in comparing the contractual cash flows of the asset under analysis to the cash flows of a benchmark asset (an asset with characteristics that are similar to those of the asset under analysis but "simple").

If the difference between the cash flows of the financial asset and those of the benchmark instrument is not deemed significant, the asset shall be considered a basic lending arrangement.

Furthermore, a specific analysis for each single tranche shall always be carried out if the financial asset provides for payments with different priorities linked to flows from other benchmark financial assets (e.g. In case of Credit Linked Instruments (CLI) or instruments issued by Special Purpose Entities (SPE) incorporated within Project Finance schemes). In this case, the SPPI test requires that the characteristics of the contractual cash flows of the asset in question and of the underlying assets be analyzed, in accordance with a «look-through» approach, and that the credit risk implicit in the subscribed tranches be verified in comparison to the credit risk of the underlying assets.

"Green" or "ESG" financial assets and "green bond" financial liabilities comprise various instruments; specifically, loans or securities whereby environmental or ecological transition projects can be financed. It is pointed out that all the financial instruments so qualified do not necessarily give a return that varies in accordance with ESG criteria. This terminology may evolve in accordance with the EU legislation on sustainable finance. These instruments are recognized in compliance with IFRS 9. Specifically, the Group deems the SPPI test passed for loans with ESG-linked return that does not bring about any financial leverage or is considered unsubstantial in terms of variability of the cash flows from the instrument.

Within the Post-implementation Review (PIR) of IFRS 9, in May 2022 the IASB decided to start the review of IFRS 9 to clarify the methods to apply the SPPI test to this type of financial assets. Feedback on Exposure was published in March 2023 and the comment period ended on 19 July 2023. As reported above in Section 1, on 30 May 2024 the IASB issued amendments concerning "Classification and Measurement", with special regard to assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance ('ESG')-linked and similar features. These amendments shall undergo the endorsement process by the European Union.

The recognition of debt instruments resulting from the definition of the business model along with the SPPI test is presented below:

Debt instruments		Management models		
		Hold to Collect (HTC)	Hold to Collect and Sell (HTC&S)	Other
SPPI testing	Passed	Amortized cost	Fair value through equity with recycling to profit or loss	Fair value through profit or loss
	Not passed	Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss

Debt instruments at amortized cost

Debt instruments shall be measured at amortized cost if they classified in the HTC model and if they pass the SPPI test.

They are recognized at the settlement date and their initial measurement includes accrued interest and transaction costs.

The amortization of any premiums/discounts and transaction costs is recognized in the Income Statement with the effective interest rate method.

This category of financial assets is subject to impairment in accordance with the criteria set forth in the specific paragraph "Impairment for credit risk".

Debt instruments at fair value through equity with recycling to profit or loss

Debt instruments shall be measured at fair value through equity with recycling to profit or loss if they are eligible for the HTC&S model and if they pass the SPPI test.

These instruments are recognized at the settlement date and their initial measurement includes accrued interest and transaction costs. The amortization of any premiums/discounts and of transaction expenses is recognized in the Income Statement with the Effective Interest Rate (EIR) method.

These financial assets are then measured at fair value and fair value changes are recognized through equity (with recycling to profit or loss) as the financial asset balancing item (excluding interest accrued taken to the Income Statement with the EIR method).

In case of sale, any fair value changes recognized through Equity are transferred to the Income Statement.

This category of financial instruments is subject to adjustments for expected losses in accordance with the criteria set forth in the specific paragraph "Impairment for credit risk".

Debt instruments at fair value through profit or loss

Debt instruments are measured at fair value through profit or loss in the following cases:

- The instruments are classified in the portfolio held within the Other Business Model (or financial assets held for trading or held with the main objective of selling them): financial assets held for trading are assets acquired or generated by the company mainly in order to sell them in the short term or part of a portfolio of instruments managed collectively in order to generate a profit from price fluctuations in the short-term or from the profit of the operator. Although contractual cash flows are collected in the period in which Crédit Agricole Italia holds the assets, the collection of such contractual cash flows is not essential but rather incidental.
- Debt instruments mandatorily measured at FVTPL as they do not comply with the SPPI test requirements;
- The financial instruments classified in portfolios for which the entity opts for fair value measurement. In that case, it is a specific designation of instruments to be measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are initially recognized at fair value, excluding transaction costs (directly recognized in the income statement) and including accrued interest. Debt instruments are recognized at their settlement date.

Afterwards, they are measured at fair value and value changes are taken to the income statement, as the balancing item of the balance sheet item reporting the financial assets.

This category of financial assets is not subject to impairment.

Units in OICR collective investment undertakings

Units in OICR collective investment undertakings for which the defined business model is “Hold to Collect” or “Hold to Collect & Sell” are classified in the “financial assets mandatorily measured at fair value” portfolio as they fail the SPPI test.

If they are managed for trading, units in collective investment schemes are classified in the “financial assets held for trading” portfolio.

Those financial assets are measured at fair value and value changes are taken to the income statement, as the balancing item of the balance sheet item reporting them.

Equity instruments

Equity instruments are recognized at fair value through profit or loss (FVTPL), unless an irrevocable option for their measurement at fair value through equity (in this case “without recycling to profit or loss”) is exercised.

Equity instruments at fair value through profit or loss

Financial assets measured at fair value through profit or loss are initially recognized at fair value, excluding transaction costs (directly recognized in the income statement). These assets are recognized at their settlement date.

Afterwards, these assets are measured at fair value and value changes are taken to the income statement, as the balancing item of the value of the financial assets on the balance sheet.

This category of financial assets is not subject to impairment.

Equity instruments at fair value through equity without recycling to profit or loss (irrevocable option)

The irrevocable option to recognize equity instruments at fair value through equity without recycling to profit or loss may be exercised for each single transaction and shall apply as of the date of initial recognition. These financial instruments are recognized at their settlement date. The initial fair value includes transaction costs.

At subsequent measurements, fair value changes are recognized in equity. In case of sale, these changes are not recycled to profit or loss; therefore, the profit or loss from the sale is recognized in equity.

Only collected dividends are recognized in profit or loss if:

- The entity’s right to collect their payment is set.
- It is likely that the economic benefits associated with the dividends will go to the entity.
- The dividend amount can be reliably measured.

Reclassification of financial assets

In the very few cases of a significant change in the business model used for managing financial assets (which may occur in case of start of a new activity, acquisition of entities, disposal or discontinuation of a business line), a reclassification of these financial assets is necessary.

In such cases, the reclassification shall apply from the date of reclassification and the reporting entity does not redetermine gains, losses and interests as previously recognized.

Where any “Financial assets measured at fair value through profit or loss” is reclassified under “Financial assets measured at amortized cost”, the fair value as at the reclassification date shall become the new gross book value; the date of reclassification shall be the date of initial recognition for assigning the credit risk stage in order to estimate impairment. Where the financial asset is reclassified under “Financial assets measured at fair value through other comprehensive income”, the financial asset shall continue to be measured at fair

value. The effective interest rate shall be determined based on the asset fair value as at the reclassification date.

If the financial asset is reclassified from measured at amortized cost to measured at fair value through profit or loss, its fair value shall be measured as at the reclassification date. The gains or losses from any difference between the previous amortized cost of the financial asset and its fair value shall be recognized through profit or loss.

If the financial asset is reclassified from measured at fair value through other comprehensive income to measured at amortized cost, the financial asset shall be reclassified at fair value on the reclassification date. However, accumulated profit (loss) previously recognized through other comprehensive income shall be derecognized in equity and adjusted to the fair value of the financial asset as at the reclassification date. Consequently, the financial asset shall be measured as at its reclassification date as if it had always been measured at amortized cost. The effective interest rate and the measurement of expected credit losses shall not be adjusted subsequent to reclassification.

If the financial asset is reclassified from measured at amortized cost to measured at fair value through other comprehensive income, its fair value shall be measured as at the reclassification date. The gains or losses from any difference between the previous amortized cost of the financial asset and its fair value shall be recognized through other comprehensive income. The effective interest rate and the measurement of expected credit losses shall not be adjusted subsequent to reclassification.

If the entity reclassifies a financial asset from measured at fair value through other comprehensive income to measured at fair value through profit or loss, the financial asset continues to be measured at fair value. Accumulated profit (loss) previously recognized through other comprehensive income shall be reclassified from “through equity” to “through profit or loss” with a reclassification adjustment as at the reclassification date.

Reclassification is not allowed for equity securities.

Temporary investments in/disposals of securities

Temporary disposals of securities (loans of securities, securities disposed of under repurchase agreements) do not generally fulfil the conditions for derecognition.

Securities lent or sold under repurchase agreements remain on the balance sheet. In the case of securities under repurchase agreements, the amounts received, representing the liability to the transferee, are recognised on the liabilities side of the balance sheet by the transferor.

Securities borrowed or received under repurchase agreements are not recognised on the balance sheet of the transferee.

In the case of securities disposed of under repurchase agreements, an account receivable from the transferor is reported on the balance sheet of the transferee and offset against the amount paid. If the security is subsequently resold, the transferee recognizes a liability measured at fair value representing its obligation to return the security received under repurchase agreements.

Revenue and expenses relating to such transactions are recognized to profit and loss on an accrual basis, except in the case of classification of assets and liabilities at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or group of financial assets) is fully or partially derecognized if:

- The contractual rights to the cash flows from the financial asset expire.
- The contractual rights to the cash flows from the financial asset are transferred or are deemed as such because all the risks and rewards of the financial asset are transferred.

In this case, all remaining rights or obligations in force are recognised separately as assets and liabilities.

If the contractual rights to the cash flows are transferred but a part only of the risks and rewards of ownership or control is retained, the financial assets continue to be recognised to the extent of the entity's continuing involvement in the asset.

Furthermore, impaired financial assets may be derecognized when the entity can no longer reasonably expect to recover a financial asset (write-off). A financial asset may be written off before the conclusion of the legal actions for its recovery and this does not necessarily entail waiver by the Bank of its legal right to collect the credit claim. In this case, the gross nominal value of the loan remains unchanged, but its gross book value is written down by the write-off amount. The write-off may concern the entire amount of a financial asset or part thereof and is equal to:

- The reversal of total adjustments as the balancing item of the financial asset gross value.
- For any portion exceeding the amount of total adjustments, the recognition of the financial asset impairment directly through profit or loss.

Any amounts collected after the write-off are recognized in the income statement as recoveries.

FINANCIAL LIABILITIES

Financial liabilities are classified on the balance sheet in the two accounting categories given below:

- Financial liabilities at fair value through profit or loss, either by their nature or by designation.
- Financial liabilities at amortized cost.

Financial liabilities at fair value through profit or loss by their nature

Financial instruments issued primarily to be bought back in the short term, instruments belonging to an identified portfolio of financial instruments which are managed collectively and for which there is evidence of a strategy pursuing short-term profit-taking, and derivatives are measured at fair value by their nature.

Any changes in the fair value of this portfolio are recognized through profit or loss.

Financial liabilities designated at fair value through profit or loss

At initial recognition, the Bank may irrevocably designate the financial liability as measured at fair value when:

- a) By doing so, it removes or materially reduces any inconsistency in the measurement or recognition that would otherwise result from the measurement of the assets or liabilities or from the recognition of the related gains or losses on different bases;
- b) A group of financial liabilities or of financial assets and liabilities is managed and the return on it is measured on a fair value basis in accordance with a risk management or investment strategy;
- c) The contract contains one or more embedded derivatives and the host contract is not an asset falling in IFRS 9 scope of application.

This designation option is irrevocable and applies mandatorily from the date of initial recognition of the instrument.

Upon subsequent measurement, these financial liabilities are measured at fair value through profit or loss for changes in fair value not related to the Bank's own credit risk and with balancing item through equity with no recycling to profit or loss for value changes related to own credit risk.

Financial liabilities measured at amortized cost

All other liabilities fulfilling the definition of a financial liability (excluding derivatives) are measured at amortised cost.

These liabilities are initially measured at fair value (including transaction income and costs) and subsequently at amortised cost using the effective interest rate method.

Reclassification of financial liabilities

The initial classification of financial liabilities is irrevocable. No subsequent reclassification is allowed.

Distinction between debt - equity instruments

Securities are classed as debt instruments or equity instruments based on the economic substance of the contracts.

A financial liability is a debt instrument if it includes a contractual obligation to:

- provide another entity with cash, another financial asset or a variable number of equity instruments.
- exchange financial assets and liabilities with another entity at potentially unfavourable conditions.

An equity instrument is a non-redeemable financial instrument which offers discretionary return representing a residual interest in a company after deduction of all its financial liabilities (net assets) and which is not qualified as a debt instrument.

Treasury share buyback

Treasury shares or equivalent derivative instruments such as options on shares bought with a fixed strike ratio, including shares held to cover stock option plans, do not meet the definition of a financial asset and are recognized as reduction in equity. They do not generate any impact on the income statement.

Derecognition of and change to financial liabilities

A financial liability is derecognised in full or in part:

- When it is extinguished.
- When it has been substantially modified in case of restructuring.

A substantial modification in an existing financial liability shall be recognized as the extinction of an initial financial liability and the recognition of a new financial liability (known as novation). Any difference between the book value of the extinguished liability and the new liability shall be recognised immediately in the income statement. If the financial liability is not derecognised, the original effective interest rate (EIR) shall be maintained and the book value is modified through profit or loss on the modification date, discounting the new future cash flows modified using the original EIR. This impact is then spread over the residual lifetime of the instrument using the original effective interest rate.

DERIVATIVE FINANCIAL INSTRUMENTS**Classification and measurement**

Derivative instruments are financial assets or liabilities classified by default as derivative instruments held-for-trading unless they can be considered to be hedging instruments.

They are initially recognized at fair value on the settlement date and then measured at fair value.

At each reporting date, the fair value changes on derivative contracts shall be recognized:

- Through profit or loss for derivative instruments held for trading or for fair value hedging.
- Through equity for derivative instruments held as cash flow hedges or hedges of net investments in foreign operations, for the effective portion of the hedge.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that meets the definition of a derivative product. This definition applies only to financial liabilities and non-financial contracts. Embedded derivatives must be accounted for separately from the host contract if the following three conditions are met:

- The hybrid contract is not measured at fair value through profit or loss.
- The embedded component taken separately from the host contract has the characteristics of a derivative.
- The characteristics of the derivative are not closely linked to those of the host contract.

Conversely, financial assets with an embedded derivative are classified as a whole as separation is not allowed: in these cases, the instrument as a whole shall be classified under "financial assets measured at fair value through profit or loss".

OFFSETTING FINANCIAL ASSETS AND LIABILITIES

In accordance with IAS 32, Crédit Agricole Italia offsets a financial asset against a financial liability and recognizes a net amount when and only when it has a legally enforceable right to offset the recognized amounts and intends either to settle the net amount or to realize the asset and settle the liability simultaneously.

The derivative instruments and the repurchase agreements handled with clearing houses that meet the two criteria required by IAS 32 have been offset on the balance sheet.

NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS

Net gain (loss) on financial instruments measured at fair value through profit or loss

For financial instruments recognized at fair value through profit or loss, this item reports the following elements:

- Dividends and other revenues from equities and other securities which are classified under financial assets at fair value through profit or loss.
- Changes in fair value of financial assets or liabilities at fair value through profit or loss.
- Gains and losses on disposal of financial assets at fair value through profit or loss.
- Changes in fair value and gains and losses on disposal or termination of derivative instruments not included in a fair value hedging relationship or cash flow hedge.

This item also reports the ineffective portion of hedges.

Net gains (losses) on financial instruments measured at fair value through equity

For financial assets measured at fair value through equity, this item reports the following income statement elements:

- Dividends from equity instruments classified as financial assets at fair value through equity without recycling to profit or loss.
- Gains (losses) on disposals and net income associated with the termination of hedging relationships on debt instruments classified as financial assets at fair value through equity with recycling to profit or loss.
- Net income on disposals or associated with the termination of fair value hedging instruments of financial assets at fair value through equity when the hedged item is sold.

FINANCING COMMITMENTS AND FINANCIAL GUARANTEES GIVEN

Financing commitments that are not designated as fair value through profit or loss or not treated as derivative instruments within the meaning of IFRS 9 are not recognised on the balance sheet. . However, they are covered by provisions in accordance with IFRS 9.

A financial guarantee contract is a contract under which the issuer must make specific payments to reimburse the guarantee holder for a loss incurred due to a specific debtor's failure to make a payment when due under the initial or amended terms of a debt instrument.

Financial guarantee contracts are initially recognised at fair value and subsequently at the higher of:

- The adjustment amount for losses determined in accordance with IFRS 9.
- The amount originally recognised less, where applicable, the costs recognised in accordance with IFRS 15.

IMPAIRMENT FOR CREDIT RISK

Scope of application

In compliance with IFRS 9, Crédit Agricole Italia recognizes impairment with write-downs representing Expected Credit Losses (ECL) on the categories of financial assets given below:

- Financial assets consisting of debt instruments and recognised at amortised cost or at fair value through equity with recycling to profit or loss (loans and receivables, debt securities).
- Financing commitments which are not measured at fair value through profit or loss.
- Guarantee commitments that fall within IFRS 9 scope of application and that are not measured at fair value through profit or loss.
- Lease receivables falling in the IFRS16 scope.
- Trade receivables generated by transactions under IFRS 15 scope of application.

Equity instruments (at fair value through profit or loss or at fair value without recycling to profit or loss) are not concerned by the rules on impairment.

Derivative instruments and other instruments at fair value through profit or loss are subject to the calculation of counterparty risk which is not covered by the ECL model.

For more exhaustive information, please see Section "A.4 Fair value reporting" of this Note to the financial statements.

Credit risk and impairment (provisioning) stages

Credit risk is defined as risk of loss related to default by a counterparty leading to its inability to meet its commitments to the Bank.

The model of impairment (provisioning) for credit risk has three stages:

- Stage 1: from the initial recognition of the financial instrument (loan, debt security, guarantee...), the entity shall recognize expected credit losses over 12 months.
- Stage 2: if there is a significant increase in credit risk (versus initial recognition) for a given transaction or portfolio, the Entity shall recognize the losses expected up to maturity.
- Stage 3: when one or more default events have occurred on the counterparty with an adverse effect on the estimated future cash flows, the entity shall individually recognize the incurred credit loss calculated over the residual life of the instrument. Subsequently, if the conditions for classifying financial instruments in stage 3 are not met, the financial instruments are reclassified in stage 2, or in stage 1 , based on the decrease in credit risk.

Definition of default

The regulation on the Definition of Default is based on;

- The “relative” and “absolute” materiality thresholds to identify past due determining classification in the default status. It is automatic if two thresholds (relative and absolute) are jointly breached for 90 days in a row. More specifically:
 - The relative threshold is at 1%, calculated as the ratio of the total past due and/or overlimit amount to the total amount of recognized exposures to the same borrower;
 - The absolute threshold is at Euro 100 for Retail Customers and at Euro 500 for Non-Retail Customers, calculated using the total past due and/or overlimit amount of the borrower;
- Banks are not allowed to net existing past due and/or overlimit exposures on some credit lines of the debtor against existing available margins on other credit lines of the same borrower;
- A 3-month probation period shall be applied, running from the moment the positions no longer meet the conditions to be classified as defaulted and during which no past due instances must occur, before classifying the loan, and therefore the debtor, back to a non-default status.
- Specific rules (known as “triggers”) shall be applied, which require automatic classification as non-performing of exposures meeting even one only of the following characteristics:
 - Loss of more than 1% on restructured exposures (suspensions, rescheduling, renegotiations) because of financial difficulties experienced by the debtors;
 - Loss of more than 5% for the disposal of performing loans.

Definition of Expected Credit Loss (“ECL”)

ECL is defined as the weighted expected value of the discounted credit loss (principal and interest). It is the present value of the difference between contractual cash flows and expected ones (including principal and interest).

ECL governance and measurement

The Risk Management and Permanent Controls Function is responsible for defining the methodological framework and for overseeing the process for ECL-related impairment of exposures and provisioning.

To define the IFRS 9 parameters required to calculate ECL, Crédit Agricole Italia has primarily relied on its internal rating system and on the other regulatory processes already implemented.

Therefore, in compliance with the requirements laid down by the standard, in order to estimate parameters, forward-looking scenarios are used and weighted by the related probability of occurrence. In agreement with the Parent Company Crédit Agricole S.A., Crédit Agricole Italia uses four different macroeconomic scenarios:

- **Central scenario**, i.e. the scenario that is most consistent with the present one.
- **Moderately adverse scenario**, i.e. the economic scenario in moderately adverse conditions.
- **Budget stress scenario**, i.e. the most adverse scenario used within the Stress exercise at the end of the budget preparation.
- **Favorable scenario**, i.e. the economic scenario in favorable conditions.

The weights to be assigned to the four scenarios – which may vary at each new estimate of the parameters – are determined at the Crédit Agricole Group level (the Economic Research Function - ECO of Crédit Agricole S.A.), while Crédit Agricole Italia updates the estimate of the parameters at least every year. The ECL calculation formula comprises the following parameters:

- Probability of Default – PD.
- Loss Given Default – LGD.
- Exposure At Default (EAD).

The standard requires a Point-in-Time analysis as at the reporting date, while taking account of the historical loss data and forward-looking macroeconomic data. Therefore, based on the above, the accounting approach is different from the prudential framework, where analyses are multiyear and Through the Cycle to estimate the Probability of Default (PD); moreover, such analyses shall include the Downturn in the estimate of the Loss Given Default (LGD), whereas this effect is not envisaged in the IFRS 9 LGD.

ECL calculation approaches are different for financial instruments and off-balance sheet exposures. Expected credit losses are discounted at the effective interest rate (EIR) used for the initial recognition of the financial instrument. The models used are backtested at least annually by the Risk Management and Permanent Controls Function.

Significant increase in credit risk

For each financial instrument, Crédit Agricole Italia assesses any increase in credit risk from initial recognition at each reporting date. Based on this assessment of changes in credit risk, exposures are classified into the different risk stages.

Monitoring for any significant increase in credit risk shall cover every financial instrument, unless specific exceptions apply. Contagion is not required for the downgrading of financial instruments of the same counterparty from stage 1 to stage 2.

Monitoring for any significant increase in credit risk shall consider the change in credit risk of the principal debtor without taking account of any guarantee, including for transactions with a shareholder guarantee.

For each exposure, any increase in credit risk is assessed through (relative or absolute) quantitative criteria and qualitative criteria.

Relative criteria: some thresholds (SICR - Significant Increase in Credit Risk) have been set which measure the change in the PD as at the inception date and as at each reference date.

Based on this assessment of changes in credit risk, exposures are classified into the different risk stages.

The change in PD is calculated as $PD_{Closing\ Date} > a + \beta * PD_{Original\ Date}$ where:

- $PD_{Original\ Date}$ are the PDs measured at the business relationship inception, date of first recording;
- $PD_{Closing\ Date}$ are the PDs as at the reference date;
- a is a fixed parameter that identifies a perimeter exempted from the application of the SICR thresholds;
- β are parameters estimated on Crédit Agricole Italia's portfolio.

In Q4 2024, following talks between Crédit Agricole S.A. and the ECB, the SICR threshold was revised and harmonized at the Group level, pending the introduction of forward-looking values in 2025.

The significant increase in credit risk rule provides for the downgrading to stage 2 if:
 $PD_{Closing\ Date} > a + \beta * PD_{Original\ Date}$

where: $a=0$ e $\beta=3.00$ for all the portfolios.

It is pointed out that the rule is applied only where the PD as at the date is above 0.3%. Origination means the settlement date or the date on which the Bank became bound by the contractual terms of the financial instrument. For financing and guarantee commitments, origination means the date on which the irrevocable commitment was made.

Other criteria: for exposures without an internal rating model, the Crédit Agricole Italia Banking Group uses non-payment as at the reporting date or in the previous 12 months. In case of non-payment, as at the reporting date or in the previous months, the exposure is downgraded to stage 2.

For exposures (with the exception of securities) for which internal rating models have been implemented and applied (all the more so if the rating models have been validated), Crédit Agricole Italia considers that all of the information incorporated into the rating systems allows for a more detailed assessment than the non-payment for over 30 days criterion alone as a back-stop threshold.

Other factors for downgrading to stage 2 are:

- The breach of the PD thresholds, which, for Crédit Agricole Italia, are set at 12% for the non-Retail portfolio and at 15% for the Retail portfolio.
- No rating as at the assessment date if regarding loans disbursed over six months before.
- The exposure being classified as forborne performing.
- Classification in the watchlist in accordance with the Early Warning internal indicator (IMA – Performance Monitoring Indicator) in at least three calculations in the four months before the reference date.
- The selection of portfolio portions that are considered high risk following specific probes carried out by the Risk Management and Permanent Controls Function, such as: Sub-Investment Grade ratings close to the perimeter of Sensitive Loans (the thresholds applied by the Crédit Agricole Italia Banking Group are more restrictive).

Qualitative criteria: lastly, downgrading to stage 2 may occur for single-name positions reported by the Chief Legal Officer (CLO) and validated by the Risk Management and Permanent Controls Function (RCP).

If the conditions that triggered downgrading to stage 2 no longer apply, impairment may be reduced to 12-month ECL (stage 1).

For the security portfolio, Crédit Agricole Italia uses an approach that consists in applying an absolute level of credit risk, in accordance with IFRS 9, at the breaching of which exposures shall be classified in stage 2 and provisioned for based on ECL at maturity. Therefore, the following rules shall apply for monitoring significant increase in the credit risk of securities:

- “Investment Grade” (IG) securities, at the reporting date, shall be classified in stage 1 and provisioned for based on 12-month ECL.
- “Non-Investment Grade” (NIG) securities, at the reporting date, shall be subject to monitoring for significant increase in credit risk, since origination, and shall be classified in Stage 2 (lifetime ECL) where any significant increase in credit risk is found.

Impairment model on stage 3

The impairment model for the non-performing portfolio is based on the estimate of a forward-looking and multi-scenario ECL, which is obtained combining the internal collection scenario with an alternative collection scenario, via the disposal of the non-performing exposures, often as single.name, on the market. This calculation is consistent with the objectives laid down by the NPL Strategy of the Crédit Agricole Italia Banking Group, which, to reduce NPEs, gives preference to collection with no need for insolvency procedures, rather than the disposal of partial and limited clusters of NPEs, as an alternative.

IFRS9 reads that “the entity shall measure expected credit losses in a way that reflects:

- a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b) The time value of money;
- c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions”.

Specifically, IFRS 9 defines loss as the difference between all the contractual cash flows due and the cash flows that the entity expects to receive. Consequently, if the entity intends to sell a non-performing loan to a third party in order both to increase its cash flows as much as possible and to implement a specific strategy for NPL management, the ECL estimate shall reflect also the sale scenario and, thus, the cash flows from the sale. In accordance with IFRS 9, sales scenarios that are merely possible may be taken into account and, as such, shall be smoothed with others that are deemed more likely.

The above being given, Crédit Agricole Italia reflects, in the measurement of loans, the contemplated different types of collection by single loan or cluster of loans. The methods to assess the loan recovery forecasts, in compliance with the ECB Guidance, consist in an estimate of future cash flows made based on two general approaches:

- In a scenario where the borrower is assumed as a going-concern, the cash flows from operations continue to be generated and can be used to repay the financial debt; the “Going Concern Approach”.
- In a scenario where the borrower is assumed to discontinue operations, no cash flows from operations are generated to be used for debt service; the “Gone Concern Approach”.

The Going Concern Approach is mainly applied to cases in which the cash flows from the borrower's operations are material (vs. the debt) and can be reliably estimated, as well as in all cases in which the exposure is not backed with collaterals or is limitedly secured and to the extent collaterals can be realized without prejudicing the borrower's ability to generate future cash flows.

In measuring generated cash flows, also the cash flows from operations of any guarantor may be taken into account.

The Gone Concern Approach shall apply where there are no significant cash flows from operations vs. the debt or where the exposure is largely secured and the related collaterals are essential to generate cash flows.

CONTRACT MODIFICATIONS OF FINANCIAL ASSETS

When the original contractual conditions are modified by the parties, it is to be verified whether the financial asset shall continue to be recognized or the original financial asset is to be eliminated recognizing a new financial instrument.

To this end, it is to be assessed whether the modifications to the contract terms and conditions as renegotiated are substantial or not.

In case of substantial modifications, the entity shall derecognize the financial instrument affected by the modification and shall recognize a new financial asset based on the contract as modified, irrespective of whether the renegotiation is finalized by signing a new contract or by modifying the existing one.

Renegotiations are deemed substantial if they introduce specific objective elements affecting the characteristics and/or cash flows of the financial instrument or if they concern customers that are not experiencing financial difficulties, in order to align the contract onerousness to the current market conditions. In the latter case, it is to be specified that, if the Bank did not agree to a renegotiation of the contractual conditions, the customer would be able to borrow from another intermediary with the subsequent loss by the bank of the revenue flows under the renegotiated contract; in other words, in case of renegotiation for commercial reasons, no loss is to be recognized by the bank in its income statement subsequent to the alignment to the current market conditions that are more favourable for its customers.

Conversely, in case of renegotiations deemed not substantial, the entity shall redetermine the present value of the new cash flows subsequent to the renegotiation, based on the original rate of the exposure in force before the renegotiation. The difference between said value and the book value before the modification shall be recognized in the specific item of the income statement as profit or loss from contract modifications with no derecognition ("modification accounting").

RESTRUCTURING DUE TO FINANCIAL DIFFICULTIES (FORBEARANCE MEASURE)

Financial instruments that are restructured due to financial difficulties are those for which the entity has modified the initial financial conditions (interest rates, maturity) for business and legal reasons linked to the financial difficulties experienced by the borrower, in ways that would not have been applied in other circumstances. This regards all debt instruments, irrespective of the category the security is classified in.

This restructuring concept shall be assessed with regard to the contract rather than with regard to the customer. The definition of restructured loans subsequent to financial difficulties experienced by the customers is based on two cumulative criteria:

- Contract modifications or loan refinancing.
- The Customer's difficult financial situation.

Contract modifications are, for example, situations in which:

- There is a difference in favour of the borrower between the modified contract and the conditions before contract modification.
- The modifications made to the contract lead to conditions that are more favourable for the concerned borrower than those that other borrowers of the Bank, having similar risk profiles, could have obtained at that moment in time.

Concessions also include contract modifications, which may be freely applied for by a debtor in the scope of an already signed contract, but only when the creditor believes that the conditions to assess that debtor as experiencing financial difficulties are met ("embedded forbearance clauses"). Therefore, the definition of forbore does not include renegotiations for commercial reasons/practices, which are irrespective of the debtor's financial difficulties.

Refinancing means a new debt/loan is granted to the customer to repay, fully or in part, another debt as regards which the customer cannot comply with the contract conditions because of its financial situation.

The restructuring of a loan (whether performing or defaulted) is a sign of possible incurred loss risk. Therefore, the restructured/forborne exposure shall be accordingly assessed for any impairment/provisioning (restructuring does not systematically entail adjustment for incurred loss and classification as defaulted).

The classification as "Forborne exposure" is temporary. If the restructuring transaction is carried out in accordance with the instructions of the European Banking Authority (EBA), the exposure retains the "forborne" status for at least 2 years, if it was performing upon restructuring, or for 3 years if it was non-performing upon restructuring. These periods shall be longer if some events provided for in the Group's principles occur (for instance "reoccurrence").

With no derecognition, the reduction in future flows granted to the counterparty or the deferral of such flows over a longer time horizon than the one before the restructuring shall entail recognition of impairment in the Income Statement. The impairment for the restructuring shall be calculated as the difference between:

- The loan book value.
- The sum of the restructured future flows discounted at the original Effective Interest Rate (EIR).

Upon impairment, the portion regarding the passage of time shall be recognized under net interest income.

PURCHASED OR ORIGINATED CREDIT IMPAIRED ASSETS

Pursuant to IFRS 9, a financial asset is considered impaired upon initial recognition if credit risk is very high and it is purchased with significant rebates vs. the residual contractual debt.

If, based on the classification drivers (SPPI test e Business Model), these financial assets are classified as assets measured at amortized cost or at fair value through other comprehensive income, they shall be classified as "Purchased or Originated Credit Impaired Assets" ("POCI") and shall be subject to specific treatment as regards impairment. As regards these exposures, IFRS 9 requires:

- Their initial recognition at fair value.
- That the expected credit loss be always estimated based on the expected loss over the lifetime of the financial instrument.
- That Interest recognized in the accounts be determined applying the effective interest rate, adjusted by credit risk ("EIR Credit Adjusted") or of the rate that, at initial recognition, discounts all future cash flows estimated at the asset amortized cost, taking into account, in the estimate, also expected credit losses.

POCI loans reported in the Bank's financial statements were recognized subsequent to Business Combinations. Specifically, the acquisition of Credito Valtellinese in 2021 had entailed the recognition of a portfolio of non-performing loans, which, therefore, were initially recognized as POCI assets in accordance with IFRS 9 and measured at their fair value determined within the Purchase Price Allocation, as their first-recognition amount. In the light of the disposals finalized later on, the POCI loans coming from Credito Valtellinese and recognized in Crédit Agricole Italia's financial statements as at 31 December 2024 remained under assets measured at amortized cost for significantly lower amounts and further reducing vs. the end of 2023. Those loans have been recognized in the related stages.

HEDGE ACCOUNTING

General framework

In compliance with the decision made by Crédit Agricole Italia, Crédit Agricole Italia has not applied the “hedge accounting” section of IFRS 9, exercising the option given by IFRS9 itself. All hedges have continued to be reported in accordance with IAS 39, up to the date of application of the supplement on fair value macro hedging (after its endorsement by the European Union). However, the eligibility of financial instruments for hedge accounting in accordance with the IAS 39 takes into account the bases of classification and measurement of financial instruments pursuant to the IFRS 9.

In accordance with IFRS 9 and with the IAS 39 hedging principles, eligible fair value and cash flow hedges are debt instruments at amortized cost and at fair value through equity with recycling to profit or loss.

The Group hedges interest rate risk in order to immunize the Banking Book from changes in the fair value of funding and lending, caused by adverse movements in the interest rate curve, or of reducing the uncertainty of cash flows linked to a specific asset/liability in an integrated balance sheet perspective. Specifically, fixed-rate debenture loans have been hedged (micro-hedging), as have the mortgage loans with cap to Customers (macro-hedging), government securities in reserves (asset-swap hedging) and fixed-rate gaps detected by the internal model, which have been subject to macro-hedging. The hedges were made exclusively by purchasing Interest Rate Swaps and Interest Rate Options.

Documentation

Hedging relationships shall comply with the following principles:

- Fair value hedges have the purpose of protecting the entity against exposure to changes in the fair value of a recognized asset or liability or of an irrevocable commitment not recognized, attributable to the hedged risk or risks and able to impact on the income statement (for instance, total or partial hedge of fair value changes due to interest rate risk on a fixed-rate debt).
- Cash flow hedges have the purpose of protecting the entity against exposure to changes in future cash flows of a recognized asset or liability or of a transaction deemed very likely, attributable to the hedged risk or risks and able (in case of an expected transaction not occurred) to impact on the income statement (for instance, hedging of all or part of the payment of future interests on a floating-rate debt).
- Hedges of net investments in foreign operations have the purpose of protecting the entity against the risk of any unfavourable change in fair value associated with the foreign exchange risk within an investments in foreign operations in a currency other than the Euro.

When an entity intends to use hedges, the following conditions shall be met in order to benefit from hedge accounting:

- Eligibility of the hedging instrument and of the hedged instrument.
- Formalized documentation since inception, specifically including the individual designation and the characteristics of the hedged item, of the hedging instrument, the type of hedging relationship and the nature of the hedged risk.
- Evidence of the hedge effectiveness, at inception (i.e. prospectively) and retrospectively, through tests made at each reporting date.

For interest rate risk hedging of a portfolio of financial assets or financial liabilities, Crédit Agricole Italia prefers a fair value hedge documentation, as permitted by the IAS 39 endorsed by the European Union (carve out version).

Specifically:

- Crédit Agricole Italia documents these hedging relationships based on a gross position of derivative instruments and hedges items.
- The effectiveness of these hedging relationships is proved with effectiveness tests.

Measurement

The measurement of the derivative at fair value is recognized as follows:

- Fair value hedges: the derivative remeasurement is recognized in the income statement matching the remeasurement of the hedged item. The income statement reports only the net amount of any ineffective portion of the hedge.
- Cash flow hedges: the changes in the fair value of the derivative are recognized through equity as to the effective portion of the hedge; gains and losses on the derivative are then recognized through profit or loss, when, having regard to the hedged item, the cash flow change to be offset occurs or if the hedge proves ineffective.
- Hedges of net investments in foreign operations: the derivative remeasurement derivative is recognised as a balancing item through equity with recycling to profit or loss and the ineffective portion of the hedge is recognized through profit or loss.

Where the conditions for benefiting from hedge accounting are no longer met, the following accounting treatment shall be applied prospectively:

- Fair value hedges: only the hedging instrument continues to be remeasured through profit or loss. The hedged item is wholly recognized in accordance with its classification. For debt instruments at fair value through equity with recycling to profit or loss, fair value changes after the termination of hedging relationship shall be fully recognized through equity. For hedged items measured at amortized cost, which were hedged for interest rate risk, the remaining portion of the remeasurement difference shall be amortized over the remaining life of the hedged items.
- Cash flow hedges: the hedging instrument is measured at fair value through profit or loss. The amounts accumulated through equity and regarding the effective portion of the hedge shall remain in equity until the hedged element affects profit or loss. Interest-rate hedged items shall be recognized through profit or loss as interests are paid. The remaining portion of the remeasurement difference is then amortized over the remaining life of the hedged items.
- Hedges of net investments in foreign operations: the accumulated amounts in equity regarding the hedge effective portion shall remain in equity as long as the net investment is held. When no longer within the scope of consolidation, net investments in foreign operations shall be recognized through profit or loss.

MAIN FINANCIAL STATEMENT ITEMS

1. Financial assets measured at fair value through profit or loss

CLASSIFICATION

This category comprises the financial assets not classified as “Financial assets measured at fair value through other comprehensive income” or as “Financial assets measured at amortised cost”.

The “Financial assets measured at fair value through profit or loss” item consists of three sub-items:

- a) “Financial assets held for trading”: this category consists of financial assets (debt securities, equity securities, loans and units in OICR collective investment undertakings) managed in order to realize cash flows through their sale and, therefore, under the “Other” Business Model; this category also includes derivative instruments (except for those classified as hedging derivatives or financial guarantee contracts);
- b) “Financial assets designated at fair value”: this category consists of financial assets (debt securities and loans) so designated upon initial recognition and where the related requirements are met (fair value option). As regards this category, an entity may irrevocably designate a financial asset at fair value through profit or loss if, and only if, by doing so it removes or materially reduces any measurement inconsistency;
- c) “Financial assets mandatorily measured at fair value”, consisting of the financial assets that are managed with the “Hold to Collect” or “Hold to Collect and Sell” business model, but that do not meet the requirements to pass the SPPI test (as their contractual terms do not solely envisage payments of principal and interest on the principal amount outstanding) or that are managed under the “Other” business model but are not held for trading. This category reports also units in OICR collective investment undertakings; this item also reports equity securities that are not held for trading, for which, at first recognition, the entity did not exercised the option to classify them at fair value through other comprehensive income.

IFRS 9 allows reclassifications between the different categories only if the entity changes its business model for the management of the financial assets concerned. In such cases, which are expected to be infrequent, the reclassification shall apply from the date of reclassification and the reporting entity is not required to redetermine gains, losses and interests as previously recognized.

For more exhaustive reporting on the accounting effects generated by reclassifications, please refer to the “Financial instruments (IFRS9, IAS 39 and IAS32)” paragraph in Part A.2 herein.

RECOGNITION

Debt and equity securities and units in OICR collective investment undertakings are initially recognized at the settlement date, while derivative contracts are recognized on the date they are signed. Loans are recognized on their origination date.

Specifically, upon recognition at the settlement date, the reporting entity recognizes any changes in the fair value of the asset occurred between that date and the trading date, based on the same criteria identified for the purchased assets.

On initial recognition, “Financial assets measured at fair value through profit or loss” are recognized at fair value; unless otherwise specified, it consists of the price paid to execute the transaction and any transaction costs or revenues attributable to the instrument are not taken into account but are taken directly to the Income Statement.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

After initial recognition, “Financial assets measured at fair value through profit or loss” are stated at fair value.

IFRS 13 defines fair value as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

To measure the fair value of financial instruments that are quoted in an active market, market prices are used. Where there is no active market, fair value is measured using generally accepted estimation methods and measurement models that take account of all the risk factors correlated to the instruments and that are based on information available on the market, such as: the measurement of the price of listed instruments with similar features, discounted cash flows, option pricing models, values reported for recent comparable transactions, etc.

For equity securities and derivative instruments that have equity securities as underlying assets, not quoted in an active market, the cost approach is used as the fair value estimate only to a residual extent and limited to very few cases, that is to say when there is a wide range of possible fair value measurements of which cost is the most significant estimate.

The effects of the application of this measurement approach are recognized in the Income Statement, under item 80 "Net gains (losses) on trading activities" for "Financial assets held for trading" and under item 110 "Net gains (losses) on financial assets and liabilities measured at fair value through profit or loss" for "Financial assets designated at fair value" and for "Financial assets mandatorily measured at fair value". The same items report the derecognition of such financial assets. For more information on fair value measurement, please refer to paragraph 15 "Other Information - Fair Value Measurement" and to "Part A.4 - Fair value reporting".

DERECOGNITION

Financial assets are derecognized if one of the following cases occurs:

- Contractual rights to the cash flows from the assets have expired.
- The financial asset is sold with substantial transfer of all risks and rewards resulting from its ownership. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial assets is retained, the assets continue to be recognized, even if the relevant legal title has been transferred. Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, financial assets are derecognized when no form of control over the assets has been retained. Conversely, if even a portion of control is retained, the asset continues to be recognized to the extent of the continuing involvement, measured by exposure to changes in the value of the assets transferred and to changes in the related cash flows.
- The entity retains the contractual right to receive the cash flows from the assets, but it concomitantly undertakes the contractual obligation to pay such flows to a third party (pass-through arrangements).

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

CLASSIFICATION

This category consists of financial assets that meet both the following conditions:

- The financial asset is managed in accordance with the "Hold to Collect and Sell" Business Model whose objective is achieve both by collecting the contractual cash flows and by selling the asset, and
- The contractual terms of the financial asset provide for, at specified date, cash flows that are solely payments of principal and interest on the principal amount outstanding.

Therefore, this category includes debt securities and loans that are managed in accordance with the "Hold to Collect and Sell" Business Model and that have passed the SPPI test. This category also includes equity instruments, not held for trading, for which the irrevocable option was exercised upon initial recognition for their designation at fair value through other comprehensive income.

IFRS 9 allows reclassifications between the different categories only if the entity changes its business model for the management of the financial assets concerned. In such cases, which are expected to be infrequent, the reclassification shall apply from the date of reclassification and the reporting entity is not required to redetermine gains, losses and interests as previously recognized.

For more exhaustive reporting on the accounting effects generated by reclassifications, please refer to the "Financial instruments (IFRS9, IAS 39 and IAS32)" paragraph in Part A.2 herein.

RECOGNITION

These financial assets are initially recognized at the settlement date for debt and equity securities and, as regards loans, at their disbursement date. At initial recognition, these assets are recognized at fair value that equal to, unless otherwise stated, the price paid for the transaction execution, including any costs or revenues directly attributable to the instrument.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

After initial recognition, Assets classified at fair value through other comprehensive income, consisting of debt securities and loans, are measured at fair value, recognizing the impacts generated by the amortized costs application in the Income Statement. For amortized cost measurement, please refer to paragraph 15 "Other information - Amortized Cost Measurement". Gains and losses on fair value measurement are recognized in a specific equity reserve (item "110.Valuation reserves"), which shall be recycled to profit or loss (item 100b "Gains/losses from disposal/repurchase of financial assets measured at fair value through other comprehensive income) upon derecognition of the financial asset.

"Financial assets measured at fair value through other comprehensive income" - being them debt securities and loans - are subject to impairment testing in accordance with the IFRS 9, as are Assets at amortized cost, with subsequent recognition of adjustments in the Income Statement for expected losses. Those adjustments are recognized in Income Statement under item "130. Net adjustments/recoveries for credit risk"; the same applies, in a mirror-like way, to recoveries on part or all write-downs made in previous periods.

Equity instruments for which the option was exercised for their classification in this category are measured at fair value; gains or losses from fair value measurement are recognized as a balancing item of a specific equity reserve (item "120. Valuation reserves"). These reserves shall never be recycled to the income statement, including where allocated by selling the asset; in that case, the accumulated balance of the reserve is not recycled through profit or loss, but it is classified under retained earnings reserves in equity (item "140. Reserves"). Moreover, these assets shall not be written down in the Income Statement as they are not subject to impairment. The only component recognized in the Income Statement is collected dividends.

Fair value is determined using the standards adopted for "Financial assets measured at fair value through profit or loss". For the equity instruments included in this category, which are not quoted in an active market, the cost approach is used as the fair value estimate to a residual extent only and in very few circumstances, i.e., when all the measurement methods referred to above cannot be applied, or when there is a wide range of possible measurements of fair value, of which cost is the most significant estimate. For more information on fair value measurement, please refer to paragraph 15 "Other Information - Fair Value Measurement" and to "Part A.4 - Fair value reporting".

DERECOGNITION

Financial assets are derecognized only if their sale has substantially transferred all the risks and rewards associated with ownership of the same assets. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial assets is retained, the assets continue to be recognized, even if legal title has been transferred.

Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, financial assets are derecognized when no form of control over the assets has been retained. Conversely, if even a portion of control is retained, the asset continues to be recognized to the extent of the continuing involvement, measured by exposure to changes in the value of the assets transferred and to changes in the related cash flows.

Finally, financial assets which have been sold are derecognized if the contractual rights to receive the related cash flows are retained with the simultaneous assumption of an obligation to pay such flows, and only such flows, to other third parties.

3. Financial assets measured at amortized cost

CLASSIFICATION

This category consists of financial assets, specifically debt securities and loans, that meet both the following conditions:

- The financial asset is managed in accordance with the “Hold to Collect” Business Model whose objective is achieved by collecting the contractual cash flows.
- The contractual terms of the financial asset provide for, at specified date, cash flows that are solely payments of principal and interest on the principal amount outstanding.

More specifically, this category includes loans to customers and banks - in any technical form - and debt securities that meet the requirements referred to above. This category also includes receivables originated by finance lease transactions under IFRS 16 and operating loans and receivables linked to the provision of financial services, as defined by the Italian Consolidated Law on Banking (T.U.B.) and by the Italian Consolidated Law on Finance (T.U.F.) (e.g. for the distribution of financial products and servicing activities).

IFRS 9 allows reclassifications between the different categories only if the entity changes its business model for the management of the financial assets concerned. In such cases, which are expected to be infrequent, the reclassification shall apply from the date of reclassification and the reporting entity is not required to redetermine gains, losses and interests as previously recognized.

For more exhaustive reporting on the accounting effects generated by reclassifications, please refer to the “Financial instruments (IFRS9, IAS 39 and IAS32)” paragraph in Part A.2 herein.

RECOGNITION

These financial assets are initially recognized at the settlement date for debt securities and, as regards loans, at their origination date. This asset item reports separately:

- Due from banks.
- Loans to customers.

Specifically, for loans, their origination date is usually the same as the date of contract signing. Should this not be the case, upon contract signing a commitment to disburse funds shall be recognized and derecognized on the loan disbursement date.

Loans and receivables are initially recognized at their fair value that is equal to the amount disbursed, or subscription price, including costs and revenues directly attributable to the individual loan and determinable from the inception of the transaction, even if settled at a later time. The initially recognized amount does not include costs that can be classified as normal administrative overhead costs, despite having the above characteristics.

Repurchase agreements or reverse repurchase agreements are recognized as funding or lending transactions. Specifically, repurchase agreements are recognized as liabilities for the spot amount received, whereas reverse repurchase agreements are recognized as assets for the spot amount paid.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

Following initial recognition, these financial assets are measured at amortized cost using the effective interest rate method.

Measurement at amortized cost entails that the asset is recognized at an amount equal to its initial recognition value less principal repayment, plus or minus accumulated amortization in accordance with the aforementioned effective interest rate method, of the difference between the initial amount and the amount at maturity (typically attributable to costs/income directly pertaining to the individual asset) and adjusted by any loss coverage provision.

The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the asset in terms of principal and interest, to the amount disbursed including costs and revenues attributable to the asset. Expected cash flows shall be estimated taking account of all contractual terms of the financial instrument, but irrespective of expected losses on loans and receivables. The calculation includes all fees and commissions, transaction costs and all other premiums or discounts. This measurement method uses a financial approach and allows the economic effect of the costs/income directly attributable to a financial asset to be spread over its expected remaining lifetime. For more exhaustive reporting on this matter, please refer to paragraph 15 “Other information - Amortized Cost Measurement”.

The amortized cost method is not used for assets that have short lifetime, as their discounting is expected to have negligible effects, for those with indefinite maturity and revocable loans. These assets are measured at historical cost.

The book value of financial assets at amortized cost is adjusted in order to report any provision for expected loss coverage. Indeed, at every reporting date, these assets are tested for impairment in order to estimate any Expected Credit Losses (ECL).

This scope includes non-performing loans (known as “stage 3” loans) classified as bad, unlikely- to-pay or non-performing past due in accordance with the rules issued by the Supervisory Authorities; this scope also includes performing loans classified as “stage 1” and “stage 2”, to which the Expected Credit Losses concept applies on a 12-month or lifetime basis, respectively.

The used bases of measurement are exhaustively described in the paragraph “Financial instruments (IFRS9, IAS 39 and IAS32) - Impairment for credit risk)” in Part A.2 of this document and, as already said, are strictly linked to the classification of these instruments in one of the three stages (credit risk stages) provided for by IFRS 9.

The model of impairment (provisioning) for credit risk comprises:

- Stage 1: from the initial recognition of the financial instrument (loan, debt security, guarantee...), the entity shall recognize expected credit losses over 12 months.
- Stage 2: if the credit quality deteriorates significantly for a given transaction or portfolio, the entity shall recognize the lifetime expected losses.
- Stage 3: when one or more default events have occurred on the counterparty with an adverse effect on the estimated future cash flows, the entity shall recognize a lifetime expected loss. Subsequently, if the conditions for classifying financial instruments in stage 3 are not met, the financial instruments are reclassified in stage 2, or in stage 1, based on the decrease in credit risk.

Any adjustments are recognized in the Income statement under item “130 Net adjustments to/recoveries for credit risk”.

The original value of the financial assets is written back in following financial years if the exposure credit quality improves vs. the one that entailed the previous write-down. Impairment recoveries are recognized in the Income Statement under the same item and the value of the loan after the writeback shall in no event exceed the amortized cost that the asset would have had if the prior adjustment had not been made.

for non-performing exposures, accrued interests recognized in the Income Statement under item 10. “Interest and similar income” are calculated based on amortized cost. The same item reports interest income due to the passage of time, calculated within the measurement of non-performing financial assets based on the original effective interest rate.

A specific item in the income statement reports interest income calculated with the effective interest method in accordance with Bank of Italy Circular 262.

DERECOGNITION

Financial assets are derecognized if one of the following cases occurs:

- Contractual rights to the cash flows from the assets have expired.
- The financial asset is sold with substantial transfer of all risks and rewards resulting from its ownership. Financial assets are derecognized only if their sale has substantially transferred all the risks and rewards associated with ownership of the same assets. Conversely, when a prevalent share of the risks and rewards associated with ownership of the financial assets is retained, the assets continue to be recognized, even if the relevant legal title has been transferred. Where it is not possible to ascertain whether substantially all the risks and rewards of ownership have been transferred, financial assets are derecognized when no form of control over the assets has been retained. Conversely, if even a portion of control is retained, the asset continues to be recognized to the extent of the continuing involvement, measured by exposure to changes in the value of the assets transferred and to changes in the related cash flows.
- Financial assets are written off where their recovery can no longer be reasonably expected, including in case of waivers of the rights to the asset.
- The entity retains the contractual right to receive the cash flows from the assets, but it concomitantly undertakes the contractual obligation to pay such flows to a third party (pass-through arrangements).
- The contract undergoes modifications that qualify as substantial. In case of substantial modifications to the contract (i.e. modifications that affect the characteristics and/or the cash flows of the financial instrument), the entity shall derecognize the financial instrument and shall recognize a new financial asset based on the contract as modified, irrespective of whether the renegotiation is finalized by signing a new contract or by modifying the existing one.

4. Hedging

In compliance with the decision made by the Crédit Agricole Group, Crédit Agricole Italia has not applied the “hedge accounting” rules provided for by IFRS 9, exercising the option given by IFRS9 itself. All hedges have continued to be reported in accordance with IAS 39, up to the date of application of the supplement on fair value macro hedging (after its endorsement by the European Union). Nonetheless, having regard to classification and measurement, IFRS 9 has been applied.

CLASSIFICATION

The “Hedging Derivatives” asset and liability items report financial derivatives held for hedging, which, as at the reporting date, have positive or negative fair values, respectively.

Hedging transactions are used to neutralize potential losses occurring on a given item or group of items attributable to a given risk, should the risk event take place.

The following types of hedges are used:

- Fair value hedges: these are used to hedge exposures to changes in the fair value (attributable to the different types of risk) of assets and liabilities or portions thereof, groups of assets and liabilities, irrevocable commitments and portfolios of financial assets and liabilities, including core deposits, as permitted by IAS 39, which was endorsed by the European Commission.
- Cash flow hedges: these are used to hedge exposures to changes in future cash flows caused by certain risks associated with financial statement items. This type of hedge is essentially used to stabilize interest cash flows from variable-rate funding to the extent it concerns fixed-rate loans. In some cases, similar hedges are used for some variable-rate loans.
- Hedge of an investment in a foreign currency: it is used to hedge risks of an investment in a foreign operation expressed in a foreign currency.

RECOGNITION

Hedging derivatives, like all derivatives, are initially recognized on their subscription date and measured at fair value.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

Hedging derivatives are measured at fair value. Specifically:

- in case of fair value hedging, changes in the fair value of the hedged item are offset against changes in the fair value of the hedging instrument.

This offsetting is recognized in the Income Statement under item “90. Net gains (losses) on hedging activities” by reporting the value changes in both the hedged item and in the hedging instrument. Any difference that may arise, since it represents the partial ineffectiveness of the hedge, also represents its net effect through profit or loss.

- Cash flow hedges: these are used to hedge exposures to changes in future cash flows caused by certain risks associated with financial statement items. This type of hedge is essentially used to stabilize interest cash flows from variable-rate funding to the extent it concerns fixed-rate loans. In some cases, similar hedges are used for some variable-rate loans; The changes in the fair value of the derivative are recognized in equity (item “110. “Valuation reserves”), for the effective portion of the hedge, and are recognized through profit or loss only when the cash flow change to be offset occurs regarding the hedged item.
- Hedge of an investment in a foreign currency: it is used to hedge risks of an investment in a foreign operation expressed in a foreign currency and it is recognized as cash flow hedges are.

The derivative instrument is classified as held for hedging where there is formal documentation of the relationship between the hedged item and the hedging instrument and where it is effective at inception and throughout its life.

The effectiveness of the hedge depends on the degree to which changes in fair value of the hedged instrument or the relative expected cash flows are offset by changes in that of the hedging instrument. Accordingly, the actual effectiveness is gauged by comparing the above-mentioned changes, taking into account the intention of the company at the inception of the hedge.

Hedging is deemed effective when changes in the fair value (or the cash flows) of the hedging instrument almost entirely – i.e. within an interval of between 80% and 125% - offset changes in the value of the hedged item for the hedged risk factor.

Effectiveness is assessed at every reporting date, using:

- Prospective tests, which justify the application of hedge accounting, since they demonstrate the expected effectiveness of the hedge.
- Retrospective tests, which show the degree of effectiveness of the hedge achieved during the reference period. In other words, they measure how actual results deviate from the perfect hedge.

Any hedge ineffectiveness caused by economic circumstances that are expected to return to normal as confirmed by prospective tests is not taken into account.

DERECOGNITION - TERMINATION OF THE HEDGING RELATIONSHIP

If the hedge effectiveness is not proved by the verifications and tests carried out, from that time on hedge accounting, as described above, shall be terminated, the derivative contract shall be reclassified to “Financial assets measured at fair value through profit or loss” and, specifically, to “Financial assets held for trading”.

In case of fair value hedges, the hedged item is measured with the original measurement approach of the category it belongs to; for instruments measured at amortized cost, any accumulated recoveries/losses recognized subsequent to the fair value change of the hedges risk are recognized in the Income Statement under interest income and interest expense throughout the residual life of the hedged item, based on the effective interest rate. If the hedged item is sold or repaid, the fair value portion that has not yet been amortized shall be immediately recognized in the Income Statement.

Furthermore, the hedging relationship terminates when:

- The derivative matures, is terminated or exercised.
- The hedged item is sold, matures or is repaid.
- The hedged future transaction is no longer highly probable.

Hedging of portfolios of assets and liabilities

The hedging of portfolios of assets and liabilities (“macrohedging”) and its consistent recognition can be done after:

- Identifying the portfolio to be hedged and breaking it down by maturity.
- Designating the item to be hedged.
- Identifying the interest rate risk to be hedged.
- Designating the hedging instruments.
- Determining effectiveness.

The portfolio hedged against interest rate risk may comprise both assets and liabilities. This portfolio is broken down by maturity in terms of collection or repricing of the interest rate, after analyzing the cash flow structure. Fair value changes occurred in the hedged item are recognized in the Income Statement under item “90. Net gains (losses) on hedging activities” and in the Balance Sheet under item “60. Fair value change of financial assets in macro-hedge portfolios” or under item “50. Fair value change of financial liabilities in macro-hedge portfolios”. Fair value changes occurred in the hedged item are recognized in the Income Statement under item “90. Net gains (losses) on hedging activities” and in the Balance Sheet under asset item “50. Hedging Derivatives” or under liability item “40. Hedging derivatives”.

In case of early termination of fair value macro hedging, the accumulated recoveries/losses are recognized in the Income Statement under interest income or interest expense throughout the residual duration of the original hedging relationships, granted that it is verified that the related requirements are met.

5. Equity investments

CLASSIFICATION

This item reports the equity investments held in subsidiaries, joint arrangements and associates.

Subsidiaries are companies regarding which Crédit Agricole Italia is the investor that is exposed to or has right to variable returns from its involvement with such investees and, at the same time, has the ability to affect those returns through its power over such investees.

Joint arrangements are investees in which the voting rights and the control of its business activities are shared equally, directly or indirectly, between the Company and another party. Joint arrangements also include equity investments in which, despite the lack of equal voting rights, control over the business activities and the strategic policies of the investee company is shared with other parties under contractual agreements.

Associates are companies in which the Bank exercises a significant influence, holding, directly or indirectly, at least 20% of the voting rights (including “potential” voting rights that may be exercised) or having the power to participate in determining its financial and management policies, despite holding less than 20% of the voting rights, owing to specific legal ties, such as being party to a shareholders’ agreement.

Significant influence is not ascribed to interests equal to or higher than 20%, in which the Bank holds only equity rights to a portion of the return on the investments, does not have a say in the investee’s management policies and can exercise governance rights only to the extent required to protect its equity investment.

RECOGNITION

These financial assets are initially recognized at the settlement date. At initial recognition, these financial assets are recognized at cost, including any goodwill paid upon acquisition which, therefore, is not separately recognized.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

Equity investments are measured at cost, where the case written down for impairment.

Where there is evidence that the value of an equity investment may be impaired, its recoverable value is determined, taking into account the present value of future cash flows that the equity investment could generate, including its value upon divestment.

If the recoverable amount is lower than the carrying amount, the difference is recognized in the Income Statement.

If the reasons for the impairment are removed subsequent to an event occurred after the impairment loss recognition, a write-back is taken to the Income Statement.

DERECOGNITION

Equity investments are derecognized in case of any sale that transfers all rights and rewards associated with their ownership.

In case significant influence or joint control can no longer be exercised, any residual investment shall be reclassified to the portfolios of financial assets in accordance with the IFRS 9.

6. *Property, Plant and Equipment*

CLASSIFICATION

“Property, plant and equipment” includes land, operating property, investment property, technical plants, furniture, furnishings and equipment of any type, works of art and property, plant and equipment inventories governed by IAS 2.

These assets are held to be used in production or supply of goods and services (property, plant and equipment used in operations in accordance with IAS 16), or to be rented out to third parties or for investment purposes (investment property governed by IAS 40) and are intended to be used for longer than one period.

This item also reports the rights-of-use of property, plant and equipment assets acquired with lease contracts in which the Bank is the lessee, irrespective of their specific legal form.

RECOGNITION

“Property, plant and equipment” items are initially recognized at cost, which includes, in addition to the purchase cost, all costs directly attributable to purchasing and placing the asset in service. Extraordinary maintenance expenses that increase the future economic benefits generated by such assets are recognized as an increase in the value of the assets, while ordinary maintenance costs are recognized in the Income Statement.

The initial measurement of the right-of-use asset includes the present value of future lease payments, the lease payments made on or before the lease contract effective date, initial direct costs and any estimated costs for dismantling, removal or restoration of the lease underlying asset, less any lease incentives received by the lessee.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

Property, plant and equipment assets, including investment property and right-of-use assets, are measured at cost less depreciation and impairment.

These assets are systematically depreciated over their useful life on a straight-line basis, as reported in the table below:

Description	Duration
Land	No depreciation
Operating property	33 Years ⁽¹⁾
Other investment property	
- Other	33 Years ⁽¹⁾
- High-end property and property inventories (IAS2)	No depreciation
Furniture, fittings, alarm systems and vehicles	From 4 to 10 years
Computers and electronic equipment	From 3 to 10 years
Works of art	No depreciation

(1) It is specified that, in few specific cases and for specific property units, their useful life, appropriately calculated, may have different duration.

Lease right-of-use assets are depreciated on a straight-line basis over the lease term.

Properties are depreciated at a rate based on a useful life deemed fit to appropriately represent the deterioration of the assets over time due to use, taking into account any extraordinary maintenance costs, which increase the value of the asset, and ordinary maintenance costs, which maintain the value of the assets for longer periods of time. However, the assets' remaining useful life is verified on a regular basis.

The depreciation cost for property, plant and equipment is recognized in the Income Statement in the item "180 Net adjustments to/Recoveries on property, plant and equipment".

The following assets are not depreciated:

- land, whether acquired separately or incorporated in the value of the building, since it has an indefinite useful life. Where its value is incorporated in the value of the building, under the components approach, the land is considered separable from the building. The division between the value of the land and the value of the building is based on appraisals by independent experts, only for buildings entirely owned by, and, therefore, fully available to the Bank, including the land.
- High-end property.
- Property, plant and equipment inventories under IAS 2 measured at the lower between their cost and net realizable value, that is to say their market value net of completion and selling costs.
- Works of art, as they have indefinite useful life and their value does not normally decrease over time.

If there is evidence of impairment of the asset, the asset's book value is compared to its recoverable value, that is to say the higher between their fair value and their value in use. For more exhaustive reporting, please refer to paragraph "15 Other Information - Method to calculate impairment losses - Other non-financial assets".

Any adjustments are recognized in the Income statement under item "180 Net adjustments to/recoveries on property, plant and equipment".

If the reasons for impairment cease to exist, a writeback is recognized. The book value following the writeback shall not exceed the value the asset would have had, net of depreciation, in the absence of the prior writedown.

DERECOGNITION

Property, plant and equipment items are derecognized when disposed of or when the asset is permanently withdrawn from use and no future benefits are expected from its disposal.

7. Intangible assets

CLASSIFICATION

Intangible assets are non-monetary assets that are identifiable and not physical, stem from legal or contractual rights, are held to be used for several years and are expected to generate future economic benefits. The main types of intangible assets are:

- Software acquired from external sources or with licence for use.
- In-house developed software.
- Residual goodwill recognized as the difference between purchase cost and the fair value of the assets and liabilities acquired and contingent assets and liabilities recognized upon acquisition in accordance with the IFRS 3 determination criteria.
- The intangibles representing business with Customers are recognized subsequent to the application of IFRS 3.

RECOGNITION

Separately acquired and internally generated intangible assets are initially recognized at cost adjusted by any ancillary expenses, only if the economic benefits from the asset are likely to be generated and if its cost can be reliably determined. Otherwise, the intangible asset cost is recognized in the Income Statement for the period in which it is borne. Intangible assets acquired through business combinations are recognized at fair value as at the acquisition date.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

After initial recognition, intangible assets are recognized net of the accumulated amortization and of any accumulated impairment losses. Intangible assets' useful life is assessed as finite or indefinite.

Intangible assets with finite useful life are amortized over their useful life and are tested for impairment every time signals of possible impairment are detected. The amortization period and approach for intangible assets with finite useful life are reassessed at least at the end of every year. Changes in the expected useful life or in the modalities with which the future economic benefits linked to the assets occur, are recognized through the change of the period or amortization approach, as the case may be, and are considered as accounting estimate changes. Amortization of intangible assets with finite useful life is recognized in the Income Statement in the item "190 Net adjustments to/recoveries on intangible assets".

Generally, software useful life is estimated as being five years. In compliance with IAS 38, some large projects have been specifically identified and their useful life has been measured as being ten years. Intangibles consisting of business with Customers and recognized under IFRS 3 are assigned finite useful life, determined based on the available time series on the rates of customer turnover.

Intangible assets with indefinite useful life, including goodwill are not amortized, but are tested for impairment annually, both at individual level and at a cash-generating unit level.

The amount of any impairment is calculated based on the difference between the recoverable amount of the cash-generating unit and its carrying amount.

This recoverable amount is the higher of the fair value of the cash-generating unit, net of any selling costs, and its value in use. Any subsequent adjustments are recognized in the Income Statement.

DERECOGNITION

Intangible assets are derecognized from the Balance Sheet when disposed of or when no future economic benefits are expected to be generated by the asset.

Gains or losses resulting from the derecognition of intangible assets are calculated as the difference between the net disposal revenue and the book value of the intangible asset and are recognized in the income statement for the year in which the derecognition is made.

8. Non-current assets/liabilities held for sale and discontinued operations

RECOGNITION, CLASSIFICATION, MEASUREMENT AND DERECOGNITION

“Non-current assets held for sale and discontinued operations” and “Liabilities in respect of assets held for sale” report non-current assets or groups of assets/liabilities which are in the process of being divested and for which a sale is considered highly probable. In case of transactions subject to authorization to be issued by Supervisory Authorities, the Bank’s accounting policy, since it attaches an essential value to such authorization, provides for “Non-current Assets/Liabilities and discontinued operations” to be recognized as from the date of receipt of the such authorization (whether express or tacit).

These assets/liabilities are measured at the lower between their book value and their fair value net of disposal costs, except for some types of assets – comprising for instance all financial instruments in IFRS 9 scope of application – to which, in accordance with IFRS 6, the measurement bases as per the reference standard shall continue to be applied.

Income and expenses linked to assets and liabilities held for sale and discontinued operations, if linked to discontinued operations under IFRS 5), are presented in the income statement, net of tax effects, in item 290 “Profit (Loss) after tax from discontinued operations”, while, if linked to single non-current assets held for sale, they are recognized in the most appropriate item of the income.

“Discontinued operations” must be understood as an important self-standing part of business or geographical area of operations, also within a single coordinate divestment programme, or a subsidiary that has been acquired solely in order to be resold.

Non-current assets held for sale and discontinued operations are written off upon disposal.

9. Current and Deferred Taxes

These items report current and deferred tax assets and current and deferred tax liabilities, respectively, as regards income taxes.

Income taxes, calculated in accordance with the Italian tax legislation, are recognized on an accrual basis, consistently with the recognition of the costs and revenues generating them. Therefore, they represent the expense, equal to the balance of current and deferred tax assets and current and deferred tax liabilities, for taxes on income for the period. Income taxes are recognized in the Income Statement, except for those related to items debited or credited directly in equity, for which the related taxes are recognized, for consistency purposes, in equity.

The effects of current taxes and deferred tax assets and liabilities are recognized at the applicable tax rates.

Income taxes are calculated on the basis of forecasts of the current tax liability and deferred tax assets and liabilities. Specifically, deferred tax assets and liabilities are calculated on the basis of temporary differences – without time restrictions – between the value attributed to an asset or a liability pursuant to the Italian Civil Code and the corresponding values used for tax purposes.

In March 2016, the national tax consolidation scheme was adopted, with effects since the 2015 tax period, by the Crédit Agricole Group in Italy; such scheme was introduced with Article 6 of Italian Legislative Decree No. 147 of 14 September 2015, according to which also the Italian “sister” companies, whose controlling Company is resident in a EU Member State, may exercise the option for consolidated taxation. This regime provides for the consolidated companies to transfer their taxable income (or their tax loss) to the Consolidating Entity Crédit Agricole Italia, which calculates a single taxable income or a single tax loss of the Group for the Italian corporate income tax (IRES), as the algebraic sum of the income and/or losses of the single Companies, and recognizes a single tax account payable to or receivable from the Italian Inland Revenue

Agency. In the consolidating entity's financial statements, the intra-group balances resulting from the tax consolidation scheme are reported under item "Financial assets measured at amortized cost - due from banks or customers" in an amount equal to the Corporate Income Tax (IRES) net of withholdings due and payments on account made (in the "Financial liabilities measured at amortized cost - due to banks or customers" item if the payments on account made are higher than the amounts due). In the same financial statement items, the scheme member entities recognize the receivable or payable balances resulting from their respective taxable income contributions to the consolidating entity.

Deferred tax liabilities are calculated using the so-called balance-sheet liability method.

Deferred tax assets, relating to deductible temporary differences or future tax benefits that can be gained by carrying forward tax losses, are recognized to the extent their recovery is deemed likely and after the probability test, which is to be run on a yearly basis, in accordance with IAS 12.

Deferred tax liabilities are recognized for all taxable temporary differences, except for the reserves subject to tax deferral arrangements, since the amount of available reserves already subject to taxation makes it likely that no taxable operations will be carried out.

Deferred tax assets and liabilities are recognized in the Balance Sheet with open balances without any offsetting, the former under the "Tax Assets" item, the latter under the "Tax Liabilities" one.

Deferred tax assets and liabilities are systematically measured to reflect any changes in tax regulations or rates, as well as in any other situation specifically applying to the Company. The effects are recognized in the Income Statement, except when these regard changes in the temporary differences in items for which accounting policies require recognition directly in equity, in which case the change in the deferred tax liability or asset is taken directly to equity.

Having regard to the Pillar 2 rules published by the Organization for Economic Co-operation and Development (OECD), the Group has applied the exception to the recognition and disclosure on deferred tax assets and liabilities related to the Pillar 2 income taxes, in accordance with IAS 12. Further disclosure is given in paragraph 1 Pillar II – GloBE in Section 1 - Statement of compliance with the International Accounting Standards/International Financial Reporting Standards.

10. Provisions for risks and charges

This item comprises provisions for risks and charges when the following conditions are met:

- A present obligation (legal or implicit) exists resulting from a past event.
- It is likely that resources will have to be used in order to generate the economic benefits necessary to fulfil the obligation.
- The obligation amount can be reliably estimated.

If the time factor is significant, provisions for risks and charges are discounted. The allocation to provision is recognized in the Income Statement, which also reports interest expense accrued on provisions that have been discounted.

PROVISIONS FOR RISKS AND CHARGES REGARDING COMMITMENTS AND GUARANTEES GIVEN

This sub-item of the “provisions for risks and charges” item reports credit risk allowances recognized for commitment to disburse funds and for guarantees given within the scope of application of the impairment rules pursuant to IFRS 9. In principle, for these cases, the same methods apply for the allocation to the three credit risk stages and for the calculation of the expected loss as reported with regard to financial assets measured at amortized cost or at fair value through other comprehensive income.

POST-EMPLOYMENT BENEFITS

Pension plans, created pursuant to corporate agreements, qualify as “defined-benefit plans”.

The liabilities referring to these plans and the relating social security costs for employees currently on staff are determined based on actuarial assumptions by applying the Projected Unit Credit (PUC) method. Under this method, future outlays are projected based on analyses of time series and the demographic curve and the discounting of these cash flows using market interest rates, as set forth in the relevant tables in the Note to the Financial Statements.

Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation.

Actuarial gains and losses, defined as the difference between the liability book value and the present value of the commitments as at the reporting date, are fully recognized directly in equity, under the item “Valuation reserves”.

OTHER PROVISIONS

Other provisions for risks and charges include provisioning for legal or other obligations associated with employment relationships or disputes, including tax disputes, resulting from a past event for which a cash outflow to settle the obligation is likely, granted that its amount can be reliably estimated.

Where the time factor is significant, provisions are discounted using current market rates. The provision is recognized in the Income Statement under item 170. “Net provisions for risks and charges” and reports the increases in the provisions due to the passage of time.

This item also reports long-term employee benefits, the liabilities for which are determined using the same actuarial assumptions described for post-employment benefits. Actuarial gains and losses are immediately recognized in full in the Income Statement.

11. Financial liabilities measured at amortized cost

CLASSIFICATION

The “Due to banks”, “Due to customers” and “Debt securities issued” items report all forms of interbank and customer funding, repurchase agreements and funding through certificates of deposit, bonds and other funding instruments issued, less any amounts repurchased.

This item also reports lease liabilities recognized by the entity as the lessee.

RECOGNITION

These financial liabilities are initially recognized upon the signing of the relevant contract, which is usually the date of receipt of the funds raised or of the issue of debt securities.

These financial liabilities are initially recognized at fair value, which usually is equal to the amount collected or the issue price plus any additional expenses/income that can be directly attributed to the single financing or issue transaction. Internal administrative expenses are excluded.

Repurchase agreements or reverse repurchase agreements are recognized as funding or lending transactions. Specifically, repurchase agreements are recognized as liabilities for the spot amount received, whereas reverse repurchase agreements are recognized as assets for the spot amount paid.

Lease liabilities are recognized based on the present value of future lease payments still to be made as at the lease contract effective date in accordance with IFRS 16.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

After initial recognition, these financial liabilities are measured at amortized cost with the effective interest rate method. The result of the application of this method is taken to the income statement in item "20 Interest and similar expenses". Accrued interest income on financial liabilities is recognized under item "10 Interest and similar income".

This does not apply to short-term liabilities which are recognized in the amount collected since the time factor is negligible.

After the lease contract effective date, the lessee shall redetermine its lease liabilities in order to take account of the changes to lease payments; the amount of the redetermined lease liabilities shall be recognized as an adjustment to the right-of-use assets.

DERECOGNITION

Financial liabilities are derecognised when they mature or are settled. Liabilities are also derecognized when previously issued securities are repurchased.

The difference between the liability book value and the amount paid to purchase that liability is recognized in the Income Statement under item 100 "Gains (Losses) on sale or repurchase of financial liabilities".

The subsequent placement of repurchased securities on the market is treated as a new issue and is recognized at the new placement price, with no effect through profit or loss.

12. Financial liabilities held for trading

RECOGNITION

These financial instruments are recognized, at the date of subscription or at the date of issue, at cost that is equal to the instrument fair value, without taking into account any directly attributable transaction costs or income.

CLASSIFICATION

This item also reports the negative value of derivative contracts held for trading, as well as the negative value of derivatives that are embedded in complex contracts but that are not strictly connected to such contracts.

It also includes liabilities originating from technical overdrafts generated by securities trading.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

All liabilities held for trading are measured at fair value through profit or loss.

For more information on fair value measurement, please refer to paragraph 15 "Other Information - Fair Value Measurement" and to "Part A.4 - Fair value reporting".

Gains and losses on trading and any capital gains and losses on measurement of the trading book are recognized in the Income Statement under item 80. "Net gains (losses) on trading activities".

DERECOGNITION

Financial liabilities held for trading are derecognized when the contractual rights to the relevant cash flows expire or when the financial liability is sold with substantial transfer of all risks and rewards of ownership.

13. Financial liabilities designated at fair value

Crédit Agricole Italia has not exercised the fair value option for financial liabilities

Financial liabilities may be designated at fair value if one of the following conditions is met:

- The classification allows any “accounting mismatching” to be eliminated or significantly reduced.
- The liability belongs to groups of liabilities that is managed and its performance is measured based on fair value, in accordance with an appropriately documented risk management strategy.

14. Foreign currency transactions

RECOGNITION

Transactions in a foreign currency are initially recognized in the reporting currency by translating the foreign currency amount at the exchange rate in force on the date of the transaction.

MEASUREMENT AND RECOGNITION OF INCOME COMPONENTS

At each financial reporting date, foreign currency items are measured as follows:

- Monetary items are translated at the exchange rate in force as at the reporting date.
- Non-monetary items measured at historical cost are translated at the exchange rate in force as at the transaction date.
- Non-monetary items measured at fair value are translated at the exchange rate in force as at the reporting date.

Exchange rate differences resulting from the settlement of monetary items or from the translation of monetary items at exchange rates other than the initial translation rate, or the translation of previous Financial Statements, are recognized in the Income Statement for the period in which they emerge.

When gains or losses relating to a non-monetary item are recognized in equity, the exchange rate difference for the item is also recognized in equity.

Conversely, when a profit or a loss is recognized in the Income Statement, the related exchange rate difference is also recognized in the Income Statement.

15. Other Information

ADJUSTMENT TO FINANCIAL ASSETS AND FINANCIAL LIABILITIES IN MACRO-HEDGE PORTFOLIOS

These items report changes in the fair value of financial assets and liabilities macro-hedged against interest rate risk, based on their respective balances, either positive or negative. The recognition of hedges is reported in point 4 “Hedging” of this section.

LEASES

IFRS 16 “Leases” requires entities to determine whether a contract is (or contains) a lease, based on the right to control the use of an identified asset for a given period of time; therefore, rental, hire, lease or loan for use contracts are in the scope of application of the standard.

Leases in which the Bank is the lessee

IFRS 16 provides for a single lessee accounting model, requiring lessees to apply it to both operating and finance leases, with the recognition of a Right of Use (“RoU”).

Therefore, for all leases in which it is the lessee, the reporting entity shall recognize the items listed below in its balance sheet:

- Future lease payments, which shall be recognized under financial liabilities as Lease Liability, which reports the obligation to make future payments and is discounted at the incremental borrowing rate (the liability decreases in accordance with payments made and increases by the amount of accrued interest due).
- The right of use, recognized under Property, plant and equipment (RoU Asset) to be calculated as the sum of the lease liability, the initial direct costs, any payments made on or before the contract effective date (net of any lease incentives received) and of dismantling and restoration costs.

The following are recognized in the income statement:

- The expenses for depreciation of right of use asset over the lease term on a straight-line basis.
- Interest expense accrued on the financial liability.

In case of any subsequent “finance” sublease, the related right-of-use asset is derecognized and the account receivable for the financial sublease is concomitantly recognized, amounting to the total contractual rent income discounted at the head lease contract date; interest income shall accrue on the recognized receivable, while any differences between the derecognized right of use and the recognized receivable shall be immediately taken to the income statement. Therefore, the head lease liability continued to be recognized and interest expenses shall accrue on it. In case of “operating” sublease, the rent income accrued and collected as the lessor shall be recognized in the income statement, continuing to recognize the right-of-use and the head lease liability, along with the related effects on profit or loss. An intermediate lessor shall assess whether the sublease is a finance or operating lease within the scope of the asset consisting in the right of use rather than in the underlying actual asset.

The Bank exercised the options for the exemptions provided for by the standard listed below:

- Exclusion of short-term lease contracts, i.e. with duration of less than 12 months);
- Leases of low-value assets (lease contracts for assets with unit value of less than Euro 5 thousand).

Furthermore, it is specified that, based on the IFRS 16 requirements and the clarifications given by IFRIC (document “Cloud Computing Arrangements” of September 2018), software shall not fall in the IFRS 16 scope; therefore, all software shall be recognized in accordance with IAS 38 and the related requirements.

Leases in which the Bank is the lessor

In accordance with IFRS 16, leases are considered finance leases if they transfer all risks and rewards of ownership; otherwise, leases are classified as operating leases.

For finance lease contracts entered into by Crédit Agricole Italia as the lessor, the leased assets are recognized as receivables in the Balance Sheet with a value equal to the lease net investment, while interest income (financial components of lease fees) is recognized in the Income Statement.

For operating leases, the lease payments accrued are recognized under the “Other income” item.

Sale and leaseback transactions

In a sale and leaseback transaction, an entity (seller-lessee) sells an asset to another entity (buyer-lessor) which then leases it back to the seller-lessee; therefore, under the lease contract, the seller-lessee keeps its right to use of the sold asset.

In order to determine the appropriate accounting treatment under IFRS 16, it must first be assessed whether the transaction qualifies as a sale complying with the IFRS 15 requirements.

If the transfer of the asset by the seller-lessee is assessed as a sale, the seller-lessee shall assess the asset consisting of the right of use under the leaseback at the percentage of the previous book value of the asset consisting of the right of use retained by the seller-lessee. Consequently, the seller-lessee shall recognize only the amount of the gains or losses referring to the rights transferred to the buyer-lessor. If the fair value of the consideration for the sale of the asset is not equivalent to the fair value of the asset or if the lease

payments due are not at market prices, the sale proceeds at fair value shall consider that the below-market-price conditions shall be recognized as an advanced payment on the lease payments due and higher-than-market-price conditions shall be recognized as an additional loan supplied by the buyer-lessor to the seller-lessee. If the transaction does not qualify as a sale under IFRS 15, the seller-lessee shall continue to recognize the transferred asset and a financial liability under IFRS 9 for the transfer proceeds; the buyer-lessor shall recognize a financial asset under IFRS 9 amounting to the transfer price.

TREASURY SHARES

Shares issued and bought back are recognized as a direct reduction in equity. No gain or loss from the purchase, sale, issue or repayment of those instruments shall be taken to the Income Statement. Each and every amount paid or received for those instruments shall be recognized directly in equity.

OTHER ASSETS

This item reports assets that cannot be classified under other asset items in the Balance Sheet. By way of example, this item may report:

- Gold, silver and precious metals.
- Accrued income other than capitalized on the related financial assets.
- Receivables associated with the supply of non-financial goods and services.
- Tax liabilities other than those recognized under item 100 "Tax assets".

This item also reports leasehold improvement, expenses other than those recognized under item 80 "Property, plant and equipment", as they cannot be separated from the assets they refer to and, therefore, cannot be used independently. It can also report any remaining assets ("debt balance") of transit and suspended items not recognized in the relevant accounts as long as their total amount is negligible. The costs of renovating leased property are capitalized in consideration of the fact that, for the duration of the lease, the lessee company has control over and enjoys the future economic benefits of the assets. The aforementioned costs are normally amortized in 5 years. The balancing item in the Income Statement of the above amortization is recognized under "Other operating expenses".

TAX LIABILITIES RECOGNISED IN ITEM "OTHER ASSETS": PURCHASE OF TAX CREDITS FROM CUSTOMERS

Crédit Agricole Italia designed and implemented a service for the purchase of tax credits from Customers in accordance with the instructions given by the competent Authorities in document "Accounting treatment of the tax credits associated with the "Cure Italy" and "Relaunch" Italian Law Decrees purchased from the direct beneficiaries thereof or from previous purchasers" published on 5 January 2021 by the Coordination table between Consob, the Bank of Italy and Ivass regarding the application of the IAS/IFRS.

In accordance with the applicable legislation and given that the accounting of tax credits purchased from a third party is not governed by any specific IAS/IFRS, the aforementioned policy makes reference to the accounting rules laid down by IFRS 9, provides for the purchased tax credits to be recognized as assets in the Balance Sheet under item 120 "Other assets", initially at their fair value, equal to the purchase price paid to the Customers. For the tax credits, Crédit Agricole Italia has also adopted the Business Models given below:

- "Hold to collect", whereby Crédit Agricole Italia recognizes the tax credits that were purchased to be held in order to be offset in the future. The tax credits under this business model are recognized with the amortized cost method under other assets and the income component of the rebate (delta between the credit nominal value and cash outflow) are recognized in the Income Statement under item 10 "Interest and similar income".
- "Hold to collect and sell", with first-time adoption as of 2023, whereby Crédit Agricole Italia recognizes tax credits purchased in order to be offset in the future or to be sold. The tax credits under this business model are recognized at fair value through other comprehensive income.

Considering the constraints laid down by the applicable legislation concerning the use in time of the purchased tax credits, their amount has been determined based on future offsettable payments estimated first of all on a historical basis and in accordance with the applicable legislation currently in force, for the years in which the tax credits will be offset. It is pointed out that the total amount of tax credits that may be purchased under both the HTC and the HTCS Business Models shall be within the limits of the estimated tax capacity for future FYs. In order to mitigate the potential risk consisting in failure to offset the purchased tax credits, the estimate has been decreased by a conservative percentage of the annual offsetting capacity.

ACCRUALS AND DEFERRALS

Accrued income and prepaid expenses and accrued expenses and deferred income for the period on assets and liabilities are recognized as adjustments to the assets and liabilities they refer to.

EMPLOYEE SEVERANCE BENEFITS

Until 31 December 2006, the employee severance benefits of Italian companies were considered defined-benefit plans. The regulation of these benefits was amended by Italian Law No. 296 of 27 December 2006 (Italy's "2007 Finance Act") and subsequent Decrees and Regulations issued in the first months of 2007. In the light of such amendments, this item is now to be considered a defined-benefit plan exclusively for the portions accrued before 1 January 2007 (and not yet settled as at the reporting date), whereas, after such date, it is treated as a defined-contribution plan.

Therefore, with reference to the defined-benefit plan component the benefit cost is calculated separately for each plan using the actuarial unitary credit projection method. Under this method, future outlays are projected based on an analysis of time series and the demographic curve, and the discounting of these cash flows using a market interest rate. Contributions paid in each period are treated as separate items, recognized and measured individually in calculating the final obligation.

The plan servicing costs are recognized under personnel costs, include interests accrued, while the actuarial gains and losses, including the revaluation based on the relevant ISTAT (the Italian National Institute of Statistics) Index of the portions accrued in previous years, are recognized in a special equity reserve.

Having regard to the Employee severance benefit portions accrued in the reporting period, based on the employees' choice, the amounts are allocated to supplementary pension schemes or to the Treasury fund managed by INPS (Italian Social Security Institute). The portions allocated to the defined-contribution plan are calculated based on the contributions due for each year without applying actuarial calculation methods.

RECOGNITION OF REVENUES AND COSTS

Revenues are recognised when realized or when it is probable that future benefits will be received and these future benefits can be reliably determined. Specifically:

- interest revenues are recognized on an accrual basis, using the contractual interest rate or the effective interest rate where the amortized cost method is applied.
- Default interest, if any is contractually provided for, is recognized in the Income Statement only upon collection.
- Dividends are recognized in the income statement when their distribution is authorized.
- Revenues from intermediation of financial instruments held for trading, calculated as the difference between the transaction price and the instrument fair value, are recognized in the Income Statement when the transaction is recognized, if the fair value can be determined with reference to parameters or transactions recently observed in the same market in which the instrument is traded.
- Fees and commissions that are an integral part of the effective yield on a financial instrument are recognised as an adjustment to the yield on the instrument and included in its effective interest rate.
- Fees and commission income from services are recognized, based on existing contractual agreements, in compliance with IFRS 15.

The net income from a transaction associated with the provision of services is recognised under Fee and Commission income at the time of transfer of control of the service to the customer, if this can be reliably estimated. This transfer may occur as the service is provided (ongoing service) or on a specific date (one-off service).

- Fee and commission income from ongoing services (fees and commissions on payment instruments, for example) shall be recognised through profit or loss according to the degree of progress of the service provided.
- Fees and commissions collected or paid as consideration for one-off services shall be fully recognized through profit or loss when the service is provided.

Fees and commissions to be paid or collected, or not yet earned, shall be progressively recognized as the performance obligation is satisfied over time. These estimates shall be updated at every reporting date. In practice, this condition can result in the deferred recognition of certain items of performance-related fee and commission income until such income has been definitively acquired.

Costs are recognized in the Income Statement on an accrual basis; the costs regarding the obtainment and performance of contract with customers are recognized in the Income Statement in the periods in which the related revenues are recognized.

CONTRIBUTIONS TO THE SINGLE RESOLUTION FUND

The Bank Recovery and Resolution Directive (BRRD - 2014/59/EU) lays down the resolution rules applying since 1 January 2015 to all the banks within the European Union.

The relevant measures shall be financed by the National Resolution Fund, which, on 1 January 2016, was merged into the Single Resolution Fund - SRF, managed by the Single Resolution Board - SRB.

As at 31 December 2023 the Single Resolution Fund reached the target level of financial means in compliance with Article 69(1) of Regulation (EU) no. 806/2014 (SRMR), equal to at least 1 % of the amount of covered deposits of all credit institutions authorised in all of the participating Member States. That target was achieved thanks to the payment of ex-ante annual contribution by the authorized institutions in the Member States; in normal conditions, under Council Implementing Regulation (EU) 2015/81, the contribution obligation may also have been fulfilled with irrevocable payment commitments (IPC). To secure full payment of the total contributions, intermediaries are required to give eligible assets as collateral, which may consist only of cash.

With the payment of the contribution for FY 2023, the phase aimed at ensuring the the fund's minimum endowment equal to 1% of covered deposits (the target level) ended and, therefore, for FY 2024 no ex-ante contribution was to be paid by the Member States' institutions. Nonetheless, the Single Resolution Board shall verify on a year basis whether the financial means available in the SRF have decreased below the target level and, based on the outcome of its verification, it shall assess whether it is necessary to collect additional contributions.

Ex-ante contributions have been recognized in the Income Statement under "Other administrative expenses". In accordance with IFRIC 21 "Levies" based on which the occurrence of the obligating event triggers recognition of the liability regarding the payment of a levy, as it is the moment in which the annual accrued portion of the obligation arises.

CONTRIBUTIONS TO THE DEPOSIT GUARANTEE SCHEME

The Deposit Guarantee Scheme Directive - 2014/49/EU (DGSD) laid down an harmonized regulatory framework applying throughout the European Union on deposit guarantee schemes.

The Deposit Guarantee Scheme provides a coverage of Euro 100,000 per depositor. In Italy, it is managed by the Interbank Deposit Protection Fund. The Scheme required member banks to give an *ex-ante* contribution in order to achieve the target level of financial means, i.e. 0.8% of the amount of the covered deposits of all authorized credit institutions in all Member States, by 3 July 2024.

For the last contribution year, the Interbank Deposit Protection Fund's statute (Article 42-*bis*) provided for the amount of the contribution due by the individual banks to be proportional to the amount of their covered deposits as at 31 March 2024 (rather than as at 30 September, which was the reference date for the years from 2015 to 2023) over the total deposits of the Italian Banks that are members of the Fund, and the level of risk of the individual bank vs. the level of risk of all the other member banks as at 31 March 2024.

If the Scheme does not have the resources to intervene where needed, an extraordinary contribution (ex-post) may be requested.

These contributions are recognized in the Income Statement under “Other administrative expenses”. In accordance with IFRIC 21 “Levies” based on which the occurrence of the obligating event triggers recognition of the liability regarding the payment of a levy, as it is the moment in which the annual accrued portion of the obligation arises.

BUSINESS COMBINATIONS

Business combinations are recognized in accordance with IFRS 3 “Business Combinations”.

This standard requires business combinations to be recognized using the “acquisition method” of accounting, based on which assets, liabilities and contingent liabilities of the acquiree are measured at acquisition-date fair value.

Any portion of the price paid exceeding the acquisition-date fair values shall be recognized as goodwill or as other intangible assets; if the price is lower than acquisition-date fair value, the difference shall be taken to the Income Statement (badwill).

The “acquisition method” shall be applied from the acquisition date, i.e. the date on which control over the acquiree is actually obtained. Therefore, profit or losses of a subsidiary acquired in the period are reported in the Consolidated Financial Statements starting from the date of its acquisition. Likewise, profit or losses of a subsidiary sold in the period are reported in the Consolidated Financial Statements up to the date on which control is transferred.

Business combinations between entities under common control are not within IFRS 3 scope of application, nor are they governed by other IFRSs; therefore, these business combinations are defined in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Business combinations between entities under common control do not fall into the IFRS 3 scope of application. In the absence of any IAS/IFRS that specifically apply to the combination, IAS 8 provides for the preparers of the entity’s financial statements to use their judgment in applying an accounting policy that ensures relevant, reliable and prudent information and that reflects the economic substance of the business combination.

Therefore, “intra-group” business combinations or business combinations between “entities under common control” within the Crédit Agricole Italia Banking Group are recognized on a predecessor basis of accounting, i.e. preserving continuity of the acquiree’s value in the acquirer’s financial statements. Specifically, the values of the acquired assets and liabilities are recognized based on the amounts reported in the consolidated financial statements. If the price paid for the acquisition of the equity investment is different from the book value of the transferred entity, the difference is recognized through equity by the acquirer company.

FAIR VALUE MEASUREMENT

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price) on the main (or more advantageous) market, irrespective of whether this price can be directly observed or is estimated using a valuation technique. Fair value is calculated for each financial asset or liability. As an exception, it can be estimated at a portfolio level, if the strategy for risk management and monitoring allows it and if appropriate documentation is provided. However, certain fair value parameters are calculated on a net basis, when a group of financial assets and financial liabilities is managed based on its net exposure to market or credit risks. This is the case for calculation of Credit Valuation Adjustment (CVA) or Debt Valuation Adjustment (DVA) for derivatives.

More exhaustive reporting on these parameters is given in Part A.4 Fair value reporting of the Note to the Financial Statements.

ASSETS AND LIABILITIES MEASURED AT FAIR VALUE ON A RECURRING BASIS

For financial instruments, fair value is determined using prices from financial markets in the case of financial instruments listed in active markets, or using internal measurement models for other financial instruments.

A market is considered active if quoted prices, representing actual and regular market transactions occurring during an appropriate reference period, are readily and regularly available from sources such as stock exchanges, stockbrokers, intermediaries, industry companies, pricing services or authorized bodies. Collective investment schemes (EFT), spot exchange transactions, futures, options and equity securities listed on a regulated market are considered as traded on a market. Bonds for which at least two executable prices can be detected on a quotation service with a bid-asking spread that is less than an interval deemed consistent are also considered as quoted. Otherwise, all securities, derivatives and hedge funds that do not belong to the above categories are not considered as traded on an active market.

For financial instruments traded on active markets, the price is used which is defined as “official”, as at the closure of the reference period. In the case of financial instruments for which the bid-ask spread is immaterial, or for financial assets and liabilities capable of offsetting market risk, a “mid price” is used, i.e. the average market price (on the last day of the reference period) instead of the bid or ask price.

Where there is no active, liquid market, the fair value of financial instruments is defined mainly by using standard measurement techniques designed to establish what the transaction price would have been on the measurement date in an arm's length trade carried out for normal market reasons. In incorporating all the factors that operators would consider in setting the price, development of the valuation models takes into account the time value of money at the risk-free rate, the volatility of the financial instrument, as well as, where applicable, exchange rates, commodity prices and stock prices.

With finance products for which the fair value determined with measurement techniques cannot guarantee a sufficient degree of reliability, the value is calculated as the fair value at the reference date communicated by the parties with which the transactions were signed.

The measurement method chosen for a financial instrument is applied consistently over time and may only be altered if significant changes in market conditions or the subjective condition of the issuer of the financial instrument occur.

For bonds and derivative contracts, valuation models have been set, which refer to market parameters, to the time value of money and to risk-free rates, as well as, where the case, the foreign exchange rates and commodity prices.

Specifically, fixed-rate bonds are measured using the discounted cash flow method pursuant to the security contractual scheme; floating-rate bonds are measured by discounting back future cash flows estimated on the basis of the forward rates with the application of index-linking parameter.

Derivative contracts are measured using specific calculation algorithms and specific numerical procedures according to the type of the different categories of transactions.

Stocks are measured considering the direct transactions, that is, significant transactions on the security registered in a sufficiently short timeframe with respect to the time of measurement and in constant market conditions, comparable transactions by companies operating in the same sector and supplying the same type of products/services as the associated company being evaluated provides, application of the average of significant stock exchange multiples of companies of a comparable financial size to the financial aggregates of the investee and, finally, financial, income and equity measurement methods.

Having regard to units in unquoted funds, the NAV communicated by the asset management undertaking is reduced by a discount determined in accordance with market practices.

ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE OR MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS

For financial instruments held for sale and for those assets and liabilities recognized at cost or amortized cost, the fair value given as disclosure in the Note to the Financial Statements is calculated as follows:

- For quoted assets and liabilities, the fair value is equal to the closing price (without adjustments) on active markets in the reference period.
- The fair values of medium/long-term assets and liabilities not hedged and at floating rate are measured by discounting future cash flows, taking account of the liquidity and issue spread.
- A good approximation of the fair value of demand or short-term assets and liabilities is their book value as initially recognized and net of collective/individual writedowns.
- The book value of non-performing loans (bad loans, unlikely-to-pay and past-due positions) is deemed to be a reasonable fair value approximation.
- For the Senior notes under the securitizations and for the Agricole Basket Bond security, the measurement is based on the Discounted Cash Flow Model, with the discounting of expected cash flows (including principal plus interests, estimated based on the latest available business plan and following the payment cascade defined in the securitization prospectus) at a discount rate that takes into account the risk free rate component plus an issue, liquidity and credit spread.

For the fair value measurement of medium/long-term and fixed-rate securities and structured securities hedged for interest risk, the book value determined for hedge accounting purposes already takes into account the interest rate risk measurement and, therefore, the determination of the fair value does not take into account any change in own credit rating was taken into account, considering it within the Group.

The fair value of real estate assets is calculated making reference to appraisals by independent experts, considering transactions at current prices in an active market for similar properties in the same geographical area and under the same conditions for leases and other contracts.

AMORTIZED COST MEASUREMENT

The amortized cost of a financial asset or financial liability is the amount at which it was measured at initial recognition minus principal repayments, plus or minus the cumulative amortization, calculated using the effective interest method, of any difference between the initial amount and the amount at maturity, and minus any impairment loss.

The effective interest rate is the rate that exactly discounts the estimated future cash flows generated by the financial asset or liability up to maturity or the subsequent repricing date to the present value of the financial asset or liability. To calculate the present value, the effective interest rate is applied to future cash flows or payments over the life of the financial asset or liability or for a shorter period of time under certain conditions (for example, changes in market rates).

Subsequent to initial recognition, the amortized cost method makes it possible to allocate revenues and costs pertaining to the instruments over their expected lifetime. The determination of the amortized cost varies according to whether the financial assets/liabilities being measured are at fixed or variable rate, and - in the latter case - according to whether the rate variability is known or not beforehand. For fixed-rate instruments, or instruments with fixed rate over specified time ranges, future cash flows are measured using the known interest rate (single or variable) over the life of the loan. For floating rate financial assets and liabilities whose variability is not known ahead of time (e.g. because it is linked to an index), cash flows are determined using the last known rate. Each time the rate is changed, the amortization schedule is recalculated, as is the effective rate of return over the entire useful life of the instruments, i.e. to maturity.

Measurement at amortized cost applies to financial assets measured at amortized cost and to financial assets measured at fair value through other comprehensive income, as well as to financial liabilities measured at amortized cost.

Financial assets and liabilities are initially recognized at fair value, which is normally equal to the amount received or paid, including, for instruments measured at amortized cost, directly attributable transaction costs, fees and commissions. Transaction costs are marginal internal or external costs or revenues that are directly attributable to the issue, acquisition or disposal of a financial instrument and that cannot be charged to the customer. These fees and commissions, which must be directly attributable to individual financial assets or liabilities, affect the original effective rate of return and cause the effective interest rate associated

with the transaction to vary from the contractual interest rate. Transaction costs do not include costs and revenues that apply, indiscriminately, to more than one transaction and do not include components relating to events that could occur over the life of the instruments that are not certain at the time the instrument is initially prepared, such as: commissions for retrocession, failure to use a credit line, early repayment.

Furthermore, the amortized cost calculation does not take account of the costs that the Bank would bear independently of the transaction (for example, administrative costs), of the costs that, though specifically attributable to the transaction, fall within normal loan management practices (for example, activities associated with disbursement of the loan), as well as fees and commissions for services collected for the completion of structured finance operations, which would however have been collected irrespectively of the subsequent financing of the transaction (such as, for example, arrangement fees and commissions).

With specific regard to loans, the fees and commissions paid to the distribution channels, the fees paid for advisory services/assistance for the organization of and/or participation in syndicated loans, the costs incurred for the mortgage loans acquired under subrogation are all costs attributable to the financial instruments.

With regard to securities not measured at “fair value through profit or loss”, transaction costs include fees and commissions on contracts with stockbrokers operating in Italian markets, fees and commissions paid to intermediaries operating in foreign stock and bond markets based on set fee and commission schedules.

For securities issued, amortized cost is calculated taking into account fees and commissions for placing debenture loans paid to third parties, legal expenses, fees paid to stock exchanges and fees paid to auditors for work done on each individual issue, while the amortized cost includes fees and commissions paid to rating agencies, legal and advice/audit expenses for the annual update of prospectuses, expenses for the use of indices and fees and commissions that arise during the life of the debenture loan issued.

Following initial measurement, financial assets and liabilities are measured at amortized cost, reporting effective interest rates that are higher or lower than the nominal rates.

As regards hedging, the derivative financial instruments and the related financial assets or liabilities hedged are measured at fair value for the hedged risk component through profit or loss.

However, if the hedging relationship ends, the hedged item is measured with the original measurement approach of the category it belongs to; for instruments measured at amortized cost, any accumulated recoveries or losses recognized subsequent to the fair value change of the hedges risk are recognized in the Income Statement under interest income or interest expense throughout the residual life of the hedged item, based on the effective interest rate. If the hedged item is sold or repaid, the fair value portion that has not yet been amortized shall be immediately recognized in the Income Statement in item “90. Net gains (losses) on hedging activities”. Moreover, as previously stated in the sections on financial assets and liabilities measured at amortized cost, the amortized cost method does not apply to short-term financial assets and liabilities since the impact of discount is negligible, and does not apply to loans without a specified maturity or loans subject to revocation.

IMPAIRMENT OF OTHER NON-FINANCIAL ASSETS

Property, plant and equipment and intangible assets with a finite useful life are tested for impairment if there is evidence that the book value of the asset can no longer be recovered.

The recoverable amount is calculated for each single asset, except in case this asset generates cash flows that are not widely independent of those generated by other assets or groups of assets.

If the carrying amount of an asset is higher than its recoverable amount, that asset is impaired and consequently recognized at its recoverable amount. The recoverable amount is the higher of the fair value of the property, plant and equipment or intangible assets net of sale expenses and the value in use.

The fair value of property is mainly determined on the basis of appraisals by independent experts. The appraisal is updated whenever there is a change in the property market trend that could affect the validity of the previous estimates and, in any case, every three years. Having specific regard to investment property, where the market value is lower than the net carrying amount. Reference thresholds have been identified referring to the negative spread of the market value vs. the net carrying amount, which signal potential problems and, therefore, if breached, they trigger additional investigations whether there asset must be written down or not.

For other Property, plant and equipment items and intangible assets (other than goodwill), the Group determines the value in use as the present value of the estimated future cash flows using a discount rate before-taxes reflecting market data (the present value of money and asset-specific risks).

The methods used for the impairment testing of goodwill are reported in paragraph 9.3 - Assets of the Note to the financial statements.

SEGMENT REPORTING METHOD

In accordance with IFRS 8, segment reporting is presented in the consolidated financial statements only, to which reference is made.

A.3 REPORTING ON TRANSFERS BETWEEN FINANCIAL ASSET PORTFOLIOS

A.3.1 Transfers between portfolios

This case does not apply.

A.4 FAIR VALUE REPORTING

QUALITATIVE DISCLOSURES

CLASSIFICATION OF FINANCIAL INSTRUMENTS AND OF NON-FINANCIAL ASSETS/LIABILITIES

Reporting on the fair value hierarchy as required by IFRS 13 applies to financial instruments and to non-financial assets/liabilities that are measured at fair value (irrespective of whether they are so measured on a recurring or non-recurring basis).

The standard classifies fair value into three different levels based on the observability of the inputs used for its measurement:

- Level 1: Fair value equal to quoted prices (with no adjustments) in active markets. Level 1 includes financial instruments that are quoted on active markets.
Specifically, these financial instruments are stocks and bonds quoted in active markets, investment schemes quoted in active markets (EFT) and derivatives traded in regulated markets.
Markets are considered active if the quotations are easily and regularly available on the stock exchange, from brokers, intermediaries, price quotation services or regulatory agencies and these prices represent actual transactions that are regularly carried out in the market on an arm's length basis.
- Level 2: Fair value determined using measurement models that are based on observable or indirectly observable market inputs (for example determining the yield curve based on interest rates that are directly observable on the market at a given reference date). Level 2 includes:
 - Stocks and bonds that are quoted on markets considered not active or that are not quoted on an active market, but whose fair value is determined using a measurement model based on observable or indirectly observable inputs;
 - Financial instruments whose fair value is determined with measurement models using observable market inputs.

- Level 3: determined, to a significant extent, using inputs that do not meet the set observability requirements. The fair value of some complex instruments that are not traded in active markets is determined with measurement techniques based on inputs that are not observable on the market or using the measurement communicated by qualified market players. They are mainly complex interest rate instruments, stock derivatives and structured loans, where the measured correlation or volatility inputs are not directly comparable to market inputs.

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

- Level 2: this level includes all financial instruments for which there is no active market, but whose measurement is based on observable market inputs. Therefore, measurement models that refer to observable market inputs have been set.

Specifically, fixed-rate bonds relating to financial assets or liabilities are measured using the discounted cash flow method pursuant to the security contractual scheme; floating-rate bonds are measured by discounting back future cash flows estimated on the basis of the forward rates with the application of index-linking parameter.

Derivative contracts are measured using specific calculation algorithms according to the type of the different categories of transactions. The adopted approaches are the ones normally used in the market for those derivative instruments, which are mainly plain vanilla ones.

- Level 3: this level includes all financial instruments for which there is no active market and whose measurement is not based on observable market inputs or using the measurement communicated by qualified market players.

CREDIT VALUATION ADJUSTMENT (CVA) AND DEBIT VALUATION ADJUSTMENT (DVA)

In accordance with the IFRS 13 regulatory framework, derivatives shall be priced based on market factors, as well as on the possible effects of the risk of the counterparty's default, which comprises the risk associated to the counterparty's creditworthiness, by calculating the Credit Valuation Adjustment (CVA) and the Debit Valuation Adjustment (DVA).

CVA is the adjustment to an OTC derivative contract entered into by the Bank with an external counterparty, which reflects the possible loss resulting from the worsening of the credit rating/default of the counterparty. In a mirror-like way, the DVA expresses the CVA from the external counterparty's standpoint and consists in an adjustment of the derivative fair value based on the change in the creditworthiness of the Bank.

Based on the above, the value of a portfolio of OTC derivatives that are in force with a market counterparty is equal to the value of the same risk-free portfolio less the CVA plus the DVA.

As provided for by IFRS13, in certain conditions, risk mitigation tools may be used, such as ISDA master agreements and Credit Support Annexes (CSA). By signing ISDA Master Agreements, which are framework agreements that amount to the reference international standard on OTC derivatives, the Bank can calculate the CVA and DVA by netting set or by counterparty, after assessing the netting effect potentially resulting from such Agreements, rather than calculating it by single derivative. Much in the same way, risks can be mitigated by finalizing Credit Support Annexes (CSA), which are attached to the ISDA Mater Agreement and provide for the deposit with the creditor of an amount equal to the mark-to-market value of the exposure as collateral. Such collateral allows the present exposure and the consequent risk to be reduced and must be periodically reviewed in order to verify its consistency.

In accordance with IFRS 13, Crédit Agricole Italia has adopted a model implemented by its French Parent Company Crédit Agricole SA; in addition to the effects of any changes in the counterparty's creditworthiness (Credit Valuation Adjustment – CVA), this model also expresses any changes in the Group's creditworthiness (Debit Valuation Adjustment – DVA).

In accordance with the model, the calculation of the CVA depends on the exposure, on the probability of default (PD) and on the Loss Given Default (LGD) of the counterparties. This model provides for the use of a forward-looking PD as a function of the type of counterparty, to which a CDS spread or a CDS proxy is assigned. For this purpose, external counterparties are classified into three categories:

- The first category includes the counterparties for which CDS input parameters are directly observable in the market.

- The second category includes counterparties for which there is no official quoted parameter, but to which a CDS proxy can be assigned, based on the observable market value that is given to counterparties with the same characteristics in terms of economic activity sector, rating and geographical area.
- The third category includes the counterparties to which a proxy cannot be assigned and for which, therefore, historical data are used.

On the other hand, the DVA calculation depends on the Bank's exposure, probability of default (PD) and Loss Given Default (LGD) and this measure expresses the potential earnings from the change in the market prices of the relevant derivative, due to the worsening of the creditworthiness/default of the Bank. In this case, a PD is used.

As at 31 December 2024, the CVA value for Crédit Agricole Italia, calculated in accordance with the method reported above, was Euro -3.36 million.

Similarly, as at 31 December 2024, the DVA value was Euro +0.98 million.

The difference between the CVA and DVA amounts as calculated (equal to Euro -2.38 million), net of the same component already recognized as at 31 December 2023 (equal to Euro -0.30 million), is a negative income component

A.4.2 Processes and sensitivity of measurement

The Finance Function of Crédit Agricole Italia S.p.A. is responsible for defining the fair value levels of the financial instruments recognized. Choosing between the above methods is not an option, since they shall be applied in a hierarchical order: absolute priority is given to official prices that are available on active markets for assets and liabilities to be measured (Level 1) or for assets and liabilities that are measured using techniques based on parameters that are observable on the market (Level 2); lower priority is given to assets and liabilities whose fair value is determined based on measurement techniques referring to parameters that are unobservable on the market and, thus, more discretionary (Level 3).

IFRS 13 also requires that, for recurring fair value measurements classified as Level 3 of the fair value hierarchy, a narrative description be given of the sensitivity of the fair value measurement to changes in unobservable inputs, if a change in those inputs could result in a significantly higher or lower fair value measurement.

Indeed, unobservable inputs that can affect the measurement of financial instruments classified as Level 3 mainly consist in estimates and assumptions underlying the models used to measure investments in equity securities and OTC derivatives. For these investments no quantitative sensitivity analysis of the fair value based on the change in unobservable inputs was carried out, since either the fair value was obtained from third-party sources making adjustments mainly linked to their liquidity, or resulted from a model whose inputs are specific for the entity being measured (for example the company equity values) and for which alternative values cannot be reasonably assumed.

Reference is made to the breakdown analysis of the composition of these cases, which is reported in the next section on quantitative disclosures.

A.4.3 Fair value hierarchy

For the assets and liabilities recognized, the Finance Function assesses whether transfers between fair value levels have occurred and reviews the fair value categorization at each reporting date.

The Finance Function moves financial instruments from Level 1 to Level 2 only in case of financial instruments that are quoted in a regulated but not active market and that can be measured using the Group's internal standard pricing models. The Finance Function also makes transfers to Level 3 only for financial instruments that are no longer listed in a regulated market and that cannot be measured using standard internal pricing models of the Group.

A.4.4 Other information

The cases provided for by IFRS 13 at paragraphs 51, 93 item (i) and 96 did not apply to the Group.

QUANTITATIVE DISCLOSURES

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 level

Assets/liabilities measured at fair value	31 Dec. 2024			31 Dec. 2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets measured at fair value through profit or loss	80	134,630	157,998	103	198,400	153,014
a) financial assets held for trading	80	134,630	-	90	198,400	1
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	-	157,998	13	-	153,013
2. Financial assets measured at fair value through other comprehensive income	3,487,359	211,271	38,327	3,615,360	211,271	38,590
3. Hedging derivatives	-	754,018	12	-	863,622	25
4. Property, Plant and Equipment	-	-	-	-	-	-
5. Intangible Assets	-	-	-	-	-	-
Total	3,487,439	1,099,919	196,337	3,615,463	1,273,293	191,629
1. Financial liabilities held for trading	-	136,796	-	-	198,241	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	1,672,836	-	-	2,061,837	77,703
Total	-	1,809,632	-	-	2,260,078	77,703

Key:

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

In 2024 there were no significant transfers of assets and liabilities between fair value levels.

The impact of applying CVA and DVA on the fair value measurement of the derivatives held by Crédit Agricole Italia for trading and hedging came to Euro -2.38 million.

A.4.5.2 Changes for the year in assets measured at fair value on a recurring basis (level 3)

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible assets
	Total	Of which: a) financial assets held for trading	Of which b) financial assets designated at fair value	Of which c) other financial assets mandatorily measured at fair value				
1. Opening balance	153,014	1	-	153,013	38,590	25	-	-
2. Increases	44,564	4	-	44,560	991	-	-	-
2.1 Purchases	30,959	-	-	30,959	304	-	-	-
2.2 Gains recognized in:	13,301	3	-	13,298	687	-	-	-
2.2.1 Income Statement	13,301	3	-	13,298	-	-	-	-
- of which: capital gains	6,512	-	-	6,512	-	-	-	-
2.2.2 Equity	-	X	X	-	687	-	-	-
2.3 Transfers from other levels	-	-	-	-	-	-	-	-
2.4 Other increases	304	1	-	303	-	-	-	-
3. Decreases	39,580	5	-	39,575	1,254	13	-	-
3.1 Sales	2,689	3	-	2,686	522	-	-	-
3.2 Repayments	21,689	-	-	21,689	92	-	-	-
3.3 Losses recognized in:	15,079	1	-	15,078	640	13	-	-
3.3.1 Income Statement	15,079	1	-	15,078	-	13	-	-
- of which: capital losses	15,079	-	-	-	-	-	-	-
3.3.2 Equity	-	X	X	-	640	-	-	-
3.4 Transfers to other levels	-	-	-	-	-	-	-	-
3.5 Other decreases	123	1	-	122	-	-	-	-
4. Closing balance	157,998	-	-	157,998	38,327	12	-	-

A.4.5.3 Changes for the year in liabilities measured at fair value on a recurring basis (level 3)

	Financial liabilities held for trading	Financial liabilities designated at fair value	Hedging derivatives
1. Opening balance	-	-	77,703
2. Increases	-	-	-
2.1 Issues	-	-	-
2.2 Losses recognized in:	-	-	-
2.2.1 Income Statement	-	-	-
- of which Capital losses	-	-	-
2.2.2 Equity	X	-	-
2.3 Transfers from other levels	-	-	-
2.4 Other increases	-	-	-
3. Decreases	-	-	77,703
3.1 Repayments	-	-	77,703
3.2 Repurchases	-	-	-
3.3 Gains recognized in:	-	-	-
3.3.1 Income Statement	-	-	-
- of which Capital gains	-	-	-
3.3.2 Equity	X	-	-
3.4 Transfers to other levels	-	-	-
3.5 Other decreases	-	-	-
4. Closing balance	-	-	-

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

Assets/liabilities not measured at fair value or measured at fair value on a non-recurring basis	31 Dec. 2024				31 Dec. 2023			
	BV	L1	L2	L3	BV	L1	L2	L3
1. Financial assets measured at amortized cost	75,674,841	5,056,999	4,495,179	66,772,025	71,631,910	4,645,549	2,331,557	62,367,839
2. Investment property	104,652	-	-	145,669	131,133	-	-	158,967
3. Non-current assets held for sale and discontinued operations	1,478	-	-	1,478	9,104	-	-	9,104
Total	75,780,971	5,056,999	4,495,179	66,919,172	71,772,147	4,645,549	2,331,557	62,535,910
1. Financial liabilities measured at amortized cost	79,993,000	-	76,247,062	3,684,323	81,789,029	-	78,034,510	3,659,539
2. Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-
Total	79,993,000	-	76,247,062	3,684,323	81,789,029	-	78,034,510	3,659,539

Key:

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

The book value recognized for non-performing loans, classified at Level 3 of the fair value hierarchy is assumed to be a reasonable approximation of the fair value. For more details, please see Part A.2 – Part reporting on the main financial statement items – Impairment for credit risk – ECL governance and measurement. On the other hand, it is pointed out that the fair value of performing loans, classified at Level 3, as reported in the table, has been calculated based on models that use mainly unobservable inputs (e.g: internal risk parameters). Therefore, for these loans (stage 1 and stage 2), also because there is no secondary market, the fair value recognized, for disclosure purposes only, could be significantly different from the prices of any disposals.

A.5 – REPORTING ON DAY ONE PROFIT/LOSS

Paragraph 28 of IFRS 7 governs the specific situation where, in case of purchase of a financial instrument that is measured at fair value but not listed on an active market, the transaction price, which generally is equal to the fair value best estimate upon initial recognition, is different from the fair value determined based on the measurement techniques used by the entity.

In this case, a measurement gain/loss is realized upon acquisition, which shall be adequately reported by financial instrument class.

It is pointed out that this case does not apply to Crédit Agricole Italia Financial Statements.

PART B - INFORMATION ON THE BALANCE SHEET

ASSETS

Section 1 – Cash and cash equivalents – Item 10

1.1 CASH AND CASH EQUIVALENTS: BREAKDOWN

	31 Dec. 2024	31 Dec. 2023
a) Cash	482,829	484,595
b) Current accounts and demand deposits with Central Banks	4,570,000	9,524,997
c) Current accounts and deposits with Banks	242,997	373,680
Total	5,295,826	10,383,272

Item b) Current accounts and demand deposits with Central Banks also reports the overnight and tom-next deposits with the Bank of Italy.

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

2.1 FINANCIAL ASSETS HELD FOR TRADING: BREAKDOWN BY TYPE

Items/Values	31 Dec. 2024			31 Dec. 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. On-balance-sheet assets						
1. Debt securities	80	-	-	89	-	-
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	80	-	-	89	-	-
2. Equity securities	-	-	-	1	-	1
3. Units of O.I.C.R. collective investment undertakings	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total (A)	80	-	-	90	-	1
B. Derivatives						
1. Financial Derivatives	-	134,630	-	-	198,400	-
1.1 held for trading	-	134,630	-	-	198,400	-
1.2 associated with fair value option	-	-	-	-	-	-
1.3 other	-	-	-	-	-	-
2. Credit Derivatives	-	-	-	-	-	-
2.1 held for trading	-	-	-	-	-	-
2.2 associated with fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total (B)	-	134,630	-	-	198,400	-
Total (A+B)	80	134,630	-	90	198,400	1

Legenda:

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

The decrease in item “Derivative instruments” resulted mainly from the change in measurement component.

2.2 FINANCIAL ASSETS HELD FOR TRADING: BREAKDOWN BY DEBTOR/ISSUER/COUNTERPARTY

Items/Values	31 Dec. 2024	31 Dec. 2023
A. On-balance-sheet assets		
1. Debt securities	80	89
a) Central Banks	-	-
b) Public administration bodies	77	87
c) Banks	2	2
d) Other financial companies	1	-
of which: insurance undertakings		
e) non-financial corporations	-	-
2. Equity securities	-	2
a) Banks	-	-
b) Other financial companies	-	-
of which: insurance undertakings	-	-
c) non-financial corporations	-	2
c) Other issuers	-	-
3. Units of O.I.C.R. collective investment undertakings	-	-
4. Loans	-	-
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance undertakings	-	-
e) non-financial corporations	-	-
f) Households	-	-
Total (A)	80	91
B. Derivatives		
a) Central counterparties	-	-
b) Other	134,630	198,400
Total (B)	134,630	198,400
Total (A+B)	134,710	198,491

The trading book consists mainly of Over-The-Counter derivatives traded on a matched basis (back-to-back trading). The mismatch vs. the measurement of derivatives held for trading recognized in the “Financial liabilities held for trading” item resulted from the CVA/DVA application to fair value measurement, as reported in Part A.4 Fair value reporting of Accounting Policies.

2.5 OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE: BREAKDOWN BY TYPE

Items/Values	31 Dec. 2024			31 Dec. 2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	-	-	954	-	-	1,345
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	954	-	-	1,345
2. Equity securities	-	-	6,817	13	-	5,803
3. Units of O.I.C.R. collective investment undertakings	-	-	150,227	-	-	145,865
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total	-	-	157,998	13	-	153,013

Legenda:

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

Item 1.2 “Other debt securities” reports the 5% retained portion of the mezzanine and junior notes within the securitization of a NPL portfolio.

Item 2 “Equity securities”, amounting to Euro 6,817 thousand, reports the investments in the following companies: Friulia for Euro 4,772 thousand, Foolfarm for Euro 1,000 thousand, Finapp for Euro 500 thousand, Blue Economy for Euro 323 thousand, Ener2Crowd for Euro 166 thousand and Flowpay for Euro 56 thousand.

2.6 OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE: BREAKDOWN BY DEBTOR/ISSUER

Items/Values	31 Dec. 2024	31 Dec. 2023
1. Equity securities	6,817	5,816
of which: banks	-	13
of which: other financial companies	323	4,897
of which: non-financial corporations	6,494	906
2. Debt securities	954	1,345
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	954	1,345
of which: insurance undertakings	-	-
e) non-financial corporations	-	-
3. Units of O.I.C.R. collective investment undertakings	150,227	145,865
4. Loans	-	-
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance undertakings	-	-
e) non-financial corporations	-	-
f) Households	-	-
Total	157,998	153,026

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

3.1 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: BREAKDOWN BY TYPE

Items/Values	31 Dec. 2024			31 Dec. 2023		
	L1	L2	L3	L1	L2	L3
1. Debt securities	3,487,359	-	-	3,615,157	-	-
1.1 Structured Securities	-	-	-	-	-	-
1.2 Other debt securities	3,487,359	-	-	3,615,157	-	-
2. Equity securities	-	211,271	38,327	203	211,271	38,590
3. Loans	-	-	-	-	-	-
Total	3,487,359	211,271	38,327	3,615,360	211,271	38,590

Key:

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

As at the reporting date, the exposure in debt securities came to a total of Euro 3,487 million and consisted of Italian government securities.

Among equity securities at level 2, the item reports 8,438 shares in the Bank of Italy, equal to 2.81% of its entire share capital. As at the reporting date their book value was Euro 211 million.

In this regard it is pointed out that, for the related measurement, as done in the previous FYs, the direct transactions approach, considering the purchases and sales made from 2015 and continued in the following years; considering that all the main transactions were finalized at nominal value, the use of that approach enables to confirm the carrying amount of the shares held.

These shares resulted from the share capital increase that the Bank of Italy made in 2013 in accordance with Italian Decree Law no. 133 of 30 November 2013, converted with Italian Law no. 5 of 29 January 2014, which determined the issue of new shares.

Level-3 equity securities include the equity investments in Alba Leasing S.p.A. amounting to Euro 20,564 thousand, Cassa di Risparmio di Volterra amounting to Euro 3,196 thousand and Astaris SFP amounting to Euro 1,864 thousand.

3.2 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: BREAKDOWN BY DEBTOR/ISSUER

Items/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Debt securities	3,487,359	3,615,157
a) Central Banks	-	-
b) Public administration bodies	3,487,359	3,615,157
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance undertakings	-	-
e) non-financial corporations	-	-
2. Equity securities	249,598	250,064
a) Banks	214,467	214,467
c) Other issuers:	35,131	35,597
- other financial companies	23,341	23,344
of which: insurance undertakings	-	-
- non-financial corporations	11,790	12,253
- other	-	-
3. Loans	-	-
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance undertakings	-	-
e) non-financial corporations	-	-
f) Households	-	-
Total	3,736,957	3,865,221

Line 2.a) Banks reports also the value of the shareholding in the Bank of Italy amounting to Euro 211 million.

3.3 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: GROSS VALUE AND TOTAL ADJUSTMENTS

	Gross value					Total adjustments				Total partial write-offs (*)
	Stage 1	O/w: Low credit risk instruments	Stage 2	Stage 3	POCI assets	Stage 1	Stage 2	Stage 3	POCI assets	
Debt securities	3,492,990	3,492,990	-	-	-	5,631	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total 31 Dec. 2024	3,492,990	3,492,990	-	-	-	5,631	-	-	-	-
Total 31 Dec. 2023	3,620,769	3,620,769	-	-	-	5,612	-	-	-	-

(*) Value to be stated for disclosure purposes.

Section 4 – Financial assets measured at amortized cost – Item 40

4.1 FINANCIAL ASSETS MEASURED AT AMORTIZED COST: BREAKDOWN BY TYPE OF DUE FROM BANKS

Type of transactions/Values	31 Dec. 2024						31 Dec. 2023					
	Book value			Fair value			Book value			Fair value		
	Stage 1 and 2	Stage 3	POCI assets	L1	L2	L3	Stage 1 and 2	Stage 3	POCI assets	L1	L2	L3
A. Claims on Central Banks	671,060	-	-	-	671,060	-	661,846	-	-	-	661,846	-
1. Time deposits	-	-	-	X	X	X	-	-	-	X	X	X
2. Reserve requirement	638,208	-	-	X	X	X	628,994	-	-	X	X	X
3. Repurchase agreements	-	-	-	X	X	X	-	-	-	X	X	X
4. Other	32,852	-	-	X	X	X	32,852	-	-	X	X	X
B. Due from Banks	3,824,201	18	-	-	3,824,119	100	1,669,433	378	-	-	1,669,711	100
1. Loans	3,824,101	18	-	-	3,824,119	-	1,669,333	378	-	-	1,669,711	-
1.1 Current accounts	-	-	-	X	X	X	-	-	-	X	X	X
1.2 Time deposits	1,337,562	-	-	X	X	X	3,069	-	-	X	X	X
1.3 Other loans:	2,486,539	18	-	X	X	X	1,666,264	378	-	X	X	X
- Repurchase agreements for lending purposes	-	-	-	X	X	X	-	-	-	X	X	X
- Lease loans	-	-	-	X	X	X	-	-	-	X	X	X
- Other	2,486,539	18	-	X	X	X	1,666,264	378	-	X	X	X
2. Debt securities	100	-	-	-	-	100	100	-	-	-	-	100
2.1 Structured Securities	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other debt securities	100	-	-	-	-	100	100	-	-	-	-	100
Total	4,495,261	18	-	-	4,495,179	100	2,331,279	378	-	-	2,331,557	100

Key:

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

The increase in item 1.2 “Time deposits” resulted from new originations to Crédit Agricole S.A., while the increase in item 1.3 “Other loans” - Other resulted from new originations to Crédit Agricole Auto Bank S.p.A..

4.2 FINANCIAL ASSETS MEASURED AT AMORTIZED COST: BREAKDOWN BY TYPE OF LOANS TO CUSTOMERS

Type of transactions/ Values	31 Dec. 2024						31 Dec. 2023					
	Book value			Fair value			Book value			Fair value		
	Stage 1 and 2	Stage 3	POCI assets	L1	L2	L3	Stage 1 and 2	Stage 3	POCI assets	L1	L2	L3
Loans	64,663,605	793,441	-	-	-	66,140,458	62,881,955	1,004,267	-	-	-	61,677,013
1. Current accounts	2,874,009	73,017	-	X	X	X	3,011,038	120,214	-	X	X	X
2. Repurchase agreements for lending purposes	-	-	-	X	X	X	-	-	-	X	X	X
3. Mortgage loans	45,661,049	617,409	-	X	X	X	44,961,499	787,572	-	X	X	X
4. Credit cards, personal loans and loans repaid by automatic deductions from salaries/pensions	145,536	1,103	-	X	X	X	220,861	2,158	-	X	X	X
5. Lease loans	6,308	-	-	X	X	X	8,166	-	-	X	X	X
6. Factoring	-	-	-	X	X	X	-	-	-	X	X	X
7. Other loans	15,976,703	101,912	-	X	X	X	14,680,391	94,323	-	X	X	X
Debt securities	5,255,562	466,954	-	5,056,999	-	631,467	4,897,483	516,548	-	4,645,549	-	690,726
1. Structured Securities	30,032	-	-	-	-	29,683	19,222	-	-	-	-	-
2. Other debt securities	5,225,530	466,954	-	5,056,999	-	601,784	4,878,261	516,548	-	4,645,549	-	690,726
Total	69,919,167	1,260,395	-	5,056,999	-	66,771,925	67,779,438	1,520,815	-	4,645,549	-	62,367,739

As regards the values in the first and second stages, the most significant sub-items are reported below:

- Item “3. Mortgage loans” also reports loans pledged as collateral for the issues of covered bonds amounting to Euro 14.9 billion.
- Item “5 Lease loans” reports lease receivables resulting from finance sublease transactions on property lease contracts.
- Item “2 Other debt securities” mainly reports Italian Government securities.

4.3 FINANCIAL ASSETS MEASURED AT AMORTIZED COST: BREAKDOWN BY DEBTOR/ISSUER OF LOANS TO CUSTOMERS

Type of transactions/Values	31 Dec. 2024			31 Dec. 2023		
	Stage 1 and 2	Stage 3	POCI assets	Stage 1 and 2	Stage 3	POCI assets
1. Debt securities	5,255,562	466,954	-	4,897,483	516,548	-
a) Public administration bodies	5,036,894	-	-	4,655,255	-	-
b) Other financial companies	156,242	466,694	-	206,223	516,273	-
of which: insurance undertakings	-	-	-	-	-	-
c) non-financial corporations	62,426	260	-	36,005	275	-
2. Loans to:	64,663,605	793,441	-	62,881,955	1,004,267	-
a) Public administration bodies	215,994	1,241	-	232,865	44	-
b) Other financial companies	8,485,741	12,338	-	7,675,714	17,476	-
of which: insurance undertakings	192,146	-	-	122,956	1	-
c) non-financial corporations	22,366,911	405,362	-	22,370,895	589,966	-
d) Households	33,594,959	374,500	-	32,602,481	396,781	-
Total	69,919,167	1,260,395	-	67,779,438	1,520,815	-

4.4 FINANCIAL ASSETS MEASURED AT AMORTIZED COST: GROSS VALUE AND TOTAL ADJUSTMENTS

	Gross value					Total adjustments				Total/partial write-offs (*)
	Stage 1	O/w: Low credit risk instruments	Stage 2	Stage 3	POCI assets	Stage 1	Stage 2	Stage 3	POCI assets	
Debt securities	5,246,501	5,246,501	17,033	472,480	-	7,522	350	5,526	-	-
Loans	62,809,772	-	6,706,287	1,936,338	-	62,691	294,603	1,142,878	-	37,421
Total 31 Dec. 2024	68,056,273	5,246,501	6,723,320	2,408,818	-	70,213	294,953	1,148,404	-	37,421
Total 31 Dec. 2023	63,120,763	4,904,792	7,376,099	2,868,122	-	73,574	312,572	1,346,928	-	40,308

(*) Value to be stated for disclosure purposes.

Section 5 – Hedging derivatives – Item 50

5.1 HEDGING DERIVATIVES: BREAKDOWN BY TYPE OF HEDGE AND BY LEVEL

	Fair value 31 Dec. 2024			NV 31 Dec. 2024	Fair value 31 Dec. 2023			NV 31 Dec. 2023
	L1	L2	L3		L1	L2	L3	
A. Financial Derivatives	-	754,018	12	17,165,165	-	863,622	25	13,589,001
1) Fair value	-	754,018	12	17,165,165	-	863,622	25	13,589,001
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	754,018	12	17,165,165	-	863,622	25	13,589,001

Key:

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

5.2 HEDGING DERIVATIVES: BREAKDOWN BY HEDGED PORTFOLIO AND BY TYPE OF HEDGE

Transactions/Type of hedge	Fair value						Macro-hedging	Cash flows		Investments in foreign operations
	Micro-hedging							Micro-hedging	Macro-hedging	
	Debt securities and interest rates	Equity securities and equity indices	Foreign exchange and gold	Credit	Commodities	Other				
1. Financial assets measured at fair value through other comprehensive income	42,095	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortized cost	498,780	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	540,875	-	-	-	-	-	-	-	-	-
1. Financial liabilities	213,155	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	213,155	-	-	-	-	-	-	-	-	-
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Hedging interest rate risk has the objective of immunizing the Banking Book from changes in the fair value of funding and lending, caused by adverse movements in the yield curve. The “Hedging Derivatives” item referring to financial liabilities measured at amortized cost came to Euro 498,780 thousand, of which Euro 463,517 thousand for hedging mortgage loans and Euro 35,263 thousand for hedging securities measured at amortized cost. Specifically, the hedged item is limited to the portion referring to interest rate risk.

The “Hedging Derivatives” item referring to financial liabilities consisted of Euro 95,028 thousand for hedges on demand deposits and of Euro 118,127 thousand for debenture loans, limited to interest rate risk. Hedging uses IRS in which the fixed-rate leg equalizes the debenture loan rate and the variable-rate leg is determined as Euribor +/- spread. To hedge sight deposits, a “fictitious” bond-equivalent is simulated, which is designed to identify the hedged item obtained by modeling the financial statements item hedged.

Section 6 – Fair value change of financial assets in macro-hedge portfolios – Item 60

6.1 FAIR VALUE CHANGE OF HEDGED ASSETS: BREAKDOWN BY HEDGED PORTFOLIO

Adjustments of hedged assets/Values	31 Dec. 2024	31 Dec. 2023
1. Positive fair value change	165,281	90,535
1.1 of specific portfolios:	165,281	90,535
a) financial assets measured at amortized cost	165,281	90,535
b) financial assets measured at fair value through other comprehensive income	-	-
1.2 total	-	-
2. Negative fair value change	330,082	419,138
2.1 of specific portfolios:	330,082	419,138
a) financial assets measured at amortized cost	330,082	419,138
b) financial assets measured at fair value through other comprehensive income	-	-
2.2 total	-	-
Total	-164,801	-328,603

The hedged assets are to two types:

1. Variable-rate mortgage loans with CAP option. Hedging uses IRO traded in order to hedge the risk that a variable-rate mortgage loan contract, once having reached its cap, becomes a fixed-rate item, with subsequent increase in the Bank's financial leverage;
2. Fixed-rate mortgage loans. The hedging purpose is to manage interest rate risk within the wider scope of measuring the impacts that changes in interest rates generate on the Bank's assets and liabilities (interest rate gap analysis). That purpose is pursued by entering into Interest Rate Swaps, which essentially convert the fixed interest rates collected on mortgage loans to Customers into variable rates;

For both types of assets, macro-hedges are used on open sets of mortgage loans.

Section 7 – Equity investments – Item 70

7.1 EQUITY INVESTMENTS: DISCLOSURE ON EQUITY INVESTMENTS IN OTHER ENTITIES

Name	Registered Office	Operating HQ	% held	% of votes available ⁽¹⁾
A. Subsidiaries				
1. Crédit Agricole Group Solutions S.C.p.A.	Parma, Italy	Parma, Italy	97.83	
2. Crédit Agricole Leasing Italia – Calit S.r.l.	Milan, Italy	Milan, Italy	85.00	
3. Crédit Agricole Italia OBG S.r.l.	Milan, Italy	Milan, Italy	60.00	
4. Crédit Agricole Real Estate S.r.l.	Parma, Italy	Parma, Italy	100.00	
5. Le Village by CA Parma S.r.l.	Parma, Italy	Parma, Italy	66.67	
6. Le Village by CA Triveneto S.r.l.	Padua, Italy	Padua, Italy	51.00	
7. Le Village by CA delle Alpi società Benefit S.r.l.	Sondrio, Italy	Sondrio, Italy	66.22	
8. Le Village by CA Milano S.r.l.	Milan, Italy	Milan, Italy	51.00	
9. Le Village by CA Sicilia S.r.l.	Catania, Italy	Catania, Italy	71.32	
10. San Giorgio Immobiliare S.p.A.	Cesena, Italy	Cesena, Italy	100.00	
11. San Piero Immobiliare S.r.l.	Cesena, Italy	Cesena, Italy	100.00	
12. Società Agricola Le Cicogne S.r.l.	Faenza, Italy	Faenza, Italy	50.01	
13. Stelline Real Estate S.p.A.	Sondrio, Italy	Sondrio, Italy	100.00	
A. Companies subject to significant influence				
1. Fiere di Parma S.p.A.	Parma, Italy	Parma, Italy	26.42	
2. Global Broker S.p.A.	Milan, Italy	Milan, Italy	30.00	
3. Valtellina Golf Club S.p.A.	Caiolo (SO), Italy	Caiolo (SO), Italy	43.08	
4. BDX S.p.A.	Collecchio (PR), Italy	Collecchio (PR), Italy	15.00	
5. Blank S.p.A.	Milan, Italy	Milan, Italy	49.00	

(1) The percentage of available votes is stated only when it is not equal to the equity investment held.

7.5 EQUITY INVESTMENTS: CHANGES FOR THE YEAR

	Total 31 Dec. 2024	Total 31 Dec. 2023
A. Opening balance	193,393	201,023
B. Increases	1,451	10,532
B.1 Purchases	1,112	5,626
B.2 Recoveries	-	-
B.3 Revaluations	-	-
B.4 Other changes	339	4,906
C. Decreases	2,439	18,162
C.1 Sales	600	15,432
C.2 Adjustments	1,839	2,729
C.3 Impairment	-	-
C.4 Other changes	-	1
D. Closing balance	192,405	193,393
E. Total recoveries/writebacks	-	-
F. Total impairment losses	-	-

The increases in equity investments resulted from the subscription of the share capital of Le Village by CA Milano S.r.l. for a subscription price of Euro 612 thousand, and the incorporation of Le Village by CA Sicilia S.r.l. with an investment of Euro 500 thousand.

The decreases resulted from the sale of the full equity investment in Rajna Immobiliare S.r.l. for a price of Euro 600 thousand (which determined gains of Euro 339 thousand), and the write-downs of Stellite Real Estate S.p.A. by Euro 1,460 thousand, Le Village by CA Milano S.r.l. by Euro 336 thousand, Global Broker S.p.A. for Euro 16 thousand and Rajna Immobiliare S.r.l. for Euro 27 thousand.

7.8 DISCLOSURE OF SIGNIFICANT RESTRICTIONS

As at 31 December 2024, there were no significant restrictions pursuant to IFRS 12, paragraphs 13 and 22 a).

Section 8 – Property, plant and equipment – Item 80

8.1 OPERATING PROPERTY, PLANT AND EQUIPMENT: BREAKDOWN OF ASSETS MEASURED AT COST

Assets/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Owned	637,556	671,384
a) land	173,133	171,854
b) buildings	403,381	434,079
c) furniture	11,203	11,764
d) electronic plants	5,678	7,529
e) other	44,161	46,158
2. Rights of use acquired through leases	248,973	257,596
a) land	-	-
b) buildings	246,562	255,071
c) furniture	-	-
d) electronic plants	-	-
e) other	2,411	2,525
Total	886,529	928,980
of which: obtained through the enforcement of guarantees received	-	-

8.2 INVESTMENT PROPERTY: BREAKDOWN OF ASSETS MEASURED AT COST

Assets/Values	Total 31 Dec. 2024				Total 31 Dec. 2023			
	Book value	Fair value			Book value	Fair value		
		L1	L2	L3		L1	L2	L3
1. Owned	102,292	-	-	143,309	128,040	-	-	155,874
a) land	34,681	-	-	42,727	48,889	-	-	51,534
b) buildings	67,611	-	-	100,582	79,151	-	-	104,340
2. Rights of use acquired through leases	2,360	-	-	2,360	3,093	-	-	3,093
a) land	-	-	-	-	-	-	-	-
b) buildings	2,360	-	-	2,360	3,093	-	-	3,093
Total	104,652	-	-	145,669	131,133	-	-	158,967
of which: obtained through the enforcement of guarantees received	-	-	-	-	-	-	-	-

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

8.6 OPERATING PROPERTY, PLANT AND EQUIPMENT: CHANGES FOR THE YEAR

	Land	Buildings	Furniture	Electronic equipment	Other	Total
A. Opening gross balance	171,856	1,320,956	228,521	126,173	249,398	2,096,904
A.1 Total net impairment writedowns	-	631,806	216,757	118,644	200,716	1,167,923
A.2 Opening net balance	171,856	689,150	11,764	7,529	48,682	928,981
B. Increases	7,618	66,186	2,689	2,291	2,056	80,840
B.1 Purchases	-	51,801	2,667	2,291	2,056	58,815
B.2 Capitalized improvement expenses	-	7,587	-	-	-	7,587
B.3 Recoveries	-	-	-	-	-	-
B.4 Fair value gains recognized through:	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-
b) Profit or loss	-	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-
B.6 Transfers from investment property	7,618	6,798	X	X	X	14,416
B.7 Other changes	-	-	22	-	-	22
C. Decreases	6,341	105,393	3,250	4,142	4,166	123,292
C.1 Sales	1,006	1,166	305	-	1,929	4,406
C.2 Depreciation	-	37,261	2,944	4,142	1,281	45,628
C.3 Impairment losses recognized through:	629	1,779	-	-	-	2,408
a) Equity	-	-	-	-	-	-
b) Profit or loss	629	1,236	-	-	-	1,865
C.4 Fair value losses recognized through:	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-
b) Profit or loss	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-
C.6 Transfers to	4,706	17,197	-	-	-	21,903
a) Investment property	4,706	17,197	X	X	X	21,903
b) Non-current assets held for sale and discontinued operations	-	-	-	-	-	-
C.7 Other changes	-	48,533	1	-	956	49,490
D. Closing net balance	173,133	649,943	11,203	5,678	46,572	886,529
D.1 Total net impairment writedowns	-	669,067	219,700	122,786	201,998	1,213,551
D.2 Closing gross balance	173,133	1,319,010	230,903	128,464	248,570	2,100,080
E. Measurement at cost	-	-	-	-	-	-

All property, plant and equipment assets are measured at cost adjusted by the related depreciation and any losses/recoveries.

8.6BIS CHANGES FOR THE PERIOD IN PROPERTY PLANT AND EQUIPMENT RECOGNIZED APPLYING IFRS 16

	Land	Buildings	Furniture	Electronic equipment	Other	Total
A. Opening gross balance	-	392,314	-	-	4,901	397,215
A.1 Total net impairment writedowns	-	137,243	-	-	2,376	139,619
A.2 Opening net balance	-	255,071	-	-	2,525	257,596
B. Increases	-	51,801	-	-	1,271	53,072
B.1 Purchases	-	51,801	-	-	1,271	53,072
B.2 Capitalized improvement expenses	-	-	-	-	-	-
B.3 Recoveries	-	-	-	-	-	-
B.4 Fair value gains recognized through:	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-
b) Profit or loss	-	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	X	X	X	-
B.7 Other changes	-	-	-	-	-	-
C. Decreases	-	60,310	-	-	1,385	61,695
C.1 Sales	-	-	-	-	-	-
C.2 Depreciation	-	11,720	-	-	450	12,170
C.3 Impairment losses recognized through:	-	600	-	-	-	600
a) Equity	-	-	-	-	-	-
b) Profit or loss	-	57	-	-	-	57
C.4 Fair value losses recognized through:	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-
b) Profit or loss	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-
C.6 Transfers to	-	-	-	-	-	-
a) Investment property	-	-	X	X	X	-
b) Non-current assets held for sale and discontinued operations	-	-	-	-	-	-
C.7 Other changes	-	48,533	-	-	935	49,468
D. Closing net balance	-	246,562	-	-	2,411	248,973
D.1 Total net impairment writedowns	-	148,963	-	-	2,826	151,789
D.2 Closing gross balance	-	395,525	-	-	5,237	400,762
E. Measurement at cost	-	-	-	-	-	-

8.7 INVESTMENT PROPERTY: CHANGES FOR THE YEAR

	Total 31 Dec. 2024	
	Land	Buildings
A. Opening balance	48,889	82,244
B. Increases	4,706	19,018
B.1 Purchases	-	1,083
B.2 Capitalized improvement expenses	-	723
B.3 Fair value gains	-	-
B.4 Recoveries	-	-
B.5 Positive foreign exchange differences	-	-
B.6 Transfers from operating property	4,706	17,197
B.7 Other changes	-	15
C. Decreases	18,914	31,291
C.1 Sales	2,470	25,126
C.2 Depreciation	-	-15,302
C.3 Fair Value losses	-	-
C.4 Adjustments for impairment	8,140	11,936
C.5 Negative foreign exchange differences	-	-
C.6 Transfers to:	8,304	7,591
a) operating property	7,618	6,798
b) Non-current assets held for sale and discontinued operations	686	793
C.7 Other changes	-	1,940
D. Closing balance	34,681	69,971
E. Measurement at fair value	42,727	102,942

All property, plant and equipment assets are measured at cost adjusted by the related depreciation and any losses/recoveries.

**8.7BIS CHANGES FOR THE PERIOD IN PROPERTY PLANT AND EQUIPMENT
RECOGNIZED APPLYING IFRS 16**

	Total 31 Dec. 2024	
	Land	Buildings
A. Opening balance	-	3,093
B. Increases	-	1,098
B.1 Purchases	-	1,083
B.2 Capitalized improvement expenses	-	-
B.3 Fair value gains	-	-
B.4 Recoveries	-	-
B.5 Positive foreign exchange differences	-	-
B.6 Transfers from operating property	-	-
B.7 Other changes	-	15
C. Decreases	-	1,831
C.1 Sales	-	-
C.2 Depreciation	-	-109
C.3 Fair Value losses	-	-
C.4 Adjustments for impairment	-	-
C.5 Negative foreign exchange differences	-	-
C.6 Transfers to:	-	-
a) operating property	-	-
b) Non-current assets held for sale and discontinued operations	-	-
C.7 Other changes	-	1,940
D. Closing balance	-	2,360
E. Measurement at fair value	-	2,360

*Section 9 – Intangible assets – Item 90***9.1 INTANGIBLE ASSETS: BREAKDOWN BY TYPE OF ASSET**

Assets/Values	Total 31 Dec. 2024		Total 31 Dec. 2023	
	Finite life	Indefinite life	Finite life	Indefinite life
A.1 Goodwill	X	1,315,925	X	1,315,925
A.2 Other intangible assets	73,359	-	94,495	-
of which software	-	-	-	-
A.2.1 Assets measured at cost:	73,359	-	94,495	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	73,359	-	94,495	-
A.2.2 Assets measured at fair value:	-	-	-	-
a) Internally generated intangible assets	-	-	-	-
b) Other assets	-	-	-	-
Total	73,359	1,315,925	94,495	1,315,925

The cost of intangible assets with finite life is amortized on a straight-line basis over their useful life.

Intangible assets representing business with customers have been assigned a finite useful life, based on the time series available on the rate of customer turnover in the retail segment, of 15 years as regards the transactions finalized in 2011, of 13 years for the transactions finalized in 2017 and of about 8 years for the transaction finalized in 2021.

9.2 INTANGIBLE ASSETS: CHANGES FOR THE YEAR

	Goodwill	Other intangible assets: internally generated		Other intangible assets other:		Total
		Finite	Indefinite	Finite	Indefinite	
A. Opening balance	1,315,925	65,757	-	512,312	-	1,893,994
A.1 Total net impairment writedowns	-	65,757	-	417,817	-	483,574
A.2 Opening net balance	1,315,925	-	-	94,495	-	1,410,420
B. Increases	-	-	-	-	-	-
B.1 Purchases	-	-	-	-	-	-
B.2 Increases in internally generated intangible assets	X	-	-	-	-	-
B.3 Recoveries	X	-	-	-	-	-
B.4 Fair value gains	-	-	-	-	-	-
- through equity	X	-	-	-	-	-
- through profit and loss	X	-	-	-	-	-
B.5 Positive foreign exchange differences	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	-	-	-	21,136	-	21,136
C.1 Sales	-	-	-	-	-	-
C.2 Adjustments	-	-	-	21,136	-	21,136
- Amortization	X	-	-	21,136	-	21,136
- Impairment writedowns:	-	-	-	-	-	-
+ Equity	X	-	-	-	-	-
+ Profit and loss	-	-	-	-	-	-
C.3 Fair Value losses:	-	-	-	-	-	-
- through equity	X	-	-	-	-	-
- through profit and loss	X	-	-	-	-	-
C.4 Transfers to non-current assets held for sale	-	-	-	-	-	-
C.5 Negative foreign exchange differences	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. Closing net balance	1,315,925	-	-	73,359	-	1,389,284
D.1 Total net adjustments	-	65,757	-	438,953	-	504,710
E. Closing gross balance	1,315,925	65,757	-	512,312	-	1,893,994
F. Measurement at cost	-	-	-	-	-	-

Key:

DEF: finite life

INDEF: indefinite life

9.3 INTANGIBLE ASSETS: OTHER INFORMATION

The value of finite-life intangible assets recognized in the separate financial statements as at 31 December 2024 is Euro 73 millions and resulted from the business combinations made by the Bank.

Within the purchase transactions made in 2011, 2017 and 2021 by Crédit Agricole Italia, a set of assets with finite useful life was identified, in accordance with the different sources of recurring profitability associated to business with Customers. They have been assigned a life, based on the time series available on the rate of customer turnover in the retail segment, of 15 years as regards the transactions finalized in 13 and 2017 and of 8 years for the transactions finalized in 2021.

Said assets are broken down below, reporting also their analysis:

Intangible assets resulting from the business combination made in 2011

The value of the intangible assets recognized as at 31 December 2024 is Euro 11 million. At the end of 2024 the performance of the elements that constitute the intangible assets recognized in the financial statements was verified. The amortization period for said components is 15 years. Based on the evidence found on the changes in the components of the intangible asset recognized, no evidence of impairment was found vs. its book value.

Intangible assets resulting from the business combination made in 2017

The value of the intangible assets recognized in the financial statements as at 31 December 2024 is Euro 38 million and comprises business with customers resulting from the acquisition of Cassa di Risparmio Cesena, Cassa di Risparmio di Rimini and Cassa di Risparmio di San Miniato.

At the end of 2024 the performance of the elements that constitute the intangible assets recognized in the financial statements was verified. The amortization period for said components is 13 years. Based on the evidence found on the changes in the components of the intangible asset recognized, no evidence of impairment was found vs. its book value.

Intangible assets resulting from the business combination made in 2021

In 2021, within Credito Valtellinese business combination, an intangible asset with finite useful life was recognized, which, as at 31 December 2024, was recognized in the financial statements for a remaining amount of Euro 24 million.

At the end of 2024 the performance of the elements that constitute the intangible assets recognized in the financial statements was verified. The amortization period for said components is 8 years. Based on the evidence found on the changes in the components of the intangible asset recognized, no evidence of impairment was found vs. its book value.

Impairment testing of goodwill

As required by IASs/IFRSs, the goodwill resulting from the purchases of Crédit Agricole FriulAdria, of the 173 Crédit Agricole Italia branches and of the 29 Crédit Agricole FriulAdria branches (made in 2007), of the 81 Crédit Agricole Italia branches and of the 15 Crédit Agricole FriulAdria branches (made in 2011) and of Crédit Agricole Carispezia (made in 2011) was tested for impairment. Consistently with the segment reporting given in the Annual Report and Financial Statements, the goodwill determined after the allocation of the purchase price paid within the above-described transactions was initially allocated, in the financial statements, to the two Cash Generating Units (CGU) identified in the Retail and Private Banking Business Segment and in the Corporate Banking Segment. After having been written down in the previous years, the goodwill paid within the above-described transactions is now fully allocated to the Retail and Private Banking CGU for an amount of Euro 1,316 million. Then the CGU value in use was calculated in accordance with the method used by the Crédit Agricole Group, namely the Dividend Discount Model ("DDM") in its Excess Capital version. The DDM estimates the company value as the sum of the present value of the theoretical future cash flows distributed to shareholders in the explicit period and the Terminal Value. Specifically, in its "Excess Capital" variant, this method provides for the economic value of a financial company to be calculated by discounting a dividend flow determined based on full compliance with the capital requirements set by the Supervisory Authority.

Information on the method for calculating future cash flows and the discount rate is provided in the Annual Report and Consolidated Financial Statements of the Crédit Agricole Italia Banking Group. Therefore, the

value in use of Crédit Agricole Italia was calculated on a preliminary basis and then, the value of the Retail Banking and the Private Banking Segment was defined based on a 77.5% range.

The test showed that the CGU value is higher than the relevant goodwill value, with a positive difference of Euro 2,115 million. Furthermore, that positive difference was calculated considering also intangible assets with finite useful life in the book value. If those assets were excluded, the positive difference would increase coming to 2,188 million Euros.

Sensitivity to variations in the used parameters was also analyzed. Specifically, this sensitivity analysis was developed calculating the threshold levels of each parameter above which impairment would arise.

The analysis results have shown that the book value is equal to the value in use taking the risk premium to 9,04% (vs. 5,31% used for the test); the same result would be obtained taking the risk-free rate to 7.42% (vs. 2.94% used for the test) or the beta parameter to 2,04 (vs. 1,20 used for the test).

Furthermore, it was verified at which discounting rate or at which long-term growth rate “g” the value in use becomes equal to the book value. This analysis showed that the book value is equal to the use value only with a marked increase in the discount rate K_e to 13.8% (vs. 9.4% used for the test), whereas, with a long-term growth rate equal to zero, the use value would remain higher than the book value.

Section 10 – Tax Assets and Tax Liabilities – Item 100 of Assets and Item 60 of Liabilities

10.1 DEFERRED TAX ASSETS: BREAKDOWN

	(*)	REVERSAL TIMEFRAME					Total recognized	TAX			
		2025	2026	2027	Beyond	Undetermined reversal		Italian corporate income tax (IRES)	ADD.LE IRES	IRAP	TOTAL
Deductible temporary differences											
Adjustments to loans ⁽¹⁾	from 27.50 to 33	-	59,832	160,197	272,505	-	492,534	118,208	17,239	15,915	151,362
Adjustments of valuation of securities	33.00	-	-	-	216	2,734	2,950	708	8	12	728
Provisions for risks and charges											-
- legal disputes as defendant and legal actions to revoke transactions in insolvency proceedings	27.50	48,259	3,781	4,118	-	-	56,158	13,478	1,966	-	15,444
- signature loans	27.50	-	-	-	-	96,786	96,786	23,229	3,387	-	26,616
- staff expenses	from 27.50 to 33	23,396	9,216	673	59,844	60,331	153,460	36,830	5,371	7,660	49,861
- other reasons	from 27.50 to 33	1,888	-	42	-	153,221	155,151	37,236	5,430	2,938	45,604
Recognition of goodwill for tax purposes	33.00	-	46,892	193,001	570,746	-	810,639	194,554	28,372	44,585	267,511
Other costs or provisions not yet deducted	from 27.50 to 33	23,882	48,408	226,395	907,761	348,842	1,555,288	373,269	54,435	80,986	508,690
Other tax losses that can be carried forward (IRES Surtax)	3.50	32,407	-	-	-	-	32,407	-	1,134	-	1,134
Total by reversal year		129,832	168,129	584,426	1,811,072	661,914	3,355,373	797,512	117,342	152,096	1,066,950

(*) Indicates the percentage applied in calculating deferred tax liabilities and assets.

(1) For adjustments since 2013, also IRAP applies.

As regards the recognition of DTAs, especially those relating to tax losses, the probability test was carried out and confirmed their full recoverability. First of all, it is to be pointed out that a significant portion of the recognized DTAs consists of so-called “convertible” DTAs, i.e. DTAs whose recoverability does not depend on

future profit or loss, as they may be converted in true tax credits, receivable from the Inland Revenue Agency in case of statutory or tax losses.

Considering the amount of convertible DTAs, impaired DTAs came to approximately Euro 647 million. For the probability test calculation, profits and losses for tax purposes in the coming FYs were simulated, starting from the assumed profit or losses for those FYs and taking into account, for that purpose, the permanent increases and decreases that can be estimated, as well as the release of temporary differences, both positive and negative, expected for that period. Besides the recovery of the aforementioned temporary differences, the calculation also showed that the DTA for tax losses can be recovered over a modest time horizon, which, in the most likely scenario, is one year. Other possible scenarios of more severe, albeit reasonable, stress were also assumed, taking into account decreases in profits or higher recovery of temporary difference assets than deemed likely, and recoverability within five years was confirmed.

Furthermore, as regards Italian Corporate income tax (IRES) DTAs, it is to be considered that the companies of the Crédit Agricole Italia Banking Group are members of a tax consolidation scheme under Article 117 *et seq.* of Italian Presidential Decree 917/86, which includes also other resident entities that are directly or indirectly controlled by Crédit Agricole S.A. A tax profit is expected on the tax consolidation scheme in the coming FYs, which is further ground supporting the recoverability of the recognized DTA for IRES.

10.2 DEFERRED TAX LIABILITIES: BREAKDOWN

	(*)	REVERSAL TIMEFRAME					Total recognized	TAXES			
		2025	2026	2027	Beyond	Undetermined reversal		Italian corporate income tax (IRES)	ADD.LE IRES	IRAP	TOTAL
Taxable temporary differences:											
Realized capital gains	from 27.50 to 33	8,140	4,738	3,083	-	-	15,961	3,830	559	-	4,389
Assets not recognized for tax purposes	from 27.50 to 33	4,714	2,428	4,436	64,631	41,514	117,723	28,254	3,848	4,258	36,360
Total by reversal year		12,854	7,166	7,519	64,631	41,514	133,684	32,084	4,407	4,258	40,749

(*) Indicates the percentage applied in calculating deferred tax liabilities and assets.

10.3 CHANGES IN DEFERRED TAX ASSETS (THROUGH PROFIT OR LOSS)

	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Opening balance	1,355,711	1,632,819
2. Increases	53,988	69,885
2.1 Deferred tax assets recognized in the year	36,537	62,508
a) referring to previous years	-	-
b) due to change in accounting policies	-	-
c) Recoveries	-	-
d) other	36,537	62,508
2.2 New taxes or increases in tax rates	-	390
2.3 Other increases	17,451	6,987
3. Decreases	364,696	346,993
3.1 Deferred tax assets derecognized in the year	343,574	337,408
a) reversals	343,574	337,408
b) writedowns for supervening non-recoverability	-	-
c) change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	21,122	9,585
a) conversion into tax credits pursuant to L. 214/2011	-	5,004
b) other	21,122	4,581
4. Closing balance	1,045,003	1,355,711

The other increases reported in point 2.3 and the other decreases reported in point 3.3.b) are increases or decreases determined also by correct recognition of deferred tax assets after filing the income tax return. For the aforementioned cases, the related balancing item is not represented by income statement items, but by current tax liabilities. Deferred tax assets resulting from tax losses that can be carried forward to following FYs amounted to a total of Euro 1,134 thousand, as stated also in table "10.1. Deferred tax assets: breakdown".

10.3BIS CHANGES IN DEFERRED TAX ASSETS PURSUANT TO ITALIAN LAW 214/2011

	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Opening balance	595,802	753,900
2. Increases	2	4,593
3. Decreases	175,390	162,691
3.1 Reversals	175,390	157,687
3.2 Conversion into tax credits	-	5,004
a) from loss for the year	-	-
b) from tax losses	-	5,004
3.3 Other decreases	-	-
4. Closing balance	420,414	595,802

10.4 CHANGES IN DEFERRED TAX LIABILITIES (THROUGH PROFIT OR LOSS)

	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Opening balance	35,913	48,101
2. Increases	14,942	8,438
2.1 Deferred tax liabilities recognized in the year	699	635
a) referring to previous years	-	-
b) due to change in accounting policies	-	-
c) other	699	635
2.2 New taxes or increases in tax rates	-	4
2.3 Other increases	14,243	7,799
3. Decreases	18,395	20,626
3.1 Deferred tax liabilities derecognized in the year	7,883	6,861
a) reversals	7,883	6,861
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	10,512	13,765
4. Closing balance	32,460	35,913

The other increases reported in point 2.3 and the other decreases reported in point 3.3 are increases or decreases determined by correct recognition of deferred tax liabilities after filing the income tax return. For the aforementioned cases, the related balancing item is not represented by income statement items, but by current tax liabilities.

10.5 CHANGES IN DEFERRED TAX ASSETS (THROUGH EQUITY/OCI)

	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Opening balance	20,564	22,679
2. Increases	8,006	6,482
2.1 Deferred tax assets recognized in the year	6,741	5,499
a) referring to previous years	-	-
b) due to change in accounting policies	-	-
c) other	6,741	5,499
2.2 New taxes or increases in tax rates	-	2
2.3 Other increases	1,265	981
3. Decreases	6,623	8,597
3.1 Deferred tax assets derecognized in the year	999	7,925
a) reversals	999	7,925
b) writedowns for supervening non-recoverability	-	-
b) due to change in accounting policies	-	-
d) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	5,624	672
4. Closing balance	21,947	20,564

10.6 CHANGES IN DEFERRED TAX LIABILITIES (THROUGH EQUITY/OCI)

	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Opening balance	9,014	11,230
2. Increases	4,673	17,628
2.1 Deferred tax liabilities recognized in the year	3,997	17,367
a) referring to previous years	-	-
b) due to change in accounting policies	-	-
c) other	3,997	17,367
2.2 New taxes or increases in tax rates	-	1
2.3 Other increases	676	260
3. Decreases	5,398	19,844
3.1 Deferred tax liabilities derecognized in the year	5,115	14,972
a) reversals	5,115	14,972
b) due to change in accounting policies	-	-
c) other	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	283	4,872
4. Closing balance	8,289	9,014

Section 11 – Non-current assets held for sale and discontinued operations and associated liabilities – Item 110 of Assets and Item 70 of Liabilities

11.1 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS: BREAKDOWN BY TYPE OF ASSETS

	31 Dec. 2024	31 Dec. 2023
A. Assets held for sale		
A.1 Financial assets	-	-
A.2 Equity investments	-	-
A.3 Property, plant and equipment	1,478	9,104
of which: obtained through the enforcement of guarantees received	-	-
A.4 Intangible assets	-	-
A.5 Other non-current assets	-	-
Total A	1,478	9,104
Of which measured at cost	-	-
Of which measured at fair value level 1	-	-
Of which measured at fair value level 2	-	-
Of which measured at fair value level 3	1,478	9,104
B. Discontinued operations		
B.1. Financial assets measured at fair value through profit or loss	-	-
- Financial assets held for trading	-	-
- Financial assets designated at fair value	-	-
- Other financial assets mandatorily measured at fair value	-	-
B.2. Financial assets measured at fair value through other comprehensive income	-	-
B.3. Financial assets measured at amortized cost	-	-
B.4 Equity investments	-	-
B.5 Property, plant and equipment	-	-
of which: obtained through the enforcement of guarantees received	-	-
B.6 Intangible assets	-	-
B.7 Other assets	-	-
Total B	-	-
Of which measured at cost	-	-
Of which measured at fair value level 1	-	-
Of which measured at fair value level 2	-	-
Of which measured at fair value level 3	-	-
C. Liabilities associated with assets held for sale		
C.1 Dye and payables	-	-
C.2 Securities	-	-
C.3 Other liabilities	-	-
Total C	-	-
Of which measured at cost	-	-
Of which measured at fair value level 1	-	-
Of which measured at fair value level 2	-	-
Of which measured at fair value level 3	-	-
D. Liabilities associated with discontinued operations		
D.1 Financial liabilities measured at amortized cost	-	-
D.2 Financial liabilities held for trading	-	-
D.3 Financial liabilities designated at fair value	-	-
D.4 Funds	-	-
D.5 Other liabilities	-	-
Total D	-	-
Of which measured at cost	-	-
Of which measured at fair value level 1	-	-
Of which measured at fair value level 2	-	-
Of which measured at fair value level 3	-	-

Section 12 – Other assets – Item 120

12.1 OTHER ASSETS: BREAKDOWN

	31 Dec. 2024	31 Dec. 2023
Sundry debits in process	51,549	179,907
Revenue stamps and other instruments	1,170	2,882
Items being processed	133,693	199,940
Accrued income not allocated to other items	11,079	16,966
Prepaid expenses not allocated to other items	45,268	30,197
Protested bills and cheques	5,322	3,572
Leasehold improvements	10,439	11,559
Tax advances paid on behalf of third parties	223,705	133,046
Sundry	137,821	165,084
Purchased tax credits	1,809,327	1,728,592
Total	2,429,373	2,471,745

LIABILITIES

Section 1 – Financial liabilities measured at amortized cost – Item 10

1.1 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST: BREAKDOWN BY TYPE OF DUE TO BANKS

Type of transactions/Values	Total 31 Dec. 2024				Total 31 Dec. 2023			
	BV	Fair value			BV	Fair value		
		L1	L2	L3		L1	L2	L3
1. Due to central banks	-	X	X	X	3,577,560	X	X	X
2. Due to banks	1,929,115	X	X	X	1,644,353	X	X	X
2.1 Current accounts and demand deposits	29,343	X	X	X	39,262	X	X	X
2.2 Time deposits	445,764	X	X	X	104,527	X	X	X
2.3 Loans	1,447,095	X	X	X	1,486,752	X	X	X
2.3.1 Repurchase agreements for funding purposes	-	X	X	X	-	X	X	X
2.3.2 Other	1,447,095	X	X	X	1,486,752	X	X	X
2.4 Liabilities for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
2.5 Lease liabilities	691	X	X	X	402	X	X	X
2.6 Other due and payables	6,222	X	X	X	13,410	X	X	X
Total	1,929,115	-	1,929,115	-	5,221,913	-	5,221,913	-

Key:

BV = Book value

L 1 = Level 1

L 2 = Level 2

L 3 = Level 3

Item 2.2 “Time deposits” increased due to deposits made by Crédit Agricole S.A..

In 2024 the last TLTRO tranches were repaid for Euro 3.6 billion.

1.2 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST: BREAKDOWN BY TYPE OF DUE TO CUSTOMERS

Type of transactions/Values	Total 31 Dec. 2024				Total 31 Dec. 2023			
	BV	Fair value			BV	Fair value		
		L1	L2	L3		L1	L2	L3
1. Current accounts and demand deposits	59,755,932	X	X	X	59,631,867	X	X	X
2. Time deposits	1,137,011	X	X	X	1,273,398	X	X	X
3. Loans	144,217	X	X	X	155,277	X	X	X
3.1 Repurchase agreements for funding purposes	-	X	X	X	-	X	X	X
3.2 Other	144,217	X	X	X	155,277	X	X	X
4. Liabilities for commitments to repurchase own equity instruments	-	X	X	X	-	X	X	X
5. Lease liabilities	288,539	X	X	X	306,907	X	X	X
6. Other due and payables	478,863	X	X	X	607,209	X	X	X
Total	61,804,562	-	61,804,562	-	61,974,658	-	61,974,658	-

Key:

BV = Book value

L1= Level 1

L2= Level 2

L3= Level 3

1.3 FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST: BREAKDOWN BY TYPE OF DEBT SECURITIES ISSUED

Type of securities/values	Total 31 Dec. 2024				Total 31 Dec. 2023			
	BV	Fair value			BV	Fair value		
		L1	L2	L3		L1	L2	L3
A. Securities								
1. Bonds	12,575,000	-	12,513,385	-	10,932,919	-	10,837,939	-
1.1 Structured	-	-	-	-	-	-	-	-
1.2 other	12,575,000	-	12,513,385	-	10,932,919	-	10,837,939	-
2. Other securities	3,684,323	-	-	3,684,323	3,659,539	-	-	3,659,539
2.1 Structured	-	-	-	-	-	-	-	-
2.2 other	3,684,323	-	-	3,684,323	3,659,539	-	-	3,659,539
Total	16,259,323	-	12,513,385	3,684,323	14,592,458	-	10,837,939	3,659,539

Key:

BV = Book value

L1= Level 1

L2= Level 2

L3= Level 3

Item “Bonds” reports covered bonds for Euro 9.8 billion, Senior Non Preferred notes for Euro 2 billion and ordinary debenture loans for Euro 777 million.

Item “other securities” reports certificates of deposit for Euro 3.5 billion and banker’s drafts for Euro 163 million.

1.4 BREAKDOWN OF SUBORDINATED LIABILITIES/SECURITIES

Characteristics	Issue date	Maturity date	Repayment schedule	Interest rate	Currency	Original amount in the rep. currency	Book value
Tier 2 instrument	11 Dec. 2017	11 Dec. 2027	at maturity	3M Euribor + 162 bps	Euro	400,000	400,996
Tier 2 instrument	02 Aug. 2019	02 Aug. 2029	at maturity	3M Euribor + 213 bps	Euro	80,000	80,658
Tier 2 instrument	15 Dec. 2021	15 Dec. 2031	at maturity	3M Euribor + 266 bps	Euro	80,000	80,185
Tier 2 instrument	12 Apr. 2022	12 Apr. 2032	at maturity	3M Euribor + 314 bps	Euro	150,000	152,055
Tier 2 instrument	14 Dec. 2023	14 Dec. 2033	at maturity	3M Euribor + 374 bps	Euro	215,000	215,594
Tier 2 instrument	20 June 2024	20 Sept. 2034	at maturity	3M Euribor + 277 bps	Euro	45,000	45,077
Tier 2 instrument	27 Sept. 2024	27 Sept. 2036	at maturity	3M Euribor + 258 bps	Euro	80,000	80,047
Tier 2 instrument	17 Dec. 2024	17 Dec. 2036	at maturity	3M Euribor + 227 bps	Euro	190,000	190,378

As at the reporting date total subordinated deposits amounted to Euro 1.2 billion.

1.5 BREAKDOWN OF STRUCTURED LIABILITIES

As at 31 December 2024, there were no structured liabilities.

1.6 LEASE LIABILITIES

For reporting on lease liabilities and the breakdown of maturities and cash flows, please see Part M of this Note to the financial statements.

Section 2 – Financial liabilities held for trading – Item 20

2.1 FINANCIAL LIABILITIES HELD FOR TRADING: BREAKDOWN BY TYPE

Type of transactions/Values	Total 31 Dec. 2024					Total 31 Dec. 2023				
	Nominal or notional value	Fair Value			Fair value ^(*)	Nominal or notional value	Fair Value			Fair value ^(*)
		L1	L2	L3			L1	L2	L3	
A. On-balance-sheet liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to Customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	-	-	-	-	-	-
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Other	-	-	-	-	X	-	-	-	-	X
Total (A)	-	-	-	-	-	-	-	-	-	-
B. Derivatives										
1. Financial Derivatives	-	136,796	-	-	-	-	198,241	-	-	-
1.1 Held for trading	X	-	136,796	-	X	X	-	198,241	-	X
1.2 Associated with fair value option	X	-	-	-	X	X	-	-	-	X
1.3 Other	X	-	-	-	X	X	-	-	-	X
2. Credit Derivatives	-	-	-	-	-	-	-	-	-	-
2.1 Held for trading	X	-	-	-	X	X	-	-	-	X
2.2 Associated with fair value option	X	-	-	-	X	X	-	-	-	X
2.3 Other	X	-	-	-	X	X	-	-	-	X
Total (B)	X	-	136,796	-	X	X	-	198,241	-	X
Total (A+B)	X	-	136,796	-	X	X	-	198,241	-	X

Key:

L1= Level 1

L2= Level 2

L3= Level 3

Fair value* = fair value calculated excluding value changes resulting from an alteration in the issuer's credit rating after the date of issue

The decrease in item “Derivative instruments” resulted mainly from the change in measurement component.

2.2 BREAKDOWN OF “FINANCIAL LIABILITIES HELD FOR TRADING”: SUBORDINATED LIABILITIES

At the end of 2024, there were no subordinated “Liabilities held for trading”.

2.3 BREAKDOWN OF “FINANCIAL LIABILITIES HELD FOR TRADING”: STRUCTURED LIABILITIES

At the end of 2024, there were no structured “Liabilities held for trading”.

Section 4 – Hedging derivatives – Item 40

4.1 HEDGING DERIVATIVES: BREAKDOWN BY TYPE OF HEDGE AND BY HIERARCHY LEVEL

	Fair value 31 Dec. 2024			NV 31 Dec. 2024	Fair value 31 Dec. 2023			NV 31 Dec. 2023
	L1	L2	L3		L1	L2	L3	
A. Financial Derivatives	-	1,672,836	-	20,244,809	-	2,061,837	77,703	22,908,015
1) Fair value	-	1,672,836	-	20,244,809	-	2,061,837	77,703	22,908,015
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	1,672,836	-	20,244,809	-	2,061,837	77,703	22,908,015

Key:

NV = notional value

L1 = Level 1

L2 = Level 2

L3 = Level 3

4.2 HEDGING DERIVATIVES: BREAKDOWN BY HEDGED PORTFOLIO AND BY TYPE OF HEDGE

Transactions/Type of hedge	Fair value						Cash flows			Investments in foreign operations
	Micro-hedging						Macro-hedging	Micro-hedging	Macro-hedging	
	Debt securities and interest rates	Equity securities and equity indices	Foreign exchange and gold	Credit	Commodities	Other				
1. Financial assets measured at fair value through other comprehensive income	13,833	-	-	-	X	X	X	-	X	X
2. Financial assets measured at amortized cost	205,795	X	-	-	X	X	X	-	X	X
3. Portfolio	X	X	X	X	X	X	-	X	-	X
4. Other transactions	-	-	-	-	-	-	X	-	X	-
Total assets	219,628	-	-	-	-	-	-	-	-	-
1. Financial liabilities	1,453,208	X	-	-	-	-	X	-	X	X
2. Portfolio	X	X	X	X	X	X	-	X	-	X
Total liabilities	1,453,208	-	-	-	-	-	-	-	-	-
1. Expected transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolio of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Hedging interest rate risk has the objective of immunizing the Banking Book from changes in the fair value of funding and lending, caused by adverse movements in the yield curve.

The “Hedging Derivatives” item referring to financial liabilities measured at amortized cost consisted of Euro 70,268 thousand for hedging securities measured at amortized cost and Euro 135,527 thousand for hedging mortgage loans.

The “Hedging Derivatives” item referring to financial liabilities consisted of Euro 845,126 thousand for hedging own bonds issued and Euro 608,082 thousand for macrohedging of demand deposits; specifically, the hedged item is limited to the portion referring to interest rate risk. Hedging uses IRS in which the fixed-rate leg equalizes the debenture loan rate and the variable-rate leg is determined as Euribor +/- spread. To hedge sight deposits, a “fictitious” bond-equivalent is simulated, which is designed to identify the hedged item obtained by modeling the financial statements item hedged.

Section 5 – Fair value change of financial liabilities in macro-hedge portfolios – Item 50

5.1 FAIR VALUE CHANGE OF HEDGED FINANCIAL LIABILITIES: BREAKDOWN BY HEDGED PORTFOLIO

Fair value change of hedged liabilities/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Increase in fair value of hedged financial liabilities	96,820	58,466
2. Decrease in fair value of hedged financial liabilities	601,654	849,817
Total	504,834	791,351

The part of demand deposits that is considered stable as to liquidity and rate, by the internal model adopted by the Crédit Agricole Italia Banking Group is in the macro-hedge portfolio.

Section 6 – Tax Liabilities – Item 60

Please, see Section 10 – Assets.

Section 8 – Other liabilities – Item 80

8.1 OTHER LIABILITIES: BREAKDOWN

	31 Dec. 2024	31 Dec. 2023
Trade payables	109,036	131,608
Credit transfers ordered and being processed and amounts due to third parties	455,456	726,202
Amounts payable to tax authorities on behalf of third parties	338,286	331,744
Advances on loans to mature	43	69
Adjustments for illiquid items	426,050	-
Personnel expenses	113,254	120,532
Uncapitalized accrued expenses	32,671	54,180
Deferred income not allocated to other items	10,310	10,004
Sundry	196,964	265,874
Total	1,682,070	1,640,213

Section 9 – Employee severance benefits – Item 90

9.1 EMPLOYEE SEVERANCE BENEFITS: CHANGES FOR THE YEAR

	Total 31 Dec. 2024	Total 31 Dec. 2023
A. Opening balance	86,588	94,309
B. Increases	2,968	8,366
B.1 Provision for the year	2,585	3,399
B.2 Other changes	383	4,967
C. Decreases	6,058	16,087
C.1 Severance payments	4,685	16,087
C.2 Other changes	1,373	-
D. Closing balance	83,498	86,588
Total	83,498	86,588

9.2 OTHER INFORMATION

Information on the characteristics of defined-benefit plans and risks associated with them (IAS 19, paragraph 139)

Employee Severance Benefits

Pursuant to the Italian legislation, at the date of termination of his/her employment contract with a company, each employee is entitled to a severance package called “*Trattamento di Fine Rapporto*” (Employee Severance Benefits or with the Italian acronym TFR) equal to the sum of the Severance Benefits accrued for each year of work for the employer. The benefit accrued each year is equal to 6.91% of the gross annual pay. This rate is calculated by dividing the ordinary pay by 13.5; to the resulting amount a deduction is made of 0.5%, which is paid directly to the Italian National Social Security Institute (INPS) as a pension contribution.

Moreover, as at 31 December of each year, the Provision for Employees’ Severance Benefits is subject to revaluation applying a fixed-rate of 1.5% plus 75% of the increase in the consumer price index for blue-collar and white-collar households for the year.

The revalued amount, thus calculated, is taxed at a 17% rate, as provided for by the Italian 2015 Stability Law (Italian Law No. 190 of 23 December 2014).

Pursuant to the applicable legislation, employees may ask for advances on their Severance Benefits accrued when the employment relation is still going on. This advance may be obtained only once during the employment relation, after at least 8 years on staff and up to 70% of the Employee Severance Benefits accrued as at the date of request.

With the entry into force of Italian 2007 Finance Act, concerning also the Reform of Supplementary Pension Schemes, the measurement of Employee Severance Benefits, in accordance with IAS 19 Revised, shall take account of the impacts of this Act, as well as of the guidelines for their calculation, which were issued by the Italian National Association of Actuaries and by the *Organismo Italiano di Contabilità* (the Italian National Accounting Body).

Given that, in 2006, Crédit Agricole Italia had an average number of employees higher than 50, it has been considered that the portions of employee severance benefits accruing in the future will be paid to a separate entity (supplementary pension scheme, FONDINPS or to the Fund managed by the Italian State Treasury) irrespective of the employees’ choice. It was specifically considered that the Fund managed by the Italian State Treasury through the Italian National Social Security Institute (INPS), pursuant to Article 1, paragraph 5, of the Italian 2007 Finance Act “ensures that private sector employees receive the severance benefits as provided for in Article 2120 of the Italian Civil Code, in accordance with the contributions paid to the Fund”.

0.5% supplement to employee severance benefits

For the employees that were formerly employees of the Intesa Sanpaolo Group and were already on staff on 31 December 1990, upon employment termination, an amount supplementing their severance benefits is granted, equal to the 0.5% contribution paid to the Italian National Social Security Institute (INPS) by the workers.

Such supplementary amount accrues on a monthly basis and is revalued in accordance with the ISTAT (the Italian National Institute of Statistics) index for the revaluation of employee severance benefits.

Additional 2.75% revaluation of employee severance benefits

To formerly Intesa employees, in case of employment termination, a supplementary amount is paid which is calculated by applying to the employee severance benefits accrued since 1992, on a yearly basis, an additional fixed revaluation equal to 2.75%. This amount is then revalued, on a yearly basis, according to the reference ISTAT (the Italian National Institute of Statistics) index.

Changes for the year in the defined-benefit plan net liabilities (assets) and in rights to repayment (IAS 19, paragraphs 140 and 141)

The statement of reconciliation for 2024 of the present value of the plan obligation for Crédit Agricole Italia is given below:

Actuarial value of the obligation as at 1 Jan. 2024		86,588
a	Service cost	30
b	Interest cost	2,556
c	Transfer in/out	288
d.1	Actuarial gains/losses from changes in financial assumptions	95
d.2	Actuarial gains/losses from changes in inflationary assumptions	-
d.3	Actuarial gains/losses from demographic experience	-1,374
e	Payments provided for by the Plan	-4,685
Actuarial value of the obligation as at 31 Dec. 2024		83,498

Disclosure of the fair value of the plan assets (IAS 19, paragraphs 142 and 143)

This point does not apply because no assets covering Employee Severance Benefits have been provided for.

Description of the main actuarial assumptions (IAS 19, paragraph 144)

In order to be able to make the required measurements, appropriate demographic and economic assumptions must be used regarding:

- Mortality.
- Invalidity.
- Termination (resignation or dismissal).
- Requests for advances.
- The workers' future economic career (including the assumptions on promotion to higher positions).
- Performance of the actual purchasing power of money.

Specifically, the following assumptions were used:

a) DEMOGRAPHIC TECHNICAL BASES:

- Annual probability of exclusion due to death of employees on staff were calculated based on IPS55;
- Annual probabilities of exclusion due to causes other than death of employees on staff were calculated based on appropriate smoothing of historical data of the Group and, therefore, an annual frequency of turnover of 3.50% was used;
- The annual probability of request for advances on the accrued severance benefits was calculated based on the Group's experience and was assumed as equal to an average annual rate of 3%;
- Retirement is assumed upon meeting the first requirement to qualify for pension.

b) ECONOMIC TECHNICAL BASES:

- b.1 To calculate the present value of the various plans, in compliance with the instructions given by the Parent Company Crédit Agricole SA, the following rates were used:
- Employee severance benefits (TFR): IBOXX duration 5-7 years 2.93%;
 - Additional revaluation of 0.5%: IBOXX duration 3-5 years 2.78%;
 - Additional revaluation of 2.75%: IBOXX duration 7-10 years 3.18%;
- b.2 The cost of living index for white-collar and blue-collar households, required for the revaluation of the employee severance benefits amounts allocated to provision, was assumed at 2%, as per the instructions given by the Crédit Agricole Italia Banking Group;
- b.3 The pay line, as a function of seniority, increasing by automatic pay increases only, was calculated, on average, with reference to the Company's employees, based on the interpolation and smoothing of the distribution of pays by seniority and on the national and company collective bargaining agreements;
- b.4 The average annual rate of increase in pay for changes in the minimum wage, is to be seen as related to the fluctuation in the value of money and, therefore, its appreciation, especially in a long-term perspective, is technically difficult; a 2% rate was assumed;
- b.5 Percentage of accrued employee severance benefits requested as advances: 60%. This percentage was inferred based on the Group historical data.

Disclosure of amount, timing and uncertainty of cash flows (IAS 19, paragraphs 145, 146 and 147)

The outcomes of the sensitivity analyses for each one of the above main assumptions are given below:

Discount rate

Actuarial value of the obligation as at 31 Dec. 2024		
Central assumption	+50 bps	-50 bps
83,498	81,305	85,787

Inflation rate

Actuarial value of the obligation as at 31 Dec. 2024		
Central assumption	+50 bps	-50 bps
83,498	84,929	82,134

Turnover rate

Actuarial value of the obligation as at 31 Dec. 2024		
Central assumption	+100 bps	-100 bps
83,498	83,568	83,423

Multi-employer plans (IAS 19, paragraph 148)

This point does not apply because the provision for employee severance benefits is not a Multi-employer plan.

Defined-benefit plans that share risks between various entities under common control (IAS 19, paragraphs 149 and 150)

This point does not apply because the provision for employee severance benefits is not a plan that shares risks between various entities under common control.

Section 10 – Provisions for risks and charges – Item 100

10.1 PROVISIONS FOR RISKS AND CHARGES: BREAKDOWN

Items/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Provisions for credit risk on commitments and financial guarantees given	91,689	78,921
2. Provisions for other commitments and guarantees given	-	-
3. Company pension plans	28,932	30,643
4. Other provisions for risks and charges	365,956	462,749
4.1 Legal and tax-related disputes	58,088	59,504
4.2 Personnel expenses	154,178	192,008
4.3 Other	153,690	211,237
Total	486,577	572,313

10.2 PROVISIONS FOR RISKS AND CHARGES: CHANGES FOR THE YEAR

	Provisions for other commitments and guarantees given	Pension plans	Other provisions for risks and charges	Total
A. Opening balance	-	30,643	462,749	493,392
B. Increases	-	1,948	45,549	47,497
B.1 Provision for the year	-	-	41,298	41,298
B.2 Changes due to passage of time	-	904	4,221	5,125
B.3 Changes due to alterations in the discount rate	-	-	30	30
B.4 Other changes	-	1,044	-	1,044
C. Decreases	-	3,659	142,342	146,001
C.1 Use in the year	-	3,659	107,673	111,332
C.2 Changes due to alterations in the discount rate	-	-	-	-
C.3 Other changes	-	-	34,669	34,669
D. Closing balance	-	28,932	365,956	394,888

10.3 PROVISIONS FOR CREDIT RISK ON COMMITMENTS AND FINANCIAL GUARANTEES GIVEN

	Provisions for credit risk on commitments and financial guarantees given				Total
	Stage 1	Stage 2	Stage 3	POCI	
Commitments to disburse funds	5,595	9,806	-	-	15,401
Financial guarantees given	3,308	10,292	62,688	-	76,288
Total	8,903	20,098	62,688	-	91,689

10.4 PROVISIONS FOR OTHER COMMITMENTS AND GUARANTEES GIVEN

As at 31 December 2018, there were no provisions for other commitments and guarantees given.

10.5 COMPANY DEFINED-BENEFIT PENSION PLANS

1. Information on the characteristics of the entity's defined benefit plans and risks associated with them

Through its Defined-Benefit Pension Plan, Crédit Agricole Italia provides pension schemes that are supplementary or complementary to the pensions paid by INPS (Italian National Social Security Institute) on whatsoever ground, in compliance with the specific Regulation of the Pension Fund.

As at today's date, in accordance with the above Regulation, the employees on staff are not entitled to the benefits provided by the Pension Fund.

These benefits may consist in a pension assigned directly to the person concerned, in a pension assigned indirectly to the surviving family of the person concerned dying either before or after retirement.

As at 31 December 2024, 466 pensioners, 3 people in service and a deferred member (249 women and 217 men) were the beneficiaries of Crédit Agricole Italia Pension Fund, to whom a gross annual supplementary pension is paid amounting to Euro 7,520.

The average age of Crédit Agricole Italia pension plan beneficiaries is 84.2 years.

2. Change for the year in defined-benefit net liabilities (assets) and in rights to repayment from the plan

The table below reports the 2024 reconciliation figures for Crédit Agricole Italia:

Actuarial value of the obligation as at 1 Jan. 2024		30,643
a	Service cost	-
b	Interest cost	904
c.1	Actuarial gains/losses from changes in financial assumptions	44
c.2	Actuarial gains/losses from changes in inflationary assumptions	-
c.3	Actuarial gains/losses from demographic experience	1,000
d	Payments provided for by the Plan	-3,659
and	Transfer in/out	-
Actuarial value of the obligation as at 31 Dec. 2024		28,932

The value of the mathematical reserve is equal to the amount that the Management should have as at the measurement date, based on the assumptions used, in order to meet all the commitments undertaken towards the participants in the plan.

3. Disclosure of the fair value of the plan assets

This point does not apply because no assets covering the plan have been provided for.

4. Description of the main actuarial assumptions

In order to be able to make the required measurements, appropriate demographic and economic assumptions must be used, such as:

- Mortality.
- Probability to have a family.
- Performance of the actual purchasing power of money.

The main economic and demographic assumptions are given below, which have been used for the plan measurement and have been made based on the information provided by the Company subject to assessment and on market data/statistics:

- Annual probability of exclusion due to death of employees not on staff were calculated based on A62.
- For assignment to the surviving family in case of the pensioner's death, differentiated technical bases were used according to the age and gender of the member.

- The cost of living index for white-collar and blue-collar households, required for smoothing the annual pension instalments, was assumed at 2%, in accordance with the instructions given by Crédit Agricole S.A..
- The annual increase in the plan benefits is governed by the relevant Regulation and, therefore by the applicable regulations in force for INPS (Italian National Social Security Institute) pensions (automatic smoothing pursuant to paragraph 1, Article 34 of Italian Law No. 448/1998, as amended by paragraph 1, Article 69 of Italian Law No. 388/2000).
- To calculate the Present Value, in compliance with the instructions issued by Crédit Agricole SA, the rate used was IBOXX Euro Corporate AA (duration 5-7 years) of 2.93%.

5. Disclosure of amount, timing and uncertainty of future cash flows

The results of the sensitivity analyses for each one of the aforementioned main assumptions are given below:

Discount rate

Actuarial value of the obligation as at 31 Dec. 2024		
Central assumption	+50 bps	-50 bps
28,932	27,991	29,937

Mortality rate

Actuarial value of the obligation as at 31 Dec. 2024		
Central assumption	+20 bps	-20 bps
28,932	26,409	32,197

Inflation rate

Actuarial value of the obligation as at 31 Dec. 2024		
Central assumption	up	down
28,932	29,486	28,395

10.6 PROVISIONS FOR RISKS AND CHARGES: - OTHER PROVISIONS

The breakdown of Other Provisions is as follows:

- Legal disputes: the provision is intended to cover any expenses from lawsuits brought against the Bank and revocatory actions in insolvency and bankruptcy.
- Personnel expenses: the provision covers the expenses for voluntary redundancy incentives.
- Other risks and charges refer mainly to provisions intended to cover the expenses for the integration of Credito Valtellinese, Cassa di Risparmio di San Miniato, Cassa di Risparmio di Cesena and Cassa di Risparmio di Rimini, the expenses associated with the disposal of NPL portfolios and other disputes with Customers.

Having regard to tax-related disputes, two disputes on registration tax were pending as at the reporting date concerning transfers made in 2011 to Crédit Agricole Italia followed by the transfer of an equity investments to institutional shareholders, which were reclassified as sales of business units, further challenging also the goodwill amount as defined, for a tax total amount of Euro 11.7 million, plus interest, claimed from the parties jointly and severally involved.

On the transaction reclassification, favourable first- and second-instance court judgements have already been obtained and the Italian Court of Cassation's ruling is pending. Having said that the Group believes that its conduct has always been fair and lawful and expects a favourable outcome of the dispute, also on the grounds of the aforementioned judgements, considering that the charge - if any - would be shared between the parties jointly and severally involved under specific agreements, on a prudential basis Crédit Agricole Italia has still a provision of Euro 1.15 million. It is to be reported that, after the reporting date, the Italian Court of Cassation sent a notification to the parties stating that the reclassification possibility under Article 20 of Italian Presidential Decree 131/1986 does not apply to the case being disputed. Therefore, the content of the notification gives even stronger ground to expect a favourable outcome of the dispute.

The following disputes were still pending as at the reporting date:

- Three disputes concerning Crédit Agricole Carispezia, which was absorbed in July 2019, on the determination of the IRAP taxable base for fiscal years 2015, 2016 and 2017, for a total amount of Euro 823 thousand, on which unfavourable first-instance judgements were issued, which have been or will be appealed against. Although believing that its conduct has always been fair and lawful, as it will be argued in court, for the three claims the Bank decided to recognize a prudential provision of Euro 862 thousand covering the related charge.
- Other minor disputes totalling Euro 0.7 million, for which the Group believes it has good grounds as its conduct has always been fair and lawful, as substantiated, in several cases, by fully or partially favourable judgements, which, therefore, have not been provisioned for. More specifically:
 - Some disputes on registration tax on legal deeds coming from the merged entity Cassa di Risparmio di Rimini, which, in H2 2024, were further decreased to a total residual amount of Euro 0.11 million;
 - A dispute from Credito Valtellinese, which was merged by absorption in April 2022, concerning failure to repay IRPEG withholdings regarding an absorbed entity for a total amount of Euro 0.2 million. The first-instance judgements were in favour of the Bank, but the tax Authority filed appeal against them.
 - A dispute regarding Crédit Agricole Italia for Euro 0.4 million about the use of the Allowance for Corporate Equity (ACE) surplus for the Italian corporate income (IRES) surtax in 2019. The position of the Agenzia delle Entrate (the Italian Inland Revenue Agency) is quite groundless, also based on previous tax practice documents on similar cases and, for that reason, being certain of the legality and correctness of what was done by the Bank, appeal was filed with the first instance competent court.
- For Crédit Agricole Leasing Italia, a set of disputes on the Italian town property tax (on the taxpayer liability) for the real estate lease contracts that were terminated subsequent to which it did not get the asset back, for about Euro 0.76 million. For these types of disputes, considering the uncertain stance of the case law on this matter, albeit favourable provisional judgements have been issued, the Company set aside the related provision for risks.

Lastly, the notice of two assessments was served on Crédit Agricole Italia in its capacity as the designated consolidating entity in the tax consolidation scheme comprising the Italian direct and indirect subsidiaries of Credit Agricole S.A., which actually concern the determination of the income of member entities that do not belong to the Crédit Agricole Italia Banking Group, for a total amount including tax, penalty and interest of Euro 3.5 million. On one claim, a favourable first-instance and second-instance judgements were issued, whereas the other assessment, the notification of which was served in December 2023, has already obtained a favourable first instance judgement. It is also pointed out that any expenses shall be paid for by the tax consolidation member entities, which do not belong to the Crédit Agricole Italia Banking Group.

Section 12 – Parent Company Shareholders' Equity – Items 110, 130, 140, 150, 160, 170 and 180

12.1 “CAPITAL” AND “TREASURY SHARES”: BREAKDOWN

As at 31 December 2024, the Parent Company's share capital, fully paid in, consisted of 1,102,071,064 ordinary shares, with a nominal value of Euro 1 each.

As at 31 December 2024 the Bank held 6,221 treasury shares.

12.2 CAPITAL - NUMBER OF SHARES: CHANGES FOR THE YEAR

Items/Types	Ordinary	Other
A. Shares - opening balance	1,102,071,064	-
- fully paid in	1,102,071,064	-
- partially paid in	-	-
A.1 Treasury shares (-)	6,017	-
A.2 Outstanding shares: opening balance	1,102,065,047	-
B. Increases	-	-
B.1 New issues	-	-
- for a consideration:	-	-
- business combinations	-	-
- conversion of bonds	-	-
- exercise of warrants	-	-
- other	-	-
- free of charge:	-	-
- to Employees	-	-
- to Directors	-	-
- other	-	-
B.2 Sale of treasury shares	-	-
B.3 Other changes	-	-
C. Decreases	204	-
C.1 Cancellation	-	-
C.2 Purchase of treasury shares	204	-
C.3 Disposal of businesses	-	-
C.4 Other changes	-	-
D. Outstanding shares: closing balance	1,102,064,843	-
D.1 Treasury shares (+)	6,221	-
D.2 Shares - closing balance	1,102,071,064	-
- fully paid in	1,102,071,064	-
- partially paid in	-	-

12.3 CAPITAL: OTHER INFORMATION

The unit nominal value of the 1,102,071,064 ordinary shares is Euro 1.

12.4 RETAINED EARNINGS RESERVES: OTHER INFORMATION

Items/Types	Amounts
Legal reserve	220,414
Reserves provided for by the Articles of Association	1,372,626
Reserve pursuant to Art. 13 of It. Leg. D. 124/93 ^(*)	334
Provision for the purchase of treasury shares	6
Extraordinary reserve of undistributable dividends on treasury shares	8
Reserve for interest on Additional Tier 1 Instruments	-417,338
Reserve for business combinations under common control	1,023,135
Reserve from the sale of financial assets at fair value through other comprehensive income without recycling	-4,196
Other reserves on financial assets at fair value through other comprehensive income without recycling	384
Cassa di Risparmio di Rimini IAS 19 revised first-time adoption reserve	-305
Retained earnings reserves	2,195,068
Reserve from share-based payments ^(**)	3,830
Total reserves	2,198,898

(*) Reserve pursuant to Art.13 of Italian Legislative Decree No. 124/1993 to take advantage of tax relief on the portions of Employee severance benefits to be used for supplementary pension schemes.

(**) Reserve recognizing the increase in equity resulting from payments based on shares of the controlling company Crédit Agricole SA. made to Employees and Directors

12.5 EQUITY INSTRUMENTS: BREAKDOWN AND CHANGES FOR THE YEAR

The “Equity instruments” item reports the issues of Additional Tier 1 instruments for Euro 740 million.

Equity instruments decreased from Euro 815 million to Euro 740 million subsequent to the issue of an Additional Tier 1 (AT1) subordinated instrument for Euro 275 million and the repayment of an Additional Tier 1 (AT1) instrument for Euro 350 million.

OTHER INFORMATION

1. Commitments and financial guarantees given (other than those designated at fair value)

	Notional value on commitments and financial guarantees given				Total 31 Dec. 2024	Total 31 Dec. 2023
	Stage 1	Stage 2	Stage 3	POCI		
Commitments to disburse funds	22,954,283	268,386	136,043	-	23,358,712	24,190,015
a) Central Banks	-	-	-	-	-	-
b) Public administration bodies	421,848	10	-	-	421,858	362,017
c) Banks	2,185,944	-	-	-	2,185,944	2,295,487
d) Other financial companies	2,845,108	23,361	34	-	2,868,503	4,406,177
e) non-financial corporations	16,681,588	189,066	131,341	-	17,001,995	16,162,976
f) Households	819,795	55,949	4,668	-	880,412	963,358
Financial guarantees given	2,904,124	357,140	80,640	-	3,341,904	3,231,077
a) Central Banks	-	-	-	-	-	-
b) Public administration bodies	9,412	2,018	-	-	11,430	12,605
c) Banks	500,558	311	-	-	500,869	519,165
d) Other financial companies	86,438	4,170	3	-	90,611	94,196
e) non-financial corporations	2,231,927	330,683	79,827	-	2,642,437	2,498,565
f) Households	75,789	19,958	810	-	96,557	106,546

2. Other commitments and other guarantees given

	Nominal value	
	Amount as at 31 Dec. 2024	Amount as at 31 Dec. 2023
1. Other guarantees given	-	-
of which non-performing	-	-
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	-	-
e) non-financial corporations	-	-
f) Households	-	-
2. Other commitments	39,264	40,532
of which non-performing	-	-
a) Central Banks	-	-
b) Public administration bodies	-	-
c) Banks	-	-
d) Other financial companies	39,264	40,532
e) non-financial corporations	-	-
f) Households	-	-

3. Assets pledged as collateral for own liabilities and commitments

Portfolios	Amount as at 31 Dec. 2024	Amount as at 31 Dec. 2023
1. Financial assets measured at fair value through profit or loss	-	-
2. Financial assets measured at fair value through other comprehensive income	69,510	33,800
3. Financial assets measured at amortized cost	16,463,045	16,656,084
4. Property, Plant and Equipment	-	-
- of which: property, plant and equipment inventories	-	-

4. Management and intermediation services

Type of services	Amount
1. Trading on behalf of customers	-
a) Purchases	-
1. settled	-
2. not yet settled	-
b) Sales	-
1. settled	-
2. not yet settled	-
2. Portfolio management	-
3. Custody and administration of securities	113,846,809
a) Third-party securities on deposit held for depository bank services (excluding asset management)	-
1. Securities issued by the reporting Bank	-
2. other securities	-
b) securities of third parties deposited (excluding portfolio management): other	54,281,781
1. Securities issued by the reporting Bank	5,447,991
2. other securities	48,833,790
c) third-party securities deposited with third parties	50,543,316
c) proprietary securities deposited with third parties	9,021,712
4. Other transactions	-

5. Financial assets subject to offsetting or subject to master netting agreements or similar arrangements

Technical forms	Gross amount of financial assets (a)	Amount of financial liabilities offset (b)	Net amount of financial assets recognized (c=a-b)	Related amounts not subject to offsetting		Net amount (f=c-d-e) 31 Dec. 2024	Net amount 31 Dec. 2023
				Financial Instruments (d)	Cash deposits received as collateral (e)		
1. Derivatives	888,660	-	888,660	864,926	-	23,734	124,143
2. Repurchase agreements	-	-	-	-	-	-	-
3. Securities lending	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
Total 31 Dec. 2024	888,660	-	888,660	864,926	-	23,734	X
Total 31 Dec. 2023	1,062,047	-	1,062,047	937,904	-	X	124,143

6. Financial liabilities subject to offsetting or subject to master netting agreements or similar arrangements

Technical forms	Gross amount of financial liabilities (a)	Amount of financial assets offset (b)	Net amount of financial liabilities recognized (c=a-b)	Related amounts not subject to offsetting		Net amount (f=c-d-e) 31 Dec. 2024	Net amount 31 Dec. 2023
				Financial Instruments (d)	Cash deposits as collateral (e)		
1. Derivatives	1,809,632	-	1,809,632	864,926	829,570	115,136	378,227
2. Repurchase agreements	-	-	-	-	-	-	-
3. Securities lending	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-
Total 31 Dec. 2024	1,809,632	-	1,809,632	864,926	829,570	115,136	X
Total 31 Dec. 2023	2,337,781	-	2,337,781	937,904	1,021,650	X	378,227

IFRS 7 requires specific disclosure on financial instruments that have been offset in the Balance Sheet pursuant to IAS 32 or that may be potentially offset, upon occurrence of specific conditions, but are recognised in the Balance Sheet without any netting as they are governed by “master netting agreements or similar arrangements” that do not comply with all the requirements laid down by IAS 32 paragraph 42.

As regards instruments that may potentially be offset, at the occurrence of certain events, and to be reported in tables 6 and 7, it is pointed out that, for transactions in OTC, the Crédit Agricole Italia Banking Group has signed bilateral netting agreements (ISDA) with all banking counterparties it has OTC derivatives if force with, whereby, if certain conditions are met, claims and obligations relating to OTC derivatives may be offset. Furthermore, the Group has signed Credit Support Annexes (CSA) attached to the ISDA agreements, providing for the exchange of collateral with the counterparties in order to reduce net exposure.

In order to prepare the tables and in accordance with IFRS 7 and with the new regulations on Banks’ financial statements, it is reported that:

- The effects of the potential offsetting of the balance sheet values of financial assets and liabilities are reported in column (d) “Financial instruments”.
- The related cash collaterals are presented in column (e) “Cash deposits received/pledged as collateral”.
- Transactions in derivatives are recognized at fair value.

These effects are calculated for each master netting agreement, to the extent of the exposure stated in column (c).

Based on the preparation methods described above, thanks to the netting agreements and the related collateral, the credit/debt exposure to the counterparties can be significantly reduced, as shown in column (f) “Net amount”.

PART C - INFORMATION ON THE INCOME STATEMENT

Section 1 – Interest – Items 10 and 20

1.1 INTEREST AND SIMILAR INCOME: BREAKDOWN

Items/Technical forms	Debt securities	Loans	Other transactions	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Financial assets measured at fair value through profit or loss:	527	-	-	527	279
1.1 Financial assets held for trading	6	-	-	6	6
1.2 b. Financial assets designated at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	521	-	-	521	273
2. Financial assets measured at fair value through other comprehensive income	89,277	-	X	89,277	79,175
3. Financial assets measured at amortized cost:	107,082	2,941,582	-	3,048,664	2,735,973
3.1 Due from banks	5	417,621	X	417,626	315,449
3.2 Loans to customers	107,077	2,523,961	X	2,631,038	2,420,524
4. Hedging derivatives	X	X	212,547	212,547	238,305
5. Other assets	X	X	151,026	151,026	131,556
6. Financial liabilities	X	X	X	-	8
Total	196,886	2,941,582	363,573	3,502,041	3,185,296
of which: interest income on impaired financial assets	-	44,238	-	44,238	42,817
of which: interest income on finance leases	X	-	X	-	-

1.2 INTEREST AND SIMILAR INCOME: OTHER INFORMATION

1.2.1 Interest income on foreign-currency financial assets

As at 31 December 2024, interest income on foreign-currency financial assets came to Euro 24,480 thousand.

1.3 INTEREST AND SIMILAR EXPENSES: BREAKDOWN

Items/Technical forms	Due and payables	Securities	Other transactions	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Financial liabilities measured at amortized cost	(707,622)	(412,290)	-	(1,119,912)	(909,850)
1.1 Due to central banks	(30,751)	X	X	(30,751)	(176,713)
1.2 Due to banks	(97,770)	X	X	(97,770)	(80,486)
1.3 Due to customers	(579,101)	X	X	(579,101)	(393,968)
1.4 Debt securities issued	X	(412,290)	X	(412,290)	(258,683)
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities and provisions	X	X	(262)	(262)	(218)
5. Hedging derivatives	X	X	(640,144)	(640,144)	(558,231)
6. Financial assets	X	X	X	(6)	(15)
Total	(707,622)	(412,290)	(640,406)	(1,760,324)	(1,468,314)
Of which: interest expenses on lease liabilities	(9,881)	X	X	(9,881)	(9,456)

1.4 INTEREST AND SIMILAR EXPENSES: OTHER INFORMATION

1.4.1 Interest expenses on foreign-currency liabilities

As at 31 December 2024, interest expense on foreign-currency financial liabilities came to Euro 10,359 thousand.

1.5 DIFFERENTIALS ON HEDGING TRANSACTIONS

Items	31 Dec. 2024	31 Dec. 2023
A. Positive differentials on hedging transactions	767,030	773,669
B. Negative differentials on hedging transactions	(1,194,627)	(1,093,595)
C. Balance (A-B)	(427,597)	(319,926)

Section 2 – Fees and Commissions – Items 40 and 50

2.1 FEE AND COMMISSION INCOME: BREAKDOWN

Type of services/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
a) Financial instruments	277,130	249,886
1. Placement of securities	257,393	232,452
1.1 With firm commitment underwriting and/or based on an irrevocable commitment	-	-
1.2 Without irrevocable commitment	257,393	232,452
2. Receipt and transmission of orders and trading on customers' behalf	18,592	16,526
2.1 Receipt and transmission of orders for one or more financial instruments	18,592	16,526
2.2 Trading on behalf of customers	-	-
3. Other fees and commissions on activities in financial Instruments	1,145	908
Of which: proprietary trading	906	750
Of which: individual portfolio management	252	158
b) Corporate Finance	-	-
1. M&A advice	-	-
2. Treasury services	-	-
3. Other fees and commissions on corporate finance services	-	-
c) Investing advice	6,311	1,167
d) Clearing and settlement	-	-
e) Custody and administration	6,359	6,127
1. Depositary bank services	-	-
2. Other fees and commissions on custody and administration	6,359	6,127
f) Central administrative services for collective portfolio management	-	-
g) Fiduciary activities	-	-
h) Payment services	422,905	435,340
1. Current accounts	253,863	278,559
2. Credit cards	44,364	38,942
3. Debit cards and other payment cards	51,663	49,513
4. Credit transfers and other payment orders	25,609	24,023
5. Other fees and commissions on payment services	47,406	44,303
i) Distribution of third-party services	434,389	412,859
1. Collective portfolio management	-	-
2. Insurance products	373,868	339,990
3. Other products	60,521	72,869
Of which: individual portfolio management	12,854	11,483
j) Structured finance	43,440	45,946
k) Securitization servicing	-	-
l) Commitments to disburse funds	-	-
m) Financial guarantees given	26,857	25,010
Of which: credit derivatives	-	-
n) Financing transactions	14,129	12,856
Of which: for factoring	-	-
o) Foreign exchange trading	7,458	7,053
p) Commodities	-	-
q) Other fee and commission income	69,912	70,825
Of which: for management of multilateral trading facilities	-	-
Of which: management of organized trading facilities	-	-
Total	1,308,890	1,267,069

Item “q) Other fee and commission income” mainly reports fee and commission income from collection services for Euro 30,764 thousand and fee and commission income on e-money services for Euro 22,900 thousand.

2.2 FEE AND COMMISSION INCOME: DISTRIBUTION CHANNELS FOR PRODUCTS AND SERVICES

Channels/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
a) At own branches:	691,461	645,154
1. portfolio management	751	-
2. placement of securities	257,338	232,396
3. third party products and services	433,372	412,758
b) off-premises distribution:	321	157
1. portfolio management	-	-
2. placement of securities	55	56
3. third party products and services	266	101
c) other distribution channels:	-	-
1. portfolio management	-	-
2. placement of securities	-	-
3. third party products and services	-	-

2.3 FEE AND COMMISSION EXPENSE: BREAKDOWN

Type of services/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
a) Financial instruments	(2,786)	(2,967)
Of which: trading in financial instruments	(2,786)	(2,967)
Of which: placement of financial instruments	-	-
Of which: individual portfolio management	-	-
- ON own account	-	-
- Delegated to third parties	-	-
b) Clearing and settlement	-	-
c) Custody and administration	(2,844)	(2,411)
d) Collection and payment services	(9,255)	(11,270)
Of which: credit cards, debit cards and other payment cards	(5,246)	(7,343)
e) Securitization servicing	-	-
f) Commitments to receive funds	-	-
g) Financial guarantees received	(11,474)	(11,942)
Of which: credit derivatives	-	-
h) Off-premises distribution of financial instruments, products and services	-	-
i) Foreign exchange trading	-	-
j) Other fee and commission expenses	(22,416)	(21,059)
Total	(48,775)	(49,649)

Item “j) Other fee and commission expenses” mainly reports fee and commission expenses on e-money services for Euro 10,763 thousand,

Section 3 – Dividend and similar income – Item 70

3.1 DIVIDEND AND SIMILAR INCOME: BREAKDOWN

Items/Income	Total 31 Dec. 2024		Total 31 Dec. 2023	
	Dividend income	Similar income	Dividend income	Similar income
A. Financial assets held for trading	13	-	5	-
B. Other financial assets mandatorily measured at fair value	-	3,531	1,108	887
C. Financial assets measured at fair value through other comprehensive income	9,649	-	10,667	-
D. Equity investments	50	-	1,533	-
Total	9,712	3,531	13,313	887

The main dividend for the reporting year referred to the shareholding in the Bank of Italy, which was classified in the “Financial assets measured at fair value through other comprehensive income” portfolio (Euro 9,563 thousand).

Income referred to the units of O.I.C.R. collective investment undertakings held.

Section 4 – Net gains (losses) on trading activities – Item 80

4.1 NET GAINS (LOSSES) ON TRADING ACTIVITIES: BREAKDOWN

Transactions/Income components	Capital gains (A)	Trading gains (B)	Capital losses (C)	Trading losses (D)	Net gains(loss) [(A+B) - (C+D)]
1. Financial assets held for trading	-	1,245	(2)	(3)	1,240
1.1 Debt securities	-	1,245	(2)	(3)	1,240
1.2 Equity securities	-	-	-	-	-
1.3 Units of O.I.C.R. collective investment undertakings	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	-	-	-	-
2. Financial liabilities held for trading	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Due and payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Other financial assets and liabilities: exchange rate differences	X	X	X	X	10,850
4. Derivatives	126,219	314,947	(127,157)	(309,456)	4,989
4.1 Financial derivatives:	126,219	314,947	(127,157)	(309,456)	4,989
- On debt securities and interest rates	126,219	314,946	(127,157)	(309,455)	4,553
- On equity securities and equity indices	-	-	-	-	-
- On foreign exchange and gold	X	X	X	X	436
- Other	-	1	-	(1)	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges associated with the fair value option	X	X	X	X	-
Total	126,219	316,192	(127,159)	(309,459)	17,079

Section 5 – Net gains (losses) on hedging activities – Item 90

5.1 NET GAINS (LOSSES) ON HEDGING ACTIVITIES: BREAKDOWN

Income components//Values	Total 31 Dec. 2024	Total 31 Dec. 2023
A. Income from:		
A.1 Fair value hedging derivatives	688,162	1,408,025
A.2 Hedged financial assets (fair value)	280,486	540,590
A.3 Hedged financial liabilities (fair value)	1,984	874
A.4 Cash flow hedging financial derivatives	-	-
A.5. Assets and liabilities in foreign currencies	-	-
Total income from hedging activities (A)	970,632	1,949,489
B. Expenses for:		
B.1 Fair value hedging derivatives	(421,042)	(768,140)
B.2 Hedged financial assets (fair value)	(3,064)	(8,633)
B.3 Hedged financial liabilities (fair value)	(558,594)	(1,181,613)
B.4 Cash flow hedging financial derivatives	-	-
B.5. Assets and liabilities in foreign currencies	-	-
Total expenses on hedging activities (B)	(982,700)	(1,958,386)
C. Net gains (losses) on hedging activities (A - B)	(12,068)	(8,897)
of which: fair value adjustments in hedge accounting on net positions	-	-

Section 6 – Gains (losses) on disposal/repurchase – Item 100

6.1 GAINS (LOSSES) ON DISPOSAL/REPURCHASE: BREAKDOWN

Items/Income components	Total 31 Dec. 2024			Total 31 Dec. 2023		
	Gains	Losses	Net gains (loss)	Gains	Losses	Net gain (loss)
A. Financial Assets						
1. Financial assets measured at amortized cost	66,258	(34,950)	31,308	142,398	(68,751)	73,647
1.1 Due from banks	-	-	-	-	-	-
1.2 Loans to customers	66,258	(34,950)	31,308	142,398	(68,751)	73,647
2. Financial assets measured at fair value through other comprehensive income	41,898	(20,536)	21,362	47,124	(21,117)	26,007
2.1 Debt securities	41,898	(20,536)	21,362	47,124	(21,117)	26,007
2.2 Loans	-	-	-	-	-	-
Total assets (A)	108,156	(55,486)	52,670	189,522	(89,868)	99,654
B. Financial liabilities measured at amortized cost						
1. Due to banks	-	-	-	-	-	-
2. Due to Customers	-	-	-	-	-	-
3. Debt securities issued	58	(786)	(728)	50	(1,720)	(1,670)
Total liabilities (B)	58	(786)	(728)	50	(1,720)	(1,670)

Section 7 – Net gains (losses) on financial assets and liabilities measured at fair value through profit or loss – Item 110

7.1 NET CHANGE IN VALUE OF OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS: BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE

There were no financial assets and liabilities designated at fair value.

7.2 NET CHANGE IN VALUE OF OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS: BREAKDOWN OF OTHER FINANCIAL ASSETS MANDATORILY MEASURED AT FAIR VALUE

Transactions/Income components	Capital gains (A)	Gains on realization (B)	Capital losses (C)	Losses on realization (D)	Net gain (loss) [(A+B) - (C+D)]
1. Financial assets	6,685	6,511	(15,078)	101	(1,781)
1.1 Debt securities	6,685	3,850	(12,831)	101	(2,195)
1.2 Equity securities	-	2,661	(187)	-	2,474
1.3 Units of collective investment undertakings	-	-	(2,060)	-	(2,060)
1.4 Loans	-	-	-	-	-
2. Financial assets in foreign currencies: foreign exchange differences	X	X	X	X	-
Total	6,685	6,511	(15,078)	101	(1,781)

Section 8 – Net losses/recoveries for credit risk – Item 130

8.1 NET ADJUSTMENTS FOR CREDIT RISK ON FINANCIAL ASSETS MEASURED AT AMORTIZED COST: BREAKDOWN

Transactions/Income components	Adjustments						Recoveries				Total 31 Dec. 2024	Total 31 Dec. 2023
	Stage 1	Stage 2	Stage 3		POCI assets		Stage 1	Stage 2	Stage 3	POCI assets		
			Write-offs	Other	Write-offs	Other						
A. Due from Banks	(141)	-	-	(368)	-	-	15	-	-	-	(494)	156
- Loans	(141)	-	-	(368)	-	-	15	-	-	-	(494)	156
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
B. Loans to customers	(28,224)	(168,606)	(32,290)	(286,831)	-	-	30,548	159,204	101,673	-	(224,526)	(275,250)
- Loans	(24,364)	(168,606)	(32,290)	(286,756)	-	-	28,899	159,204	101,673	-	(222,240)	(276,298)
- Debt securities	(3,860)	-	-	(75)	-	-	1,649	-	-	-	(2,286)	1,048
Total	(28,365)	(168,606)	(32,290)	(287,199)	-	-	30,563	159,204	101,673	-	(225,020)	(275,094)

8.2 NET ADJUSTMENTS FOR CREDIT RISK ON FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: BREAKDOWN

Transactions/Income components	Adjustments						Recoveries				Total 31 Dec. 2024	Total 31 Dec. 2023
	Stage 1	Stage 2	Stage 3		POCI assets		Stage 1	Stage 2	Stage 3	POCI assets		
			Write-offs	Other	Write-offs	Other						
A. Debt securities	(3,225)	-	-	-	-	-	285	-	-	-	(2,940)	(1,601)
B. Loans	-	-	-	-	-	-	-	-	-	-	-	-
- to customers	-	-	-	-	-	-	-	-	-	-	-	-
- to banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	(3,225)	-	-	-	-	-	285	-	-	-	(2,940)	(1,601)

Section 9 – Gains/losses on contract modifications without derecognition – Item 140

9.1 GAINS (LOSSES) ON CONTRACT MODIFICATIONS: BREAKDOWN

Item “Losses on contract modifications” came to Euro 1,238 thousand.

This item reports the impacts resulting from contract modifications on medium/long-term loans to customers, which, as they do not classify as substantial in accordance with IFRS 9, do not entail derecognition of the assets, but recognition in the Income Statement of the modifications made to contractual cash flows.

Section 10 – Administrative expenses – Item 160

10.1 PERSONNEL EXPENSES: BREAKDOWN

Type of expense/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
1) Employees	(982,224)	(968,717)
a) wages and salaries	(707,119)	(671,618)
b) social security contributions	(187,134)	(176,127)
c) severance benefits	(597)	(551)
d) pensions	-	-
e) allocation to employee severance benefit provision	(2,585)	(3,399)
f) allocation to provision for post-employment and similar obligations:	(904)	(1,116)
- defined-contribution	-	-
- defined-benefit	(904)	(1,116)
g) payment to external supplementary pension schemes:	(66,281)	(62,368)
- defined-contribution	(66,281)	(62,368)
- defined-benefit	-	-
h) costs from share-based payment agreements	-	-
i) other employee benefits	(17,604)	(53,538)
2) Other staff	(902)	(652)
3) Directors and Auditors	(1,290)	(1,364)
4) Retired personnel	-	-
5) Expense recovery for employees seconded to other companies	46,855	44,481
6) Expense refund for third parties' employees seconded to the company	(6,036)	(7,091)
Total	(943,597)	(933,343)

10.2 AVERAGE NUMBER OF EMPLOYEES BY CATEGORY

	31 Dec. 2024
Employees:	10,548
a) Senior Managers	125
b) Junior Managers	4,928
c) other Employees	5,495
Other staff	44

The figures reporting the number of Employees take account of incoming and outgoing secondments; the "Other staff" figure refers exclusively to non-employees.

10.3 COMPANY DEFINED-BENEFIT PENSION PLANS: COSTS AND REVENUES

Type of expenses/Values	31 Dec. 2024	31 Dec. 2023
Provision for the year	-	-
Changes due to passing of time	(904)	(1,116)

10.4 OTHER EMPLOYEE BENEFITS

These mainly consisted of the costs incurred for incentives to voluntary redundancy, for non-occupational policies, refresher and training, and for employee benefits.

10.5 OTHER ADMINISTRATIVE EXPENSES: BREAKDOWN

Type of expense/Values	31 Dec. 2024	31 Dec. 2023
Direct and indirect taxes	(175,946)	(160,107)
IT services, data processing	(9,934)	(19,132)
Facility rental and management	(9,219)	(10,231)
Expenses for advisory services	(15,765)	(18,898)
Mail, telegraph and delivery services	(81)	(1,078)
Telephone and data transmission	(1,106)	(1,683)
Legal expenses	(5,679)	(4,175)
Property maintenance	(6,323)	(8,337)
Furnishing and plant maintenance	(346)	(534)
Marketing, promotion and entertainment expenses	(23,096)	(19,340)
Transport services	(2,151)	(3,125)
Lighting, heating and air conditioning	(17,156)	(23,220)
Printed material, stationery and consumables	(2,589)	(2,906)
Staff training expenses and reimbursements	(6,175)	(8,710)
Security services	(333)	(503)
Information and title searches	(5,503)	(5,738)
Insurance premiums	(248,396)	(243,852)
Cleaning services	(96)	(90)
Leasing of other property, plant and equipment	(2,896)	(3,108)
Reimbursement of costs to Group companies	(378,230)	(380,354)
Contributions to support the banking system	(58,000)	(101,038)
Sundry expenses	(32,447)	(23,975)
Total	(1,001,467)	(1,040,134)

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

11.1 NET PROVISIONS FOR CREDIT RISK ON COMMITMENTS TO DISBURSE FUNDS AND FINANCIAL GUARANTEES GIVEN: BREAKDOWN

The “Net provisions for credit risk on commitments and financial guarantees given” item came to Euro 12,769 thousand.

11.2 NET PROVISIONS FOR OTHER COMMITMENTS AND OTHER GUARANTEES GIVEN: BREAKDOWN

As at 31 December 2024, there were no provisions for other commitments and guarantees given.

11.3 NET PROVISIONS FOR OTHER RISKS AND CHARGES: BREAKDOWN

The “Net provisions for risks and charges” item came to Euro 1,822 thousand and consists of Euro 95 thousand in provisions for revocatory actions, Euro 9,108 thousand in provisions for non-lending-related disputes and Euro 7,381 thousand in recoveries on other provisions.

Section 12 – Net adjustments/write-backs of property, plant and equipment – Item 180

12.1 NET ADJUSTMENTS TO PROPERTY, PLANT AND EQUIPMENT: BREAKDOWN

Assets/Income component	Amortization (a)	Impairment (b)	Recoveries (c)	Net gains (losses) (a + b - c)
A. Property, plant and equipment:				
1. Operating assets	(80,473)	(1,865)	-	(82,338)
- owned	(36,110)	(1,808)	-	(37,918)
- Rights of use acquired through leases	(44,363)	(57)	-	(44,420)
2. Investment property	(5,995)	(20,076)	-	(26,071)
- owned	(4,634)	(20,076)	-	(24,710)
- Rights of use acquired through leases	(1,361)	-	-	(1,361)
3. Inventories	X	-	-	-
Total	(86,468)	(21,941)	-	(108,409)

Section 13 – Net adjustments to/recoveries on intangible assets – Item 190

13.1 NET ADJUSTMENTS TO INTANGIBLE ASSETS: BREAKDOWN

Assets/Income component	Amortization (a)	Impairment (b)	Recoveries (c)	Net gains (losses) (a + b - c)
A. Intangible assets				
of which. software	-	-	-	-
A.1 Owned	(21,136)	-	-	(21,136)
- Internally generated	-	-	-	-
- Other	(21,136)	-	-	(21,136)
A.2 Rights of use acquired through leases	-	-	-	-
Total	(21,136)	-	-	(21,136)

Section 14 – Other operating expenses and income – Item 200

14.1 OTHER OPERATING EXPENSES: BREAKDOWN

Type of expense/Values	31 Dec. 2024	31 Dec. 2023
Amortization of expenditure for leasehold improvements	(5,485)	(5,620)
Other expenses	(19,103)	(18,777)
Total	(24,588)	(24,397)

14.2 OTHER OPERATING INCOME: BREAKDOWN

Type of expense/Values	31 Dec. 2024	31 Dec. 2023
Rental income and recovered expenses on real estate	5,132	5,653
Taxes and levies recovered	154,843	137,983
Insurance costs recovered	243,419	238,827
Other expenses recovered	5,419	5,191
Service recovery	5,286	4,559
Other income	18,678	11,941
Total	432,777	404,154

Section 15 – Gains (losses) on equity investments – Item 220

15.1 GAINS (LOSSES) ON EQUITY INVESTMENTS: BREAKDOWN

Income component/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
A. Income	339	4,961
1. Revaluations	-	-
2. Gains on disposal	339	4,908
3. Recoveries	-	-
4. Other income	-	53
B. Expenses	(1,503)	(3,065)
1. Writedowns	-	-
2. Writedowns for impairment	(1,503)	(3,065)
3. Losses on disposal	-	-
4. Other expenses	-	-
Net gain (loss)	(1,164)	1,896

“Gains on disposal” resulted from the full sale of di Rajna Immobiliare S.r.l. for a sale price of Euro 600 thousand.

Item “Adjustments for impairment” mainly reports the write-downs of Stellite Real Estate S.p.A. for Euro 1,460 thousand.

Section 18 – Gains (losses) on disposal of investments - Item 250

18.1 GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS: BREAKDOWN

Income component/Values	Total 31 Dec. 2024	Total 31 Dec. 2023
A. Real estate	1,898	2,846
- Gains on disposal	2,107	3,399
- Losses on disposal	(209)	(553)
B. Other assets	8	51
- Gains on disposal	13	102
- Losses on disposal	(5)	(51)
Net gains (loss)	1,906	2,897

Section 19 – Taxes on income from continuing operations: Item 270

19.1 TAXES ON INCOME FROM CONTINUING OPERATIONS: BREAKDOWN

Income components//Values	Total 31 Dec. 2024	Total 31 Dec. 2023
1. Current taxes (-)	(67,605)	(45,532)
2. Changes in current taxes for previous years (+/-)	-	-
3. Reduction in current taxes for the year (+)	305	3,654
3.bis Reduction in current taxes for the year for tax receivables pursuant to Law No. 214/2011 (+)	-	-
4. Change in deferred tax assets (+/-)	(307,037)	(274,900)
5. Change in deferred tax liabilities (+/-)	7,184	17,968
6. Taxes for the year (-) (-1+/-2+3+3bis+/-4+/-5)	(367,153)	(298,810)

19.2 RECONCILIATION OF THEORETICAL TAX LIABILITY AND ACTUAL TAX LIABILITY RECOGNIZED

	31 Dec. 2024
Income before taxes from continuing operations	1,160,780
Theoretical taxable income	1,160,780
	31 Dec. 2024
Income taxes - Theoretical tax liability at a rate of 27.5%	(319,215)
- effect of expenses that are fully or partially non-deductible and income that is fully or partially non-taxable	21,193
Income tax – actual tax liability	(298,022)
- effect of tax realignment under Articles 72/176 of It. Consolidated law on Income Taxes (for 2023 full release of the Creval PPA intangible)	(67)
- Effect of deduction and tax credits	305
IRAP - Theoretical tax liability at the 5.50% ordinary rate	(63,843)
- effect of income/expenses that do not contribute to the taxable base	(105,021)
- effect of other changes	99,495
IRAP - Actual tax liability	(69,369)
Actual tax liability recognized	(367,153)
of which: actual tax liability on continuing operations	(367,153)

Section 22 – Earnings per share

22.1 AVERAGE NUMBER OF ORDINARY SHARES OF DILUTED CAPITAL

This piece of information shall be given by Banks listed on regulated markets.

PART D - COMPREHENSIVE INCOME

BREAKDOWN STATEMENT OF COMPREHENSIVE INCOME

Items	31 Dec. 2024	31 Dec. 2023
10. Profit (Loss) for the period	793,627	703,250
Other income components not reclassified to profit or loss	483	(15,296)
20. Equity securities designated at fair value through other comprehensive income	344	(9,734)
a) Fair value change	(82)	(10,040)
b) Transfers to other equity components	426	306
30. Financial liabilities designated at fair value through profit or loss (changes in own credit rating):	-	-
a) Fair value change	-	-
b) Transfers to other equity components	-	-
40. Hedging of equity securities designated at fair value through other comprehensive income	-	-
a) Fair value change (hedged item)	-	-
b) Fair value change (hedging instrument)	-	-
50. Property, Plant and Equipment	-	-
60. Intangible assets	-	-
70. Defined-benefit plans	234	(7,663)
80. Non-current assets held for sale and discontinued operations	-	-
90. Share of valuation reserves on equity investments measured using the equity method	-	-
100. Income taxes on other income components not reclassified to profit or loss	(95)	2,101
Other income components reclassified to profit or loss	(5,714)	10,887
110. Hedging of investments in foreign operations:	-	-
a) changes in fair value	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
120. Foreign exchange differences:	-	-
a) changes in fair value	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
130. Cash flow hedges:	-	-
a) changes in fair value	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
of which: fair value adjustments on net positions	-	-
140. Hedging instruments: (not designated elements)	-	-
A) value changes	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
150. Financial assets (other than equity securities) measured at fair value through other comprehensive income	(7,919)	17,364
a) fair value changes	3,008	12,199
b) reclassification to profit or loss	(10,927)	5,165
- adjustments for credit risk	2,940	1,601
- gains/losses on disposal	(13,867)	3,564
c) other changes	-	-
160. Non-current assets held for sale and discontinued operations	-	-
a) changes in fair value	-	-
b) reclassification to profit or loss	-	-
c) other changes	-	-
170. Share of valuation reserve on equity investments measured using the equity method:	-	-
a) changes in fair value	-	-
b) reclassification to profit or loss	-	-
- impairment losses	-	-
- gains/losses on disposal	-	-
c) other changes	-	-
180. Income taxes for other income components reclassified to profit or loss	2,205	(6,477)
190. Total other income components	(5,231)	(4,409)
200. Comprehensive income (10+190)	788,396	698,841

PART E - INFORMATION ON RISKS AND RELATIVE HEDGING POLICIES

Section 1 – Credit Risk

QUALITATIVE DISCLOSURES

1. GENERAL ASPECTS

The responsibilities for the lending operations of the Crédit Agricole Italia Banking Group are vested in the Group Chief Lending Officer. In compliance with the European Central Bank guidance requiring that non-performing exposures (NPE) be managed by expert and dedicated workout units separate from those managing performing loans, the Chief Lending Officer is directly responsible for the two management units (Loan Origination and Management of Performing Loans and Non-performing Exposures) and for a unit engaged in strategic and coordination functions (Credit Intelligence).

The Performing Loans Management Function has the following duties:

- To coordinate, fully respecting the independence of every Company of the Crédit Agricole Italia Banking Group, lending to ordinary Customers and to Customers entailing significant exposures.
- To set and oversee the implementation of the Crédit Agricole Italia Banking Group's strategies and guidelines pursuing effective control on the amount of position becoming non-performing and the related cost, by steering the lending chain structures of the Companies of the Group and of the Commercial Channels.
- To define and promote, consistently with the Group strategies and objectives, an appropriate harmonization of lending governance rules.
- To verify, through appropriate operating control mechanisms, compliance with the lending guidelines and policies within the Group, ensuring their quality and monitoring the allocation of loans in terms of sectors and sizes.

The Non-performing Exposures Function is the dedicated workout unit responsible for managing all the exposures classified as non-performing, ensuring and coordinating the relationships with Crédit Agricole SA and the Supervisory Authorities in the NPE scope.

On the relevant Customer perimeter, it is responsible for ensuring management, recovery and/or out-of-court and in-court workout of non-performing exposures, in close contact and cooperation with the Network of Crédit Agricole Italia for prompt and effective action to prevent loan impairment, so that the associated cost is kept under control.

It is responsible for Customers, single ones and/or by economic group, in accordance with the specific "Limits to Decision-Making Powers" and with the specific guidelines set out in the "NPE Regulation" and in the applicable legislation and internal normative instruments (specifically, the "Non performing exposures – stage 3" Policy).

The Non-Performing Exposures Function is responsible for:

- Coordinating the relations with the Crédit Agricole Group as regards NPEs, as well as managing the preparation of all NPE-related documentation and reporting to the Supervisory Authorities.
- Arranging for, in cooperation with the Risk Management and Permanent Controls Function, the design and update of the NPE impairment policy, ensuring the use of harmonized models for lending processes and tools to manage NPEs.
- Ensuring, consistently with the Group's strategies and objectives and through the structures reporting to it on a solid line, the appropriate harmonization of Models, tools and rules for Loan Governance, as regards the positions within the non-performing loans workout process.
- Setting, steering and verifying the implementation of the Guidelines on the management, recovery and/or out-of-court/in-court workout of exposures classified as "NPEs" within its scope of responsibility.

The Credit Intelligence Function is vested with a dual role as it is engaged in both strategic and operational aspects that cover the loan entire life cycle. Its main mission is to keep a full-range view and oversight on all lending activities, ensuring constant monitoring and implementation of the appropriate actions plans, also with a forestalling approach.

As to the main strategic aspects, the Credit Intelligence Function is engaged in the following tasks:

- Designing and developing the Group Policies on Performing Loans, in order to ensure their constant evolution, also keeping pace with technological innovations and regulatory requirements.
- Setting the NPE strategy and its development throughout the Group.
- Analyzing and developing alternative strategies for the disposal and monetization of the properties pledged as collateral.

As to the main crosswise operational aspects, the Credit Intelligence Function is engaged in the following tasks:

- Governing the whole set of information on loans, in order to set the management direction through data interpretation.
- Driving the evolution of processes in order to pursue the corporate objectives and to ensure regulatory compliance, by managing the main lending-related projects and applications.
- Governing credit risk mitigation and real estate surveillance processes.

2. CREDIT RISK MANAGEMENT POLICIES

2.1 ORGANIZATIONAL ASPECTS

2.1 Organisational aspects

In 2024, the Crédit Agricole Italia Banking Group completed a profound organizational change of its lending structures, aligning its model to the market best practices and ensuring full compliance with the European Banking Authority (EBA) guidelines on loan origination and monitoring of 29 May 2020, which emphasize that the performing and non-performing loans management chains must be separated.

As described in the previous paragraphs, the adopted model went live with the relevant resolution passed by the Board of Directors of the Parent Company Crédit Agricole S.A. on 4 December 2020, which approved the Chief Lending Office (CLO) role as the central lending governance unit directly coordinating:

- The Non-Performing Exposures Function, in its turn consisting of: The Non-Performing Loans Management structure, the Legal Support and Disposed Assets-related Litigation structure and the Outsourcing, Cost and Credit Disposal structure.
- The Loan Origination and Management of Performing Loans Function, which also consists of three Functions: The Origination of Retail Loans structure, the Origination of Corporate and Private Banking Loans and Real Estate Loans structure and the Performing Loans Management structure.
- The Credit Intelligence Function consisting of Credit Governance, Applicable Legislation and Reporting, Real Estate Remarketing and NPE Strategy.

Having regard to the non-performing loans chain, it is pointed out that, over the last two years, the Bank completed a revision of its structures, tools and organizational processes. Specifically:

- The NPE Function is responsible for the management and workout of all non-performing loans.
- A new organizational and operational model was defined for the management of non-performing loans, which provides for:
 - In-house management by specialist structures of the most material positions, broken down into clusters and geographical hubs, in order to ensure closer control on risks;
 - The outsourcing from specialist servicers of the management of positions entailing lower amounts having regard to granular loans classified as Unlikely to Pay (UTP - unsecured up to Euro 50 thousand), bad loans (unsecured and mortgage loans below Euro 500 thousand) and lastly residential mortgage loans (classified both as UTP and bad loans up to Euro 500 thousand).

The NPE Function comprises all the structures engaged in the management of non-performing loans. Specifically:

- The Non-Performing Loans Management Function, vested with the scopes of responsibility listed below:
 - Ensuring management, recovery and/or out-of-court workout of non-performing exposures, in close contact and cooperation with the Network of Crédit Agricole Italia for prompt and effective action to prevent loan impairment, so that the relevant cost is kept under control.

- Assessing the customers in its scope and providing the extended Loan Committee of Crédit Agricole Leasing Italia and the Loan Committee of Crédit Agricole Italia with its opinion on loan origination proposals submitted by the structures reporting to it on a dotted line, in order to ensure that loan origination is consistent with the Group's strategic directions and to coordinate activities regarding key accounts.
- Overseeing the management activity, the performance and credit quality of in-house-managed portfolios of loans to Customers of Crédit Agricole Italia and Crédit Agricole Leasing Italia classified as bad loans.

On the other hand, the Outsourcing, Cost and Credit Disposal Function is mainly responsible for the management, performance and credit quality of portfolios of loans to Customers of Crédit Agricole Italia classified as UTP and bad loans whose workout is outsourced, and, therefore, it is responsible for the following scopes:

- Steering the management of these exposures, providing the guidelines on the activities to be carried out by the structures reporting to it, and for ensuring coordination and operational efficiency.
- Overseeing the specific activities carried out by the structures reporting to it, and for determining, where the case, the technical-legal solutions to be implemented.
- Verifying and controlling that the structures reporting to it properly carry out the relevant activities, and for setting the specific benchmarks.
- Ensuring and coordinating that the relevant structures are constantly on top of any developments in the legislation and case law applying to the matters under their responsibility.
- Providing the Function it directly reports to and the Top Officers with adequate reporting and regular briefs on all the activities in its scope.
- Overseeing proper management of the Division, training of its staff and of the staff of the structures reporting to it.
- Ensuring oversight of the UTP and bad loans outsourced the workout of which is outsourced to external services; specifically, it shall ensure that operating activities are duly carried out in coordination with the Servicers and Accounting Function, in order to verify the effectiveness, good value for money and timeliness of the workout actions.

The Legal Support and Disposed Assets-related Litigation Function is responsible for:

- Giving legal advice and support in the management of exposures classified as Past Due and UTP in the NPE Function's scope of responsibility.
- Giving legal support in "single name" or "bulk" loan disposals.
- Managing litigation cases in which the Group is the defendant concerning.
- Positions classified as Past Due, UTP and Bad Loans.
- Exposures previously disposed of.
- Managing post sale on positions disposed of (compensation claims, requests for documents).
- Monitoring the case law and jurisprudence relevant for its scope of responsibility and concerning watch-list and non-performing exposures, in order to support constant compliance with the applicable legislation and regulations.
- Managing cost of credit activities, carrying out analyses and reporting to the management, first-level controls on the NPE portfolio through the NPE Support Function.

As regards the Performing Loans management chain, the related activities are assigned to and carried out by the different dedicated structures of the Parent Company and of the investee companies, which report to the Credit Function and did not undergo any material alteration within the organizational change approved in 2021. On the other hand, it is pointed out that in 2020, some organizational change actions were resolved and their full implementation was completed in 2021; said actions specifically consisted in eliminating the Credit Advisory Division, with concomitant assignment of its responsibilities to the Loan Origination and Management of Performing Loans Functions. Said actions pursued the following objectives:

- Further streamlining of the levels of decision-making bodies, with clearer assignment of their respective responsibilities for performing loans and watch-list exposures.
- Higher specialization in assessing Customers' risk profiles, with the decision-making structure designed to be fully consistent with Customer business segmentation.
- Rationalization of decision-making powers, different in accordance with the Commercial Channels and Customer segments, implementing the new "weighted authorized amount", resulting from the application

to the nominal authorized amount of a set of weighting coefficients reflecting the counterparty's specific riskiness, the sector attractiveness and the structure and nature of the credit lines.

In the light of the aforementioned organizational change and in the wider context of an organizational revision action approved by the BoD at its meeting held on 24 October 2023 aimed at meeting the market's needs for flexibility and timeliness, the Loan Origination and Management of Performing Loans Function was structured into three units:

- Origination of Retail Banking Loans, responsible for the performance and credit quality as regards performing Customers that show no early warnings (performing loans) belonging to the Retail commercial channel. In its turn, this structure comprises two units: Origination of Loans to Customers in the Agri-food and Small Business segments and Origination of Loans to Individuals and Piccoli Operatori Economici (POE, non-structured enterprises featuring operational flexibility but financial rigidity).
- Origination of Loans to Corporate Banking and Private Banking Customers and Real Estate Customers, responsible for the performance and credit quality as regards performing Customers that show no early warnings (performing loans) belonging to the Corporate Banking and Private Banking commercial channel with a focus on the Real Estate chain. In its turn, this Function comprises Loan Origination - Collective Bodies Management, Origination of Corporate Banking and Private Banking Loans and Origination of Loans to the Real Estate and Hotels segments.
- Management of Performing Loans, responsible for the performance and credit quality of performing loans on the watchlist based on the adopted early-warning indicators, in order to pursue full recovery of the position and/or to design risk mitigation solutions and/or, where these activities do not prove sufficient, for classifying said loans in the non-performing perimeter.

2.2 MANAGEMENT, MEASUREMENT AND CONTROL

Lending policies and strategies

The Lending policies lay down the standards and directions for the Banking Group as a whole, which the Distribution Network and the Decision-making Bodies shall comply with in making lending proposals and decisions. Lending policies are structured in order to foster balanced growth with the worthiest Customers and to recover exposures to the riskiest ones. The Lending Policies are regularly updated consistently with the developments in the economic, financial and market scenarios; they also implement the guidelines set within the Risk Strategy, which is agreed on every year with the Parent Company Crédit Agricole S.A., with specific regard to risk concentration limits and to the limits set for specific types of transactions.

Since 2023, the Bank's Lending Policies have been modified in order to implement the latest technological developments able to considerably improving lending processes, with advantages both for the Bank, thanks to the improvement in the assessment process within the origination of loans to worthy Customers, and for Customers, thanks to shorter processing time and the streamlining of the decision-making process.

The Lending Policies have been upgraded in order to make use of important innovations, including the elements coming from the new decision-making systems, which are supported by automated processes that can calculate credit ratings through algorithms able to navigate and reprocess the mass of performance and quantitative data already available in the Bank's information systems.

The fine-tuning of the Lending processes was possible thanks especially to the go-live of the "Transactional Score" new rating element: this indicator was developed by the Credit Intelligence Function and the Risk Management and Permanent Controls Function in synergy between them, through Artificial Intelligence techniques, and is a credit risk assessment based on Retail customers' current account data.

As it provides for the possibility of classification as defaulted, the Transactional Score enables to select and enter the counterparties that have better quality in terms of credit risk in the automated or semi-automated processes.

In H1 2024, the Transactional Score was implemented in the processes listed below:

- In the new Performance Monitoring Indicator (Indicatore di Monitoraggio Andamentale or IMA): in July 2024 a significant evolution of the Group's Early Warning model (IMA model) went live, which was developed using Machine Learning techniques and consists in the integration of diverse and new information sources. Amongst these, the most significant ones regard the Transactional Score, a credit rating based on information on current account transactions, and the information from external providers whereby the payment habits of corporations can be considered and any liquidity stress signals can be detected. The go-live of the new model has led to higher efficiency in the monitoring process, enabling to reduce the number of monitored positions and, at the same time, to increase the exposures on the watchlist.

- In the calculation of the Weighted Authorized Amount for more accurate steering of the decision-making procedure.

Lending processes

Making reference to the previous paragraph, the processes listed below are part of the Automated Decision-making Systems:

- “Digital Lending with Automated Decision-Making”, which gives the possibility to Customers that are Small Businesses and Piccoli Operatori Economici (POE, non-structured enterprises featuring operational flexibility but financial rigidity) to obtain a short-term loan directly from their home banking, with the credit rating calculated digitally: a specific algorithm applies the lending policies designed to this end, determines the possibility of loan origination and puts on record the loan authorization as decided by an automated decision-making body.
- “Fast Credit Card issuing procedure”, which, after specific parameters are verified by an algorithm, gives the possibility of issuing credit cards to customers that are natural persons and fall in the Consumers segment, with no human involvement. This solution is counterbalanced by yet another automated mechanism that cancels the payment tools if some specific risk parameters are breached.
- Automatic renewal of open-ended Credit Lines to Retail Customers, which extends the term of credit lines to those Customers that, based on a specific selection algorithm, have a very high credit rating and, consequently, immaterial credit risk. Unlike the process previously in force, which required manual confirmation by the account manager of the credit lines to be renewed, the new procedure has been fully automated, while maintaining the possibility for the Account Managers to step in at their discretion.

On the other hand, Semi-Automatic Decision-Making Systems include the “Preauthorized Rolling Credit Lines” campaigns, which went live in 2022 and 2023, which precisely identify a selected perimeter of Customers (both from the Retail Small Business and the Corporate Banking segments) on which a specific algorithm identifies a preauthorized loan limit on a monthly basis.

These processes also require some manual operation, albeit limited, by the account manager, after further precise verifications, getting in touch with the selected Customers to agree on the most appropriate methods whereby the pre-approved amount, which are then made operational with the help of Lending applications.

Development, management and updating of models – Roles and responsibilities

The process for the development, management and updating of the models, consistently with the guidelines issued by Crédit Agricole S.A., consists in the activities and procedures aimed at defining, at the initial stage, or at later updating the rating models that apply to loan exposures, that is to say, statistical models that have been designed to support credit assessment and to allow the capital requirements to be calculated in terms of risks of unexpected losses for the Crédit Agricole Italia Banking Group.

The models for the measurement of risk parameters aim at achieving – for both reporting and management purposes – risk measures that are:

- Fit to grasp the key elements at the basis of assessment of the creditworthiness of the parties with whom the Group has or intends to assume loan exposures.
- Relatively stable over time in order to reflect at all times and in every Customer segment, long-term riskiness (measured by the rate of default) of the Group’s exposures, both present and potential.
- Fit to prevent uncontrolled growth of risk in the positive cycle phases and – as a reaction – indiscriminate crunch in lending in negative phases (reverse cycle).

The unit responsible for the development, management and updating of the models is the Financial and ICT Risk Models Function, which is part of the Risk Management and Permanent Controls Function.

Specifically, the Financial and ICT Risk Models Function is responsible for the development of internal rating models and of the LGD model, for the Crédit Agricole Italia Banking Group as a whole, ensuring compliance with the regulatory requirements provided for by the National and European Regulators, with the guidelines issued by the Parent Company and constant alignment to the international best practices. Moreover, this Function is responsible for producing documentation on the structuring and operating details of the adopted models, especially of the rating system, formalizing the features and methods adopted, as well as any alterations in the components and overall structure of the model, setting forth the reasons for such alterations.

Since 2014 the Model Development Function has adopted a Model Development Policy, which has been revised over time with the latest updated framework submitted to the BoD of Crédit Agricole Italia in July 2020 and in March 2021. It consists of three separate documents:

- The “Regulation governing the process for the development, monitoring, revision and decommissioning of the internal rating systems” of the Crédit Agricole Italia Banking Group.
- The “Methodological Guidelines for Model Development and Monitoring” manual.
- The “Margins of Conservatism in AIRB models” manual.

The first document listed above formalizes the process implemented to develop, monitor, revise and decommission internal rating systems, setting out the process steps, the Organizational Units involved and their respective responsibilities. It also sets out the process for reporting to the Supervisory Authorities on any changes made to the internal rating systems or to their application scope.

The second document listed above formalizes the guidelines for the development and monitoring of the risk measurement systems for which the Model Development Function is exclusively responsible and shall be complied with by all the entities of the Crédit Agricole Italia Banking Group. Specifically, it exhaustively describes the process to develop Pillar 1 regulatory statistical models (PD, LGD, EAD) as they are used to calculate the Bank’s capital requirements.

The third document listed above describes the process to identify, assess, monitor and formalize evidence of the Margins of Conservatism (MoC) to be used in case of estimate uncertainty in the modeling process.

The model development process is continuously revised and updated and the policy document is going to be updated in 2025 merging the present 3 documents into a single one.

Furthermore, all the internal models used by the Crédit Agricole Italia Group are submitted to the “Comité Normes et Modeles” of Crédit Agricole S.A. for approval, after being validated in-house by the Validation des Modèles Internes Structure of Crédit Agricole S.A. (jointly with the Validation Service of CA Italia).

The main activities performed by the Model Development Function in 2024 concerned:

- Putting the updated version of the corporate rating system into production, which took place in April 2024.
- The calculation, on a quarterly basis, of IFRS 9 collective impairment, using methods and models that have been developed in close coordination with Crédit Agricole S.A. and that cover the recent macroeconomic development scenarios.
- The on-site mission regarding retail internal models, which was carried out in H1 2024 and ended with the exit meeting held in September and the consequent feedback by Crédit Agricole Italia to the draft report.
- The go-live of the early warning model, which took place in July 2024.
- The start of the Mission on the Corporate PD Model following the submittal in July 2023 of the application package for the authorization to use the AIRB approach on the corporate portfolio (the application package was revised in late October 2024 reducing its scope to the PD model only, with consequent modification of the authorization from AIRB to FIRB).
- Revision of the PD Stress and LGD Stress Models.

In 2025, the main projects will concern:

- Completion of the Mission on the Corporate PD Model.
- Start of the project for the Revision of the Retail Internal Models based on the findings emerged during the ECB mission carried out in 2024 on the Retail portfolio.
- The second phase of the climate stress test.
- the EBA stress test exercises.
- The updating of the Early Warning model.

Cost of credit

The Crédit Agricole Italia Banking Group has kept and enhanced its systematic control on the developments in the quality of the Loans-to-Customers Portfolio; specifically, it has intensified the monitoring on loan positions and has made it even more selective, in order to ensure constant adequacy of recovery expectations in accordance with any changes affecting its counterparties.

In 2024 the cost of risk remained at figures consistent with both default rates and the natural deterioration in non-performing loans. Moreover, thanks to the considerable activity carried out by the operating structure, significant results could be achieved in the recovery of non-performing exposures recognized as at the end of 2023, thus ensuring an important increase in the overall coverage ratios. The process to define, manage and monitor the cost of credit is owned by the NPE Function, which ensures its overall consistency and all the controls within the wider scope of the strategy for the management of Non-performing Loans.

Said process comprises all steps in the cost of credit management, from setting strategic objectives in the NPE Strategy to verifying actuals, with the involvement of all relevant structures and with periodic reporting to the NPE Committee.

Through the NPE Strategy Function, the Credit Intelligence Function is responsible for periodically updating the NPE Strategy, for constantly monitoring the related credit KPI and for preparing the periodic reporting to the Top Management and the NPE Committee.

Stress test

The credit risk monitoring strategy pursued in 2024 was fully consistent with that pursued in the previous year. The related controls were performed on all channels, focusing on the Corporate Banking Channel (SME/Mid and Large Corporate segments) and on the Small Business and Individuals Retail sub-segments, as well as on Crédit Agricole Leasing Italia.

Moreover, in order to define a reference framework for Stress Test exercises on the different risk scope consistently with the guidelines issued by the Parent Company Crédit Agricole S.A., since 2017 the Crédit Agricole Italia Banking Group has been implementing a specific policy (the Stress Test Policy), which was approved by the Board of Directors of Crédit Agricole Italia and then adopted by all the companies of the Group. The Stress Test policy is updated and submitted to the Board of Directors for its validation on a yearly basis.

The Policy lays down the quantitative and qualitative techniques with which the Group assesses its vulnerability to exceptional but plausible events; they consist in measuring the impacts on profit or loss, on its financial position and on regulatory aspects generated by specific events (sensitivity analysis) or by combined changes in a set of economic and financial variables in adverse scenarios (scenario analysis). The policy lays down the stress test reference framework of the Crédit Agricole Italia Banking Group, as required by the new regulations issued by the Supervisory Authority and defines the set of stress test exercises to be carried out in the year.

In 2024, the stress test activities carried out by the Group concerned the Budget and MTP stress testing exercise (*Budgétaire* Stress Test) and an internal climate stress testing exercise. The Budget and MTP (*Budgétaire*) stress test exercise was carried out using the macroeconomic scenarios given by the Parent Company Crédit Agricole S.A. in the period September-November 2024. This exercise, which operated across the various corporate divisions engaged in risk measurement and management, allowed a prospective analysis of the impact on the Income Statement main items (including the cost of credit) and on risk-weighted assets.

The internal climate stress test exercise, which was carried out based on the data collected during the “Fit-for-55” exercise (data as at 31 December 2022) and with projections to 2030, was the start of a path to define a climate stress test framework and to fine-tune the methods for the assessment of climate risks, which will involve the whole Group from 2025 on.

In the stress testing exercises, the estimated effects of the economic cycle on the PD allow future developments in Risk Weighted Assets and Expected Loss to be calculated by aggregation level, with the possibility to simulate and calculate separately the impacts in terms of changes in volumes, changes in the capital requirement for operational risk and increase in risk. Moreover, the outcomes of the stress test exercises are taken into account within the definition and management of the Risk Appetite Framework.

Within the Internal Capital Adequacy Assessment Process (ICAAP), the Pillar II requirements were calculated in accordance with the methods defined by the Parent Company Crédit Agricole S.A., which, as regard credit risk on the Retail portfolio, provide for the calculation of RWAs and capital requirements using point-in-time risk parameters consistently with the IFRS9 framework deployed to calculate impairment on performing loans.

2.3 METHODS TO MEASURE EXPECTED LOSSES

ECL governance and measurement

The Risk Management and Permanent Controls Function is responsible for defining the methodological framework and for overseeing the process for ECL-related impairment of exposures and provisioning. The calculation of impairment of performing assets is part of the overall cost of credit process, which is coordinated by the Portfolio Management and External Collection Governance Function.

To define the IFRS 9 parameters required to calculate ECL, Crédit Agricole Italia has primarily relied on its internal rating system and on the other regulatory processes already implemented.

The assessment of credit risk is based on an expected loss model and extrapolation based on reasonable future scenarios. All information that is available, pertinent, reasonable and justifiable, including forward-looking information, shall be taken into account.

Therefore, in compliance with the requirements laid down by the standard, in order to estimate parameters, a set of forward-looking scenarios is used, each one of which is weighted by the related probability of occurrence. In agreement with Crédit Agricole S.A., Crédit Agricole Italia uses four different macroeconomic scenarios: Said scenarios can be summarized as follows:

- Central scenario, i.e. the scenario that is most consistent with the present one.
- Moderately adverse scenario, i.e. the economic scenario in moderately adverse conditions.
- Budget stress scenario, i.e. the most adverse scenario used within the stress exercise at the end of the budget preparation.
- Favourable scenario, i.e. the economic scenario in favourable conditions.

The weights to be assigned to the four scenarios – which may vary at each new estimation of the parameters – are defined by the Crédit Agricole Group (Group Economic Research Department of CAsa) and shared with the local management.

Crédit Agricole Italia updates the estimate of the parameters at least every year. The ECL calculation formula comprises the following parameters:

- Probability of Default – PD.
- Loss Given Default – LGD.
- Exposure At Default (EAD).

As already pointed out, these parameters have also been defined broadly based on the internal models used as part of the regulatory framework (where any), although they had to be adjusted in order to determine an ECL fully compliant with IFRS 9. Indeed, the standard requires a Point-in-Time analysis as at the reporting date, while taking account of the historical loss data and forward-looking macroeconomic data. Therefore, based on the above, the accounting approach is different from the prudential framework, where analyses are multiyear and Through the Cycle to estimate the Probability of Default (PD); moreover, such analyses shall include the Downturn in the estimate of the Loss Given Default (LGD), whereas this effect is not envisaged in the IFRS 9 LGD.

ECLs are calculated according to the type of product concerned, i.e. financial instruments or off-balance sheet instruments. Expected credit losses are discounted at the effective interest rate (EIR) used for the initial recognition of the financial instrument. The models and parameters used are backtested at least annually by the Risk Management and Permanent Controls Function.

Significant increase in credit risk

For each financial instrument, Crédit Agricole Italia assesses any increase in credit risk from initial recognition at each reporting date. Based on this assessment of changes in credit risk, exposures are classified into the different risk stages.

Monitoring for any significant increase in credit risk shall cover every financial instrument, unless specific exceptions apply. Contagion is not required for the downgrading of financial instruments of the same counterparty from stage 1 to stage 2.

Monitoring for any significant increase in credit risk shall consider the change in credit risk of the principal debtor without taking account of any guarantee, including for transactions with a shareholder guarantee.

For each exposure, any increase in credit risk is assessed through (relative or absolute) quantitative criteria and qualitative criteria.

For the **relative quantitative criteria** some thresholds (SICR) have been set which measure the change in the PD as at the inception date and as at each reference date.

Based on this assessment of changes in credit risk, exposures are classified into the different risk stages.

The change in PD is calculated as $PD_{Closing Date} > a + \beta * PD_{Original Date}$ where:

- $PD_{Original Date}$ are the PDs measured at the business relationship inception, date of first recording;
- $PD_{Closing Date}$ are the PDs as at the reference date;
- a is a fixed parameter that identifies a perimeter exempted from the application of the SICR thresholds;
- β are parameters estimated on Crédit Agricole Italia's portfolio.

In Q4 2024, following talks between Crédit Agricole S.A. and the ECB, the SICR threshold was revised and harmonized at the Group level, pending the introduction of FL values in 2025.

The significant increase in credit risk rule provides for the downgrading to stage 2 if:

$$PD_{Closing Date} > a + \beta * PD_{Original Date}$$

where: $a=0$ e $\beta_i=3.00$ for all portfolios.

It is pointed out that the rule is applied only where the PD as at the date is above 0.3%.

Origination means the settlement date or the date on which the Bank became bound by the contractual terms of the financial instrument. For financing and guarantee commitments, origination means the date on which the irrevocable commitment was made.

For exposures without an internal rating model, the Crédit Agricole Italia Banking Group uses non-payment as at the reporting date or in the previous 12 months. In case of non-payment, as at the reporting date or in the previous months, the exposure is downgraded to stage 2.

For exposures (with the exception of securities) for which internal rating models have been implemented and applied (all the more so if the rating models have been validated), the Crédit Agricole Italia Banking Group considers that all of the information incorporated into the rating systems allows for a more detailed assessment than the non-payment for over 30 days criterion alone as a back-stop threshold.

Other factors for downgrading to stage 2 are:

- The breach of the PD thresholds, which, for Crédit Agricole Italia, are set at 12% for the non-Retail portfolio and at 15% for the Retail portfolio.
- No rating as at the assessment date if regarding loans disbursed over six months before.
- The exposure being classified as forborne performing.
- Classification in the watchlist in accordance with the Early Warning internal indicator (IMA – Performance Monitoring Indicator) in at least three calculations in the four months before the reference date.
- The selection of portfolio portions that are considered high risk following specific probes carried out by the Risk Management and Permanent Controls Function, such as: Sub-Investment Grade ratings close to the perimeter of Sensitive Loans (the thresholds applied by the Crédit Agricole Italia Banking Group are more restrictive).

Furthermore, downgrading to stage 2 may occur for single-name positions reported by the Chief Legal Officer (CLO) and validated by the Risk Management and Permanent Controls Function (qualitative criteria).

If the conditions that triggered downgrading to stage 2 no longer apply, impairment may be reduced to 12-month ECL (stage 1).

For the security portfolio, Crédit Agricole Italia uses an approach that consists in applying an absolute level of credit risk, in accordance with IFRS 9, at the breaching of which exposures shall be classified in stage 2 and

provisioned for based on ECL at maturity. Therefore, the following rules shall apply for monitoring significant increase in the credit risk of securities:

- “Investment Grade” (IG) securities, at the reporting date, shall be classified in stage 1 and provisioned for based on 12-month ECL.
- “Non-Investment Grade” (NIG) securities, at the reporting date, shall be subject to monitoring for significant increase in credit risk, since origination, and shall be classified in Stage 2 (lifetime ECL) where any significant increase in credit risk is found.

The related increase in credit risk shall be assessed prior to the occurrence of a known default (Stage 3).

Multi-scenario calculation

To estimate the parameters used in calculating the forward-looking scenarios at the 31 December 2024 reporting date, the weights set by the Parent Company Crédit Agricole S.A. were the following:

- Central scenario, 30%.
- Moderately adverse scenario, 50%.
- Stressed budget scenario, 18%.
- Favorable scenario, 2%.

In compliance with IFRS 9, the ECL is estimated weighting forward-looking scenarios; therefore, the various scenarios were weighted by their probability of occurrence, as given above.

The main macroeconomic indicators used to define the scenarios were prepared by the ECO structure of the Parent Company Crédit Agricole S.A. specializing in macroeconomic studies.

Indicators used as at 31 December 2024

Indicators used as at 31 December 2024	Central				Moderately adverse				Stress Budgétaire				Favorable			
	2024	2025	2026	2027	2024	2025	2026	2027	2024	2025	2026	2027	2024	2025	2026	2027
Italy's GDP	0.8%	0.8%	0.9%	0.8%	0.8%	0.2%	0.7%	0.7%	0.8%	-2.3%	-1.7%	1.3%	0.8%	0.9%	1.1%	1.2%
Euro Area GDP	0.8%	0.5%	2.2%	1.3%	0.8%	0.5%	0.8%	1.3%	0.8%	-4.1%	-1.6%	1.0%	0.8%	1.9%	0.0%	2.2%
Italy inflation	1.1%	1.5%	1.3%	1.4%	1.1%	2.6%	1.8%	2.1%	1.1%	3.2%	1.2%	1.6%	1.1%	1.6%	1.4%	1.4%
Investments in Buildings	5.0%	-2.9%	-0.4%	0.7%	5.0%	-5.5%	-1.5%	0.9%	5.0%	-10.3%	-11.9%	2.1%	5.0%	0.8%	1.7%	1.7%
Investments in machinery	-0.4%	1.8%	1.3%	1.2%	-0.4%	0.4%	-0.4%	2.2%	-0.4%	-10.2%	-4.6%	-10.2%	-0.4%	1.7%	1.6%	1.6%
Fixed investments	2.8%	-0.6%	0.5%	1.0%	2.8%	-2.4%	-0.6%	1.5%	2.8%	-11.6%	-10.9%	-5.0%	2.8%	1.2%	1.8%	2.7%
Unemployment rate	6.9%	7.0%	6.9%	6.9%	6.9%	7.9%	8.0%	7.9%	6.9%	8.5%	9.2%	9.0%	6.9%	6.8%	6.7%	6.7%
Domestic demand	0.0%	0.8%	0.7%	0.5%	0.0%	0.4%	0.3%	0.4%	0.0%	-1.3%	-3.2%	0.0%	0.0%	0.5%	0.8%	0.8%
World oil demand	1.0%	1.0%	0.4%	0.8%	1.0%	0.1%	-0.3%	0.2%	1.0%	-1.1%	-0.5%	1.5%	1.0%	1.2%	0.4%	0.8%
Work productivity	-1.0%	0.8%	0.7%	0.7%	-1.0%	0.9%	-0.1%	0.9%	-1.0%	-1.9%	-1.2%	1.0%	-1.0%	1.1%	0.6%	0.6%
Industrial Production Index (IPI)	-2.4%	2.2%	3.7%	3.4%	-2.4%	0.8%	3.9%	3.1%	-2.4%	-1.5%	-0.8%	5.3%	-2.4%	2.5%	3.5%	3.2%
Propensity to consume	-2.4%	0.6%	-0.4%	-0.6%	-2.4%	0.9%	-0.2%	0.2%	-2.4%	-3.5%	-5.9%	-1.4%	-2.4%	-0.5%	-1.0%	-0.7%
Weight	30%				50%				18%				2%			

The main underlying assumptions are:

- Central scenario: in 2025 in the Euro Area growth slightly increases, disinflation continues, the labour market proves resilient, purchasing power increases (which assumes that households have less propensity to save) and business margins improve. Interest rates also increase slightly.
- Moderately adverse scenario: the OPEC countries reduce their oil output with consequent increase in the oil price concentrated in 2025. Production also is penalized by the additional cost of energy with consequent decrease in profitability and investments go down. Inflation accelerates (Euro Area 3.5% in 2025, i.e. +1.7 percentage point vs. the central scenario). Pressure on long-term rates (especially in 2025 and then they slowly decrease).
- Stress scenario: there is another inflationary shock (Euro Area total inflation close to 4% in 2025), no monetary policy easing and no fiscal barriers, and growth slowing down in 2025. There is a very sharp decline in financial markets, factoring in the fast implementation of pieces of legislation (such as carbon taxes) that may materially affect businesses' financial conditions and an increase in long-term interest rates and spreads (government and corporate).

- Favorable scenario: China's growth improves and, by extension, so does the Asian one. The Chinese government deploys a new recovery plan in order to restore confidence and support to households and to bolster the real estate market and youth employment. Therefore, the conditions for lending are eased and municipal allowances in the real estate scope are increased. Chinese imports from and demand for Euro Area goods increase. European growth recovers at a slightly faster pace than in the central scenario. Despite an increase in the prices of commodities (especially of oil), the monetary policy easing continues at the same pace as in the central scenario (very slight and temporary acceleration in European inflation in 2026). No pressure on long-term interest rates, equity and real estate markets are on better trajectories than in central scenario.

The economic scenarios used in the 2024 Half-yearly Report and in the 2023 Annual Report are also given, in order to represent the main changes occurred vs. the multi-scenario used for the 2024 financial statements.

Indicators used as at 30 June 2024

Indicators used as at 30 June 2024	Central				Moderately adverse				Stress Budgétaire				Favorable			
	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026
Italy's GDP	1.0%	0.8%	0.9%	1.0%	1.0%	-0.1%	0.5%	1.2%	1.0%	-1.2%	-0.8%	0.7%	1.0%	1.1%	1.2%	1.0%
Euro Area GDP	5.0%	0.7%	1.5%	1.3%	5.0%	0.0%	0.8%	1.3%	5.0%	-1.6%	-1.3%	0.9%	5.0%	1.3%	1.7%	1.4%
Italy inflation	5.9%	1.5%	2.0%	1.9%	5.9%	4.0%	2.2%	2.1%	5.9%	6.4%	5.4%	3.8%	5.9%	1.8%	2.2%	2.1%
Investments in Buildings	3.5%	3.1%	1.2%	1.7%	3.5%	0.5%	0.1%	1.9%	3.5%	-0.4%	0.8%	1.5%	3.5%	3.1%	1.6%	1.7%
Investments in machinery	6.4%	-0.6%	1.2%	1.6%	6.4%	-2.0%	-0.4%	2.6%	6.4%	-2.0%	-1.4%	0.9%	6.4%	2.1%	2.2%	1.6%
Fixed investments	4.9%	1.9%	1.4%	1.8%	4.9%	0.2%	0.3%	2.2%	4.9%	-0.5%	0.1%	1.3%	4.9%	2.9%	1.9%	1.8%
Unemployment rate	7.7%	7.6%	7.7%	7.6%	7.7%	7.9%	8.1%	7.8%	7.7%	9.3%	9.4%	9.4%	7.7%	7.6%	7.6%	7.5%
Domestic demand	1.2%	0.0%	0.7%	0.8%	1.2%	-0.3%	0.5%	0.8%	1.2%	-1.7%	-0.9%	0.6%	1.2%	0.1%	0.7%	0.7%
World oil demand	2.2%	0.9%	1.1%	0.9%	2.2%	0.0%	0.3%	0.3%	2.2%	-1.0%	0.0%	1.0%	2.2%	1.1%	0.9%	0.9%
Work productivity	4.2%	0.8%	0.6%	1.1%	4.2%	0.9%	-0.2%	1.2%	4.2%	4.2%	4.7%	0.1%	4.2%	0.9%	0.9%	0.9%
Industrial Production Index (IPI)	-2.1%	1.0%	3.0%	2.2%	-2.1%	-0.4%	3.2%	1.9%	-2.1%	0.2%	-0.8%	2.4%	-2.1%	1.6%	3.3%	2.5%
Propensity to consume	2.8%	-2.3%	-0.5%	0.1%	2.8%	-1.1%	-1.3%	-0.2%	2.8%	-3.2%	-1.5%	0.7%	2.8%	-2.0%	-1.4%	-1.2%
Weight	50%				35%				10%				5%			

Indicators used as at 31 December 2023

Indicators used as at 31 December 2023	Central				Moderately adverse				Stress Budgétaire				Favorable			
	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026
Italy's GDP	0.7%	0.6%	1.2%	0.9%	0.7%	-0.3%	0.6%	1.2%	1.2%	-1.2%	-0.8%	0.7%	0.7%	1.0%	1.2%	0.9%
Euro Area GDP	0.5%	0.9%	1.3%	1.0%	0.5%	0.0%	0.8%	1.3%	0.6%	-1.6%	-1.3%	0.9%	0.5%	1.3%	1.7%	1.4%
Italy inflation	6.0%	2.7%	2.2%	2.1%	6.3%	4.0%	2.2%	2.1%	6.3%	6.4%	5.4%	3.8%	6.0%	2.8%	2.2%	2.1%
Investments in Buildings	-2.4%	-0.3%	2.0%	1.9%	-2.5%	-3.2%	0.6%	2.2%	1.5%	-0.4%	0.8%	1.5%	-2.4%	-0.3%	2.0%	1.9%
Investments in machinery	2.1%	-1.6%	1.6%	1.6%	2.1%	-3.4%	-0.4%	2.6%	3.9%	-2.0%	-1.4%	0.9%	2.1%	0.6%	2.2%	1.6%
Fixed investments	0.8%	-0.2%	2.0%	1.9%	0.7%	-2.3%	0.6%	2.4%	2.9%	-0.5%	0.1%	1.3%	0.8%	0.5%	2.1%	1.9%
Unemployment rate	7.8%	8.0%	8.0%	7.9%	7.8%	8.0%	8.2%	7.9%	8.0%	9.3%	9.4%	9.4%	7.8%	7.9%	7.9%	7.8%
Domestic demand	1.1%	1.0%	0.8%	0.7%	1.0%	0.1%	0.5%	0.9%	1.0%	-1.7%	-0.9%	0.6%	1.1%	0.8%	0.7%	0.7%
World oil demand	2.2%	1.0%	0.8%	0.8%	2.2%	0.0%	0.3%	0.3%	2.2%	-1.0%	0.0%	1.0%	2.2%	1.1%	0.9%	0.9%
Work productivity	3.3%	0.8%	0.6%	1.1%	3.3%	0.9%	-0.2%	1.2%	2.7%	4.2%	4.7%	0.1%	3.3%	0.9%	0.9%	0.9%
Industrial Production Index (IPI)	-2.7%	1.0%	3.0%	2.2%	-2.7%	-0.4%	3.2%	2.9%	-0.8%	0.2%	-0.8%	2.4%	-2.7%	1.6%	3.3%	2.0%
Propensity to consume	1.9%	-0.7%	-0.7%	-0.4%	2.0%	-0.8%	-1.3%	-0.2%	2.4%	-2.9%	-1.5%	0.7%	1.9%	-1.1%	-0.8%	-0.4%
Weight	55%				30%				10%				5%			

Scenario sensitivity analysis

Within the revision of the parameters used for the IFRS 9 calculation in the 2024 financial statements, Crédit Agricole Italia estimated the sensitivity of the ECL figure to the different macroeconomic scenarios given by the Crédit Agricole Group Economic Research Department - ECO, which is a specialist in macroeconomic studies.

To estimate the impact from the different scenarios identified, the maximum weighting was associated to each scenario, each time zeroing the contribution from the others in determining the forward-looking risk parameters and, thus, assessing the marginal contribution of each scenario to the final result.

Sensitivity was estimated on the September 2024 data in a lab environment and later applied to the December 2024 closing data. The application of the observed variations to the December 2024 calculation results for Crédit Agricole Italia is summarized in the table below, which shows the range of figures that can be obtained with the above-described method.

The table reports the result of the ECL sensitivity analysis based on the simulated scenarios and the related percentage deviation from the "multi-scenario" used for the accounting ECL, which can vary from Euro 324 million in the Favorable scenario (down by -19.1%) to Euro 509 million in the Stress budgetaire scenario used for budget simulations in stressed conditions (up by 27.7%). The recognized amount of Euro 399 million reflects the weights on the Central and Moderately Adverse Scenarios.

€/mln	Exposure	EAD	ECL Multi- scenario	Sensitivity analysis: ECL per single scenario			
				Central	Moderately adverse	Stressed budget	Favorable
RETAIL BNKG	41,773	39,837	193	174	191	229	172
Stage 1	38,073	36,166	32	29	31	36	28
Stage 2	3,700	3,671	161	145	160	193	144
CORPORATE BNKG	51,749	31,780	193	155	192	257	146
Stage 1	45,917	27,886	40	30	40	58	27
Stage 2	5,832	3,894	153	125	152	199	119
SECURITIES	8,734	8,734	13	8	14	23	6
Stage 1	8,724	8,724	13	8	14	22	6
Stage 2	10	10	0	0	0	1	0
TOTAL	102,256	80,351	399	337	397	509	324
Deviation				-16.3%	-0.4%	27.7%	-19.1%
Weight				30%	50%	18%	2%

Methodological changes

In terms of methods and approaches, the actions deployed in the period concerned:

- The updating of the forward-looking parameters after receiving the new macroeconomic scenarios from the Economic Studies Department of Crédit Agricole S.A. (ECO). In accordance with the process, the updating was made for the June calculation and for the December calculation; having specific regard to the last quarter, it is pointed out that, although the forecasts of the individual scenarios improved for the Crédit Agricole Group as a whole, the Parent Company deemed it appropriate to mitigate that effect giving higher weight to moderately adverse scenarios while materially reducing the weight of the favorable and central components. Furthermore, the 2022 C1 Grids were taken into account.
- Updating of the SICR thresholds, which were harmonized at Group level.
- Removal of rating grade D from pre-sensitive grades entailing automatic downgrading of the customer from stage 1 to stage 2.
- Removal of the downgrading rule regarding floating-rate mortgage loans (Non-investment Grade Customers with instalment/income > 30%) given the progressive decrease in the phenomenon and the reduction in interest rates.
- Removal of the downgrading rule regarding former-Credito Valtellinese Customers. The rule had been applied because the ratings of Creval Customers in accordance with Crédit Agricole Italia's methodology were not available as at the acquisition date but only as at the IT migration date. As an adequate length of time has elapsed by now, the rating as at the migration date is used as the rating at origination.

Lastly, since the June calculation, some downgrading actions between Crédit Agricole Leasing Italia and Crédit Agricole Italia were aligned; specifically:

- Now, also for Crédit Agricole Leasing Italia, Retail Customers in rating grades P07 and I07 and Corporate Customers in rating grade D- (called pre-sensitive ratings) are downgraded if they are also Crédit Agricole Italia's Customers.
- The standard rating use for Retail Customer is no longer considered valid.

These actions are summarized, along with the other post-model adjustments already present in the processing operations before 31 December 2024 and reported in the paragraph below.

Post-model adjustments

Following the Forward-Looking Local ECL calculation as at December 2024, Crédit Agricole Italia made management overlays.

Said adjustments can be broken down into two types:

- **Adjustments made to specific positions:**
 - Single-name adjustments (adjustments on single positions) whereby the results could be aligned with the expectations – in terms of risk profile – of the IFRS 9 work group. In accordance with the regulated process, based on the results obtained with the calculation approach defined by the Group and based on the management information of the single counterparties, if the expected loss value associated with a specific counterparty does not accurately reflect its riskiness, the provisioning on the counterparty may be adjusted manually to a level deemed appropriate; such manual actions are allowed only if they increase the coverage ratio on the counterparty. The single-name adjustments made as at 32 December 2024 also include the adjustments to the ECL associated with exposures to:
 - The Bank of Italy;
 - The State Treasury;
 - Intra-group positions (with effects on the separate financial statements of the entities of the Group);
 - Direct downgrading to stage 2:
 - Of the positions on the watchlist for at least three of the four months before the reference date;
 - Of the Retail positions with PD equal to or higher than 11% and of Corporate positions with PD equal to or higher than 5% (known as sensitive ratings);
 - Of pre-sensitive positions, i.e. of Retail Customers with ratings I07 and P07 and of Corporate banking Customers with ratings D-.
- **Portfolio adjustments made by allocating the identified amounts to all positions proportionally to the ECL.** Said case included the following actions:
 - Actions concerning methodological elements not yet included in the used parameters or the implementation of a Forward-Looking Local model also for the LGD value.
 - Forward-looking action to take into account of the portion of the mid-corporate and large-corporate portfolio not yet measured with the new grids. This action entered into force in April 24 and is now used for nearly the entire portfolio; however, there is still a residual part, which will be measured with the new grids starting from the first months of 2025.
 - Action on sectors aimed at taking into account the higher riskiness of **energy-intensive sectors**, which is growing because of the consequences of the ongoing crisis on the future economic scenario.
 - **Conservative add-on for the Individuals segment** amounting to 10 million Euros: given the uncertain economic scenario and having already considered the reduction in interest rates by modifying downgrading rules, this add-on was confirmed on Customers in the Individuals segment in order to keep appropriate coverage ratios.
 - Action aimed at mitigating the impacts on impairments where there are **State Guarantees** (applying to the guaranteed portion). Furthermore, as done in the previous quarters on the Crédit Agricole Italia perimeter, the coverage ratio of government securities was considered.

Other actions to allocate provisions on specific portfolios or on the overall portfolio of Performing Customers as at the reference date. In Q4, the following actions were considered:

- Corrections requested by the Validation Function after its annual review and concerning the implementation of the Corporate rating new grids; The correction is going to be kept until the full application of the grids.
- Add-on anticipating corrections to the database regarding bullet contracts.
- Prudential action to ensure coverage of some approach-related action scheduled for 2025 and of the very uncertain economic scenario.

2.4 CREDIT RISK MITIGATION TECHNIQUES

Within the Crédit Agricole Italia Banking Group, the mitigation of credit risk is pursued by entering into ancillary agreements or by adopting appropriate tools and techniques designed to mitigate this risk.

In particular, specific processes regulate the obtainment and management of guarantees, with clear definition of the relevant roles, responsibilities and controls. Close attention is paid to the adequacy of the rules and procedures for monitoring that the requirements of the guarantees remain complied with (legal certainty, prompt realization and value consistency with the exposure).

The standards for the appraisal of real estate properties securing the exposures of the Crédit Agricole Italia Banking Group, as laid down in the «Policies on the Valuation of Real Estate Properties Securing Exposures», are compliant with the Guidelines issued by the Italian Banking Association (ABI) in force at the relevant time and are in accordance with the recent regulatory principles “International Valuation Standards” (IVS) and “European Valuation Standards” (EVS).

The policies on the appraisal of real estate assets securing the exposures, updated as at October 2023, confirmed the approaches and principles, already adopted in the last few years, for the alignment to the «EBA Guidelines on loan origination and monitoring», and identify:

- A specialist unit engaged in the governance and oversight of the quality of the appraisals, having special regard to the task assigning process and to the appraisal methods and criteria adopted.
- A control framework defining the methods and frequency of controls and the reporting of the related outcomes.
- A list of accredited appraisers.
- The process for constant monitoring of the values of the real estate assets, defining the methods and frequency.

3. NON-PERFORMING CREDIT EXPOSURES

The NPE Regulation

In the last few years, the legislation and regulations applicable to non-performing loans have been constantly developed and amended in order to improve the prudential criteria for identification and management of non-performing loans, fostering harmonization across the EU Member States.

In order to ensure constant compliance with said developments, the NPE Regulation is periodically revised, on the basis also on the remarks made during the periodic audits carried out by the Parent Company and by the ECB.

The events triggering classification as in Default (UTP Triggers): in compliance with the EBA Guidelines, a set of events has been defined upon whose occurrence the management structures shall thoroughly review the positions concerned in order to assess whether it is appropriate or necessary to classify them as non-performing.

Said positions may be kept in the performing category only in specific cases to be appropriately substantiated. The triggers are different in accordance with their scope of application being Individuals or SMEs.

The events triggering classification as Bad Loans: a set of events has been defined which, for their severity and risk of impairment of the assets backing the Bank credit claim, shall trigger immediate classification of the positions concerned as bad loans, with subsequent start of the related executive actions.

Furthermore, some guidelines have been designed for loan classification in the correct risk grade, first of all through going/ gone concern assessment.

Special attention is given to the positions in the “Commercial Real Estate” perimeter, which, due to the problems associated with the sector in terms of management and risk, is quite material in the non-performing loans scope.

In recovery forecasts, thorough assessment has been introduced of the reasons concerning the time for which the positions have been classified as non-performing; to this effect the analysis of exposure vintage is of key importance for the loan conservative measurement.

The units managing non-performing loans

The management of non-performing exposures, classified as Past Due (PD) Unlikely to Pay (UTP) and Bad Loans, is the responsibility of the Non-Performing Loans Management Function as to in-house workouts, and the responsibility of the Outsourcing, Cost and Credit Disposal Function as to outsourced workouts; in both Functions, NPLs are managed through specialist Units by type of counterparty.

The Non-Performing Loans Function is in charge of out-of-court and in-court collection and/or full workout of the exposures it manages, excluding the positions within the scope of outsourced collection services, consistently with the NPE strategy.

The Function manages relations with the Customers falling within its scope of responsibility with the objective of collecting the credit claims of Crédit Agricole Italia, promptly implementing all actions that are deemed the most suitable and effective towards borrowers.

In addition to periodic specific measurement of the recovery value, the management process for non-performing positions aims also at:

- Verifying whether the counterparty is capable of recovering financial health and, consequently, restoring the business and loan relationship; To this end, the Function is responsible for determining the scenario for collection forecast, specifically assuming the counterparty as a going concern (i.e. the exposure can be repaid with the cash flows generated by the counterparty as a going concern) or assuming the counterparty as a gone concern where the exposure can be collected only through the assets securing it as collaterals).
- Scheduling and monitoring loan workout plans agreed on with Customers.
- Proactive participation in interbank work group for debt restructuring and assessment of the proposed plans.

The Outsourcing, Cost and Credit Disposal Function is responsible for overseeing the management of UTP and bad loans outsourced from external services; specifically, it shall ensure that operating activities are duly carried out in coordination with the Servicers and Accounting Function, in order to verify the effectiveness, good value for money and timeliness of the collection actions.

This mission is pursued managing bad exposures as follows:

- Implementing all possible actions in court and out of court, in order to achieve the best possible compromise between the highest possible collection and the shortest time to collection on these exposures.
- Ensuring organic management of all information on the most likely forward-looking repercussions on the income statement through the recognition of adjustments to loans.
- Preparing and then updating, based on harmonized and standardized approaches, collection forecast in terms of probable collected amount and expected collection date, as well as conservative measurement of the existing guarantees and of those that can be reasonably be obtained in court.

3.1 MANAGEMENT STRATEGIES AND POLICIES

In accordance with the “Guidance to banks on non-performing loans” published in March 2017 by the European Central Bank (ECB), the Crédit Agricole Italia Banking Group designed its strategy for the management of non-performing loans, “Group 2018-2021 NPE Strategy”, with the planning of the related KPIs, such as the weight of NPEs, the riskiness of the performing loan portfolio, the effectiveness of NPE recovery and the coverage ratio of the NPL portfolio.

The design and updating of the NPE Strategy has provided for the following approach:

- Breakdown analysis of the loan portfolio and of the performance historical data of NPE management and collection by the Crédit Agricole Italia Banking Group.
- The benchmark positioning of the Crédit Agricole Italia Banking Group in the target market as regards KPIs (NPE Ratio, Coverage Ratio, cost of credit recovery and impairment rates).
- Identification, based on the portfolio and market opportunities, of action drivers to strengthen the performances of the Crédit Agricole Italia Banking Group in terms of credit quality protection and improvement.

- Management actions on the “loan recovery machine”.
- Initiatives aimed at increasing the NPE coverage ratio.
- NPE deleveraging initiatives through tools and actions already developed by the Group (NPE sales on a portfolio and single name basis), with positive effects also on the reduction in the average vintage of the NPE portfolio.

The Group has adopted the NPL Policy and updates it over time, which sets out the internal rules for assessing Past Due, UTP and Bad Loans and, for each category, governs the following scopes:

- Identification and classification methods.
- Criteria to determine statutory impairment applied upon entry in the category.
- Discounting rule to determine the present value in accordance with the estimated recovery plan.
- Assessment methods and criteria during the stay in the category.
- Conditions and methods for exiting the NPL category with migration between NPE categories.

In 2024, further targets were achieved in terms of reducing the NPE portfolio and the risk associated therewith; specifically, at the end of the year, the non-performing portfolio posted a marked decrease (-15% vs. the end of 2023) and consisted, by 71%, of exposures classified as “unlikely to pay”, the gross NPE ratio improved coming to 2.57% (-53bps) and the total coverage ratio of the NPE portfolio hit 53.7% (increasing by nearly 3.5 percentage points vs. the end of 2023).

Furthermore, in the reporting year, the NPE Strategy up to 2026 was defined. The NPE Strategy provides for the analysis of the existing portfolio and for the integration of the forecasts of the main macroeconomic factors, and aims at protecting the quality of the loan portfolio, preserving the good levels reached in the recent FYs, through the adoption of ordinary management drivers, selectively supplementing them with targeted deleverage actions. Besides this, the new strategy provides for an action plan aimed at speeding up the digitalization of the processes and tools supporting lending and loan management.

For information on the technical-organizational procedures and on the methods used to manage and control the NPE portfolio, please, refer to the Note to the Financial Statements – Part A – Accounting Policies, section A.2 Part reporting on the main financial statement items “Impairment for credit risk”.

3.2 WRITE-OFF

The Non-Performing Exposures Function writes off non-performing loans after full recovery of the exposure or resumption of its amortization.

Furthermore, the Function writes off non-performing exposures with loan waiver subsequent to:

- Unilateral remission of the residual amount due within authorized and executed settlement.
- Loan disposal;

Conversely, the Function writes off non-performing exposures, also without loan waiver, subsequent to:

- Loan uncollectibility, as proved or inferred, including the implementation of all possible affordable actions.
- Very marginal possibility of collection.

That being the case, these loans are fully or partially written off in order not to keep, on the Balance Sheet, loans that, although still managed by the structures in charge of collection, are hardly likely to be recovered. The positions to be written off must be identified – through an “ad-hoc” analysis – from among those that have both high vintage and high coverage.

3.3 PURCHASED OR ORIGINATED CREDIT-IMPAIRED FINANCIAL ASSETS

As regards the accounting treatment of these assets and the related reporting, please refer to “A.2 - Part reporting on the main financial statement items”.

4. RENEGOTIATED FINANCIAL ASSETS AND FORBORNE EXPOSURES

As regards the accounting treatment of these assets and the related reporting, please refer to “A.2 - Part reporting on the main financial statement items”.

Forborne exposures are those for which “concessions” have been granted to a borrower that is experiencing or is about to experience difficulties in fulfilling his/her/its financial commitments (“financial difficulty”).

Concessions consist in the following:

- Changes in the terms and/or conditions of an existing contract as regards which the borrower is not deemed able to comply with the set payments due to financial difficulties, which would not have been granted if the borrower had not been in financial difficulties.
- Total or partial refinancing of an existing contract as regards which the borrower is not deemed able to comply with the set payments due to financial difficulties, which would not have been granted if the borrower had not been in financial difficulties.

Based on the information contained in EBA “Implementing Technical Standards (ITS) - On Supervisory reporting on forbearance and non-performing exposures under article 99(4) of Regulation (EU) No 575/2013” of 27 July 2014, as updated, and implementing the guidelines developed afterwards by its Parent Company Crédit Agricole S.A., Crédit Agricole Italia has defined an internal algorithm whereby forborne exposures can be identified, distinguishing between performing and non-performing forborne exposures.

As opposed to the “by counterparty” approach, used by Crédit Agricole Italia to classify non-performing exposures, it classifies forborne positions with a “by individual credit facility” approach”. An exposure shall be classified as forborne when:

- The counterparty is classified as performing at the time of contract modification and there were contractual repayment instalments totally or partially past due by over 30 days at least once in the three months before its modification. The contracts meeting these features are classified as “forborne performing - probation period”, except for contractual modifications featuring a difference between the net present value before and after the modification of more than 1%, in which case they shall be classified in their cure period and no longer considered forborne when all the following conditions are met:
 - The contract is considered performing;
 - At least two years have passed from the beginning of the probation period;
 - Regular payments have been made for a more than considerable portion of the principal and/or interest due during at least one half of the probation period;
 - No one of the exposures to the same borrower is past due by more than 30 days at the end of the probation period.
- The counterparty is classified as defaulted at the time of contract modification or the modified contract is totally or partially past due by over 30 days at least once during the three months before its modification, with a difference between the net present value before and after forbearance of more than 1%. The contracts meeting the above description are classified as “forborne non-performing - cure period” for a period of at least a year and are kept classified as unlikely to pay. The contract shall be classified “forbearance performing - probation period” when all the following conditions are met:
 - At least one year has passed since the start of the cure period³¹;
 - There are no late payments;
 - The counterparty has returned fully able to fulfil its credit obligations.

To assess whether there is a “concession”, in accordance with the adopted approaches there is a “concession” when:

- The amortization schedule regarding a loan is suspended or modified in its original duration.
- The loan has been renegotiated or rescheduled.
- Several credit lines granted to a counterparty are closed and consolidated in a new loan or other credit forms implying the refinancing concept;
- A real estate mortgage loan based on the project progress which has been partially disbursed to a counterparty classified in the perimeter of real estate players has a pre-amortization period of over 36 months.
- The terms, conditions, maturity or the originated amount on a short-term credit facility have been changes.

Furthermore, an exposure may be classified in the forborne perimeter on a judgemental basis where the algorithm does not automatically detect the contract modification or the financial difficulties experienced by

31 In case of suspensions, the year of cure period starts from the suspension date.

the debtor. Likewise, positions can be excluded on a judgemental basis from the forborene perimeter, if the Account Manager believes that the automatic classification made by the algorithm is not consistent.

As at 31 December 2024, the stock of forborene exposures came to Euro 1.08 billion, of which 72.4% was backed by collateral (56.9% backed by mortgage). 54.7% of loans is classified in cure period and the remaining 45.3% in the probation period.

The new forbearance measures for last year came to Euro 412 million (37.9% of the stock) of which 53.6% backed by collateral (30,8% backed by mortgage).

24.2% of the new forborene exposures were classified in their cure period, while the remaining 75.8% were classified in their probation period. Again as regards the new concessions for the year, 22.4% of the exposures were classified in the forbearance perimeter subsequent to loan suspension and rescheduling and 66.2% based on a judgemental assessment.

An analysis of exposures referring to forborene assets measured at amortized cost is given below, separately reporting performing and non-performing ones.

Counterparty status	Type of forbearance applied	Total
PERFORMING	Forborene Performing exposures	454,121
DEFAULTED	Forborene Non-performing exposures	627,681
Total Forborene Exposures		1,081,802

QUANTITATIVE DISCLOSURES

A. Credit quality

All financial assets are classified by credit quality with the exception of equity securities and units of O.I.C.R. collective investment undertakings.

The term “on-balance-sheet exposures” defines all on-balance-sheet financial assets consisting of due from banks or customers, irrespective of the accounting portfolio they are allocated to (measured at fair value through profit or loss, measured at fair value through other comprehensive income, measured at amortized cost, financial assets being divested).

The term “off-balance-sheet exposures” means all financial transactions other than on-balance-sheet ones (guarantees given, revocable and irrevocable commitments, derivatives) for which credit risk is taken, irrespective of the transaction purposes.

A.1 PERFORMING AND NON-PERFORMING CREDIT EXPOSURES: AMOUNTS, ADJUSTMENTS, CHANGES AND BREAKDOWNS

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

Portfolio/quality	Bad loans	Unlikely to Pay	Non-performing past due exposures	Performing past-due exposures	Other performing exposures	Total
1. Financial assets measured at amortized cost	138,603	1,115,823	5,988	986,918	73,427,509	75,674,841
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	3,487,359	3,487,359
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	87	-	-	867	954
5. Financial assets being divested	-	-	-	-	-	-
Total 31 Dec. 2024	138,603	1,115,910	5,988	986,918	76,915,735	79,163,154
Total 31 Dec. 2023	116,672	1,392,967	11,555	887,271	72,839,947	75,248,412

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

Portfolio/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 amortized cost	2,408,818	1,148,404	1,260,414	37,421	74,779,592	365,165	74,414,427	75,674,841
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	3,492,990	5,631	3,487,359	3,487,359
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	87	-	87	-	X	X	867	954
5. Financial assets being divested	-	-	-	-	-	-	-	-
Total 31 Dec. 2024	2,408,905	1,148,404	1,260,501	37,421	78,272,582	370,796	77,902,653	79,163,154
Total 31 Dec. 2023	2,868,122	1,346,928	1,521,194	35,435	74,117,632	391,759	73,725,873	75,247,067

(*) Value to be stated for disclosure purposes.

Portfolio/quality	Assets of evidently low credit quality		Other assets Net exposure
	Accumulated losses	Net exposure	
1. Financial assets held for trading	830	495	134,215
2. Hedging derivatives	-	-	754,030
Total 31 Dec. 2024	830	495	888,245
Total 31 Dec. 2023	26	13	1,062,123

A.1.3 Breakdown of financial assets by past due bracket (book values)

Portfolios/risk stages	Stage 1			Stage 2			Stage 3			POCI assets		
	From 1 day to 30 days	From over 30 days up to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days up to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days up to 90 days	Over 90 days	From 1 day to 30 days	From over 30 days up to 90 days	Over 90 days
1. Financial assets measured at amortized cost	475,498	9,910	2	435,988	53,816	11,704	45,992	20,578	455,276	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets being divested	-	-	-	-	-	-	-	-	-	-	-	-
Total 31 Dec. 2024	475,498	9,910	2	435,988	53,816	11,704	45,992	20,578	455,276	-	-	-
Total 31 Dec. 2023	324,590	11,063	4	498,004	41,013	12,596	43,858	29,451	510,543	-	-	-

A.1.4 Financial assets, commitments to disburse funds and financial guarantees given: changes in total value adjustments and total provisions

	Total adjustments											
	Stage 1 assets						Stage 2 assets					
	Demand due from Banks and claims on Central Banks	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets being divested	of which: individual impairment	of which: collective impairment	Demand due from Banks and claims on Central Banks	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets being divested	of which: individual impairment	of which: collective impairment
Opening total adjustments	4	73,574	5,612	-	-	79,190	-	312,572	-	-	-	312,572
Increases from purchased or originated financial assets	-	10,033	2,739	-	-	12,772	-	19,440	-	-	-	19,440
Derecognized items other than write-offs	-	-1,548	-2,920	-	-	-4,468	-	-	-	-	-	-
Net adjustments/recoveries for credit risk (+/-)	-4	-11,891	200	-	-	-11,695	-	-37,053	-	-	-	-37,053
Contract modifications without derecognition	-	-	-	-	-	-	-	-	-	-	-	-
Changes in the estimate approach	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognized directly through profit and loss	-	-11	-	-	-	-11	-	-33	-	-	-	-33
Other changes	-	56	-	-	-	56	-	26	-	-	-	26
Closing total adjustments	-	70,213	5,631	-	-	75,844	-	294,952	-	-	-	294,952
Recoveries from collection on financial assets written-off	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognized directly through profit and loss	-	-102	-	-	-	-102	-	-121	-	-	-	-121

Demand due from Banks and claims on Central Banks	Total adjustments										Total provisions for commitments to disburse funds and financial guarantees given				Total
	Stage 3 assets					POCI assets					Stage 1	Stage 2	Stage 3	Commitments to disburse funds and financial guarantees, POCI	
	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets being divested	of which: individual impairment	of which: collective impairment	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets being divested	of which: individual impairment	of which: collective impairment					
- 1,346,928	-	-	1,346,928	-	-	-	-	-	-	-	10,053	16,732	52,136	-	1,817,611
- 2,942	-	-	2,942	-	X	X	X	X	X	X	303	759	224	-	36,440
- -292,584	-	-	-292,584	-	-	-	-	-	-	-	-	-	-	-	-297,052
- 189,342	-	-	189,342	-	-	-	-	-	-	-	-1,453	2,607	10,329	-	152,077
- -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- -116,548	-	-	-116,548	-	-	-	-	-	-	-	-	-	-	-	-116,592
- 18,324	-	-	18,324	-	-	-	-	-	-	-	-	-	-	-	18,406
- 1,148,404	-	-	1,148,404	-	-	-	-	-	-	-	8,903	20,098	62,689	-	1,610,890
- -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- -32,290	-	-	-32,290	-	-	-	-	-	-	-	-	-	-	-	-32,513

A.1.5 Financial assets, commitments to disburse funds and financial guarantees given: transfers between the different credit risks stages (gross and nominal values)

	Gross values/nominal value					
	Transfers between stage 1 and stage 2		Transfers between stage 2 and stage 3		Transfers between stage 1 and stage 3	
	From stage 1 to stage 2	From stage 2 to stage 1	From stage 2 to stage 3	From stage 3 to stage 2	From stage 1 to stage 3	From stage 3 to stage 1
1. Financial assets measured at amortized cost	2,727,503	2,530,012	242,063	39,647	148,207	7,686
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial assets being divested	-	-	-	-	-	-
4. Commitments to disburse funds and financial guarantees given	140,136	112,489	19,674	70	888	16
Total 31 Dec. 2024	2,867,639	2,642,501	261,737	39,717	149,095	7,702
Total 31 Dec. 2023	6,649,213	1,256,947	191,634	43,147	865,497	7,022

A.1.6 On-balance-sheet and off-balance-sheet exposures to banks: gross and net values

Type of exposures/Values	Gross exposure					Total adjustments and total provisions for credit risk					Net exposure	Total partial write-offs ^(*)
	Stage 1	Stage 2	Stage 3	POCI assets	Stage 1	Stage 2	Stage 3	POCI assets				
A. ON-BALANCE-SHEET CREDIT EXPOSURES												
A.1 DEMAND	4,812,997	4,812,997	-	-	-	-	-	-	-	4,812,997	-	
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	
b) Performing	4,812,997	4,812,997	-	X	-	-	-	X	-	4,812,997	-	
A.2 Other	4,499,673	4,495,533	-	4,138	-	4,391	272	-	4,119	-	4,495,282	
a) Bad loans	-	X	-	-	-	-	X	-	-	-	-	
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	
b) Unlikely to Pay	4,138	X	-	4,138	-	4,119	X	-	4,119	-	19	
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	
c) Non-performing past due exposures	-	X	-	-	-	-	X	-	-	-	-	
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-	
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	
e) Other performing exposures	4,495,535	4,495,533	-	X	-	272	272	-	X	-	4,495,263	
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	
TOTAL (A)	9,312,670	9,308,530	-	4,138	-	4,391	272	-	4,119	-	9,308,279	
B. OFF-BALANCE-SHEET CREDIT EXPOSURES												
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	
b) Performing	3,521,672	2,686,502	311	X	-	693	688	5	X	-	3,520,979	
TOTAL (B)	3,521,672	2,686,502	311	-	-	693	688	5	-	-	3,520,979	
TOTAL (A+B)	12,834,342	11,995,032	311	4,138	-	5,084	960	5	4,119	-	12,829,258	

(*) Value to be stated for disclosure purposes.

A.1.7 On-balance-sheet and off-balance-sheet exposures to customers: gross and net values

Type of exposures/Values	Gross exposure					Total adjustments and total provisions for credit risk					Net exposure	Total partial write-offs ^(*)
	Stage 1	Stage 2	Stage 3	POCI assets	Stage 1	Stage 2	Stage 3	POCI assets				
A. ON-BALANCE-SHEET CREDIT EXPOSURES												
a) Bad loans	570,133	X	-	570,133	-	431,530	X	-	431,530	-	138,603	12,652
- of which: forborne exposures	122,537	X	-	122,537	-	103,547	X	-	103,547	-	18,990	-
b) Unlikely to Pay	1,824,807	X	-	1,824,721	-	708,916	X	-	708,916	-	1,115,891	12,365
- of which: forborne exposures	505,041	X	-	505,041	-	267,981	X	-	267,981	-	237,060	-
c) Non-performing past due exposures	9,827	X	-	9,827	-	3,839	X	-	3,839	-	5,988	1,385
- of which: forborne exposures	103	X	-	103	-	20	X	-	20	-	83	-
d) Performing past due exposures	1,023,789	486,317	537,472	X	-	36,870	907	35,963	X	-	986,919	-
- of which: forborne exposures	31,807	5,731	26,076	X	-	2,087	17	2,070	X	-	29,720	-
e) Other performing exposures	72,754,206	66,567,413	6,185,848	X	-	333,654	74,665	258,989	X	-	72,420,552	11,021
- of which: forborne exposures	422,315	22,570	399,745	X	-	32,887	58	32,829	X	-	389,428	-
TOTAL (A)	76,182,762	67,053,730	6,723,320	2,404,681	-	1,514,809	75,572	294,952	1,144,285	-	74,667,953	37,423
B. OFF-BALANCE-SHEET CREDIT EXPOSURES												
a) Non-performing	216,682	X	-	216,682	-	62,768	X	-	62,768	-	153,914	-
b) Performing	23,845,566	23,211,170	625,215	X	-	28,229	8,215	20,014	X	-	23,817,337	-
TOTAL (B)	24,062,248	23,211,170	625,215	216,682	-	90,997	8,215	20,014	62,768	-	23,971,251	-
TOTAL (A+B)	100,245,010	90,264,900	7,348,535	2,621,363	-	1,605,806	83,787	314,966	1,207,053	-	98,639,204	37,423

(*) Value to be stated for disclosure purposes.

A.1.8 On-balance sheet exposures to Banks: changes in gross non-performing exposures

Reasons/categories	Bad loans	Unlikely to Pay	Non-performing past due exposures
A. Opening gross exposure	-	4,138	-
- of which: sold exposures not derecognized	-	-	-
B. Increases	-	-	-
B.1 from performing exposures	-	-	-
B.2 from purchased or originated credit-impaired financial assets	-	-	-
B.3 transfers from other categories of non-performing exposures	-	-	-
B.4 Contract modifications without derecognition	-	-	-
B.5 other increases	-	-	-
C. Decreases	-	-	-
C.1 to performing exposures	-	-	-
C.2 Write-offs	-	-	-
C.3 collections	-	-	-
C.4 gains on disposals	-	-	-
C.5 losses on disposals	-	-	-
C.6 transfers to other categories of non-performing exposures	-	-	-
C.7 Contract modifications without derecognition	-	-	-
C.8 other decreases	-	-	-
D. Closing gross exposure	-	4,138	-
- of which: sold exposures not derecognized	-	-	-

A.1.9 On-balance sheet exposures to Customers: changes in gross non-performing exposures

Reasons/categories	Bad loans	Unlikely to Pay	Non-performing past due exposures
A. Opening gross exposure	614,549	2,231,168	18,267
- of which: sold exposures not derecognized	-	-	-
B. Increases	348,571	430,327	38,750
B.1 from performing exposures	49,538	392,935	15,260
B.2 from purchased or originated credit-impaired financial assets	-	-	-
B.3 transfers from other categories of non-performing exposures	293,459	12,134	21,345
B.4 Contract modifications without derecognition	-	60	-
B.5 other increases	5,574	25,198	2,145
C. Decreases	392,987	836,774	47,190
C.1 to performing exposures	-	42,180	1,644
C.2 Write-offs	65,105	36,421	23,464
C.3 collections	60,162	269,259	7,775
C.4 gains on disposals	52,436	63,591	-
C.5 losses on disposals	12,354	1,896	-
C.6 transfers to other categories of non-performing exposures	112	312,519	14,307
C.7 Contract modifications without derecognition	-	1,359	-
C.8 other decreases	202,818	109,549	-
D. Closing gross exposure	570,133	1,824,721	9,827
- of which: sold exposures not derecognized	-	-	-

A.1.9bis On-balance-sheet exposures to Customers: changes in gross forborne exposures broken down by credit quality

Reasons/Quality	Non-performing forborne exposures	Performing forborne exposures
A. Opening gross exposure	832,055	291,762
- of which: sold exposures not derecognized	-	-
B. Increases	118,079	414,859
B.1 from non-forborne performing exposures	56,999	345,806
B.2 from forborne performing exposures	26,501	X
B.3 from forborne non-performing exposures	X	22,736
B.4 from non-forborne non-performing exposures	-	-
B.5 other increases	34,579	46,317
C. Decreases	322,452	252,501
C.1 to non-forborne performing exposures	X	100,277
C.2 to forborne performing exposures	22,736	X
C.3 to forborne non-performing exposures	X	26,501
C.4 Write-offs	49,476	1
C.5 collections	110,885	88,803
C.6 gains on disposals	35,436	-
B.2 losses on disposal	4,152	-
C.8 other decreases	99,767	36,919
D. Closing gross exposure	627,682	454,120
- of which: sold exposures not derecognized	-	-

A.1.10 On-balance-sheet non-performing exposures to Banks: changes in total adjustments

Reasons/categories	Bad loans		Unlikely to Pay		Non-performing past due exposures	
	Total	- of which: forborne exposures	Total	- of which: forborne exposures	Total	- of which: forborne exposures
A. Opening total adjustments	-	-	3,759	-	-	-
- of which: sold exposures not derecognized	-	-	-	-	-	-
B. Increases	-	-	368	-	-	-
B.1 adjustments to purchased or originated credit-impaired financial assets	-	X	-	X	-	X
B.2 other impairment losses	-	-	368	-	-	-
B.3 losses on disposals	-	-	-	-	-	-
B.4 transfers from other categories of non-performing exposures	-	-	-	-	-	-
B.5 Contract modifications without derecognition	-	-	-	-	-	-
B.6 other increases	-	-	-	-	-	-
C. Decreases	-	-	8	-	-	-
C.1 write-backs from valuation (impairment reversal)	-	-	8	-	-	-
C.2 recoveries from collection	-	-	-	-	-	-
C.3 gains on disposal	-	-	-	-	-	-
C.4 write-offs	-	-	-	-	-	-
C.5 transfers to other categories of non-performing exposures	-	-	-	-	-	-
C.6 Contract modifications without derecognition	-	-	-	-	-	-
C.7 other decreases	-	-	-	-	-	-
D. Total closing adjustments	-	-	4,119	-	-	-
- of which: sold exposures not derecognized	-	-	-	-	-	-

A.1.11 On-balance-sheet non-performing exposures to Customers: changes in total adjustments

Reasons/categories	Bad loans		Unlikely to Pay		Non-performing past due exposures	
	Total	- of which: forborne exposures	Total	- of which: forborne exposures	Total	- of which: forborne exposures
A. Opening total adjustments	497,877	132,667	838,579	337,992	6,713	-
- of which: sold exposures not derecognized	-	-	-	-	-	-
B. Increases	260,952	58,650	263,377	76,664	26,942	14,551
B.1 adjustments to purchased or originated credit-impaired financial assets	-	X	-	X	-	X
B.2 other impairment losses	99,214	22,160	214,362	63,057	6,754	1,487
B.3 losses on disposals	12,354	4,417	1,896	766	-	-
B.4 transfers from other categories of non-performing exposures	144,887	30,551	3,840	41	19,262	13,049
B.5 Contract modifications without derecognition	-	-	-	-	-	-
B.6 other increases	4,497	1,522	43,279	12,800	926	15
C. Decreases	327,299	87,770	393,040	146,675	29,816	14,531
C.1 write-backs from valuation (impairment reversal)	6,558	1,034	51,059	24,372	773	-
C.2 recoveries from collection	19,834	4,503	53,015	17,789	462	-
C.3 gains on disposal	20,587	4,879	11,902	4,692	-	-
C.4 write-offs	65,105	15,247	36,421	19,699	23,464	14,531
C.5 transfers to other categories of non-performing exposures	45	-	162,919	49,436	5,025	-
C.6 Contract modifications without derecognition	-	-	-	-	-	-
C.7 other decreases	215,170	62,107	77,724	30,687	92	-
D. Total closing adjustments	431,530	103,547	708,916	267,981	3,839	20
- of which: sold exposures not derecognized	-	-	-	-	-	-

Item C.7 “Other decreases” mainly reports, as to derecognized items other than write-offs, the amount equal to difference between the gross exposure and the disposal price.

A.2 CLASSIFICATION OF FINANCIAL ASSETS, COMMITMENTS TO DISBURSE FUNDS AND FINANCIAL GUARANTEES GIVEN BASED ON EXTERNAL AND INTERNAL RATINGS

A.2.1 Breakdown of financial assets, commitments to disburse funds and financial guarantees given by external rating grades (gross values)

Exposures	External rating grades						Without rating	Total
	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6		
A. Financial assets measured at amortized cost	2,062,946	2,397,637	4,950,761	4,068,743	1,090,250	36,654	62,581,420	77,188,411
- Stage 1	1,832,449	2,290,849	4,274,479	3,213,914	518,297	14,449	55,911,835	68,056,272
- Stage 2	230,497	106,788	637,887	842,767	537,602	22,043	4,345,736	6,723,320
- Stage 3	-	-	38,395	12,062	34,351	162	2,323,849	2,408,819
- POCI assets	-	-	-	-	-	-	-	-
B. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	3,492,990	3,492,990
- Stage 1	-	-	-	-	-	-	3,492,990	3,492,990
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- POCI assets	-	-	-	-	-	-	-	-
C. Financial assets being divested	-	-	-	-	-	-	-	-
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- POCI assets	-	-	-	-	-	-	-	-
Total (A+B+C)	2,062,946	2,397,637	4,950,761	4,068,743	1,090,250	36,654	66,074,410	80,681,401
D. Commitments to disburse funds and financial guarantees given	2,298,016	2,689,704	4,138,220	3,332,105	651,923	16,610	14,457,342	27,583,920
- Stage 1	2,232,959	2,683,730	4,063,157	3,225,349	582,817	15,183	13,938,517	26,741,712
- Stage 2	65,057	5,974	73,025	103,554	40,918	1,407	335,591	625,526
- Stage 3	-	-	2,038	3,202	28,188	20	183,234	216,682
- POCI assets	-	-	-	-	-	-	-	-
Total D	2,298,016	2,689,704	4,138,220	3,332,105	651,923	16,610	13,638,488	26,765,066
Total (A+B+C+D)	4,360,962	5,087,341	9,088,981	7,400,848	1,742,173	53,264	80,531,752	108,265,321

The breakdown by rating grades represented in the table refers to the ratings given by CRIF Ratings S.r.l. and DBRS Ratings GmbH.

The “without rating” column reports exposures with counterparties for which ratings given by the two ECAs are not available, of which the key is given in the table below:

Credit rating grade	CRIF Ratings S.r.l. (Rating scale for long-term issuers)	DBRS Ratings GmbH
Grade 1	AAA, AA	AAA, AA
Grade 2	A	A
Grade 3	BBB	BBB
Grade 4	BB	BB
Grade 5	B	B
Grade 6	CCC, CC, C, D1 S, D	CCC, CC, C, D

A.2.2 Breakdown of financial assets, commitments to disburse funds and financial guarantees given by internal rating grades (gross values)

Exposures	Internal rating grades					Total
	From AAA to BBB+	From BBB to BBB-	From BB+ to B	From B- to D	Without rating	
A. Financial assets measured at amortized cost	25,047,247	32,602,742	15,196,023	3,728,117	614,282	77,188,411
- Stage 1	25,025,159	31,789,127	10,645,747	111,303	484,937	68,056,273
- Stage 2	22,088	813,615	4,550,276	1,207,996	129,345	6,723,320
- Stage 3	-	-	-	2,408,818	-	2,408,818
- POCI assets	-	-	-	-	-	-
B. Financial assets measured at fair value through other comprehensive income	3,492,990	-	-	-	-	3,492,990
- Stage 1	3,492,990	-	-	-	-	3,492,990
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
- POCI assets	-	-	-	-	-	-
C. Financial assets being divested	-	-	-	-	-	-
- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
- POCI assets	-	-	-	-	-	-
Total (A+B+C)	28,540,237	32,602,742	15,196,023	3,728,117	614,282	80,681,401
D. Commitments to disburse funds and financial guarantees given	9,950,318	9,585,027	6,638,907	383,939	1,025,729	27,583,920
- Stage 1	9,931,053	9,461,537	6,242,126	116,843	990,153	26,741,712
- Stage 2	19,265	123,490	396,781	50,488	35,502	625,526
- Stage 3	-	-	-	216,608	74	216,682
- POCI assets	-	-	-	-	-	-
Total (D)	9,950,318	9,585,027	6,638,907	383,939	1,025,729	26,700,615
Total (A+B+C+D)	38,490,555	42,187,769	21,834,930	4,112,056	1,640,011	108,265,321

The breakdown by rating grade refers to the Crédit Agricole Italia Banking Group's internal models. The "Without rating" column mainly shows exposures to Banks, Public Administration Bodies and Sovereign States, for which internal rating models are not available.

Excluding counterparties without rating, 76% of total counterparties fall within the Investment grades (from AAA to BBB-), whereas 20% falls within the BB+/B grades and 4% in the B-/D grades.

A.3 BREAKDOWN OF SECURED EXPOSURES BY TYPE OF GUARANTEE

A.3.1 On-balance-sheet and off-balance-sheet secured exposures to banks

	Gross exposure	Net exposure	Collaterals (1)			
			Real estate - mortgages	Real estate- Loans for leases	Securities	Other collaterals
1. On-balance-sheet secured exposures:	1,408,881	1,408,881	-	-	-	-
1.1 fully secured	704,433	704,433	-	-	-	-
- of which non-performing	-	-	-	-	-	-
1.2 partially secured	704,448	704,448	-	-	-	-
- of which non-performing	-	-	-	-	-	-
2. Off-balance-sheet secured exposures:	18,497	18,460	-	-	-	-
2.1 fully secured	4,914	4,913	-	-	-	-
- of which non-performing	-	-	-	-	-	-
2.2 partially secured	13,583	13,547	-	-	-	-
- of which non-performing	-	-	-	-	-	-

A.3.2 On-balance-sheet and off-balance-sheet secured exposures to Customers

	Gross exposure	Net exposure	Collaterals (1)			
			Real estate - mortgages	Real estate- Loans for leases	Securities	Other collaterals
1. On-balance-sheet secured exposures:	46,546,318	45,409,452	32,694,019	-	391,171	1,343,845
1.1 fully secured	42,845,715	41,856,016	32,511,851	-	346,390	1,184,866
- of which non-performing	1,884,165	1,112,572	465,616	-	615	8,558
1.2 partially secured	3,700,603	3,553,436	182,168	-	44,781	158,979
- of which non-performing	188,316	79,944	8,499	-	89	1,030
2. Off-balance-sheet secured exposures:	2,366,354	2,349,340	187,548	-	117,638	178,984
2.1 fully secured	1,413,596	1,403,867	39,445	-	95,750	129,684
- of which non-performing	21,197	15,423	8,372	-	136	1,715
2.2 partially secured	952,758	945,473	148,103	-	21,888	49,300
- of which non-performing	4,470	2,429	458	-	11	276

	Personal guarantees (2)								Total (1)+(2)	
	Credit derivatives					Signature loans				
	CLN	Other derivatives				Public administration bodies	Banks	Other financial companies		Other parties
		Central counterparties	Banks	Other financial companies	Others					
	-	-	-	-	-	-	1,400,000	-	-	1,400,000
	-	-	-	-	-	-	704,433	-	-	704,433
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	695,567	-	-	695,567
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	8,464	5,671	-	-	14,135
	-	-	-	-	-	2,021	2,892	-	-	4,913
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	6,443	2,779	-	-	9,222
	-	-	-	-	-	-	-	-	-	-

	Personal guarantees (2)									Total (1)+(2)
	Credit derivatives					Signature loans				
	CLN	Other derivatives				Public administration bodies	Banks	Other financial companies	Other parties	
	Central counterparties	Banks	Other financial companies	Other parties						
	-	-	-	-	-	4,539,164	1,465,715	303,755	2,877,228	43,614,897
	-	-	-	-	-	3,000,428	1,226,179	263,247	2,554,750	41,087,711
	-	-	-	-	-	523,400	184	5,864	63,868	1,068,105
	-	-	-	-	-	1,538,736	239,536	40,508	322,478	2,527,186
	-	-	-	-	-	50,356	985	1,162	2,395	64,516
	-	-	-	-	-	77,285	182,589	211,337	1,195,734	2,151,115
	-	-	-	-	-	10,386	29,512	47,893	1,050,639	1,403,309
	-	-	-	-	-	471	208	64	4,457	15,423
	-	-	-	-	-	66,899	153,077	163,444	145,095	747,806
	-	-	-	-	-	833	-	12	320	1,910

In compliance with Bank of Italy Circular No. 262, 8th update, in the “Collaterals” and “Personal guarantees” columns, the fair value of the collaterals or guarantee is reported, estimated as at the reporting date or, where not available, its contractual value.

It is pointed out that, in compliance with the aforementioned 8th update, both the above values shall not be higher than the book value of secured exposures.

B. Breakdown and concentration of credit exposures

B.1 BREAKDOWN BY SECTOR OF ON-BALANCE-SHEET AND OFF-BALANCE-SHEET EXPOSURES TO CUSTOMERS

Exposures/Counterparties	Public administration bodies		Financial companies		Financial companies (of which: insurance undertakings)		Non-financial companies		Households	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures										
A.1 Bad loans	-	-	59	473	-	-	51,139	274,221	87,405	156,836
- of which: forborne exposures	-	-	-	-	-	-	11,463	89,664	7,527	13,883
A.2 Unlikely to Pay	1,240	735	479,046	25,574	-	-	353,204	515,805	282,401	166,802
- of which: forborne exposures	-	-	1,102	2,789	-	-	143,594	213,203	92,364	51,989
A.3 Non-performing past due exposures	-	-	14	14	-	-	1,279	1,111	4,695	2,714
- of which: forborne exposures	-	-	-	-	-	-	82	19	1	1
A.4 Performing exposures	8,740,325	13,902	8,450,703	9,597	192,146	177	22,621,484	204,184	33,594,959	142,841
- of which: forborne exposures	18,584	373	1,699	78	-	-	294,090	28,687	104,775	5,836
Total (A)	8,741,565	14,637	8,929,822	35,658	192,146	177	23,027,106	995,321	33,969,460	469,193
B. Off-balance-sheet exposures										
B.1 Non-performing exposures	-	-	33	4	-	-	149,137	62,030	4,744	734
B.2 Performing exposures	433,251	37	2,696,925	1,174	198,348	495	19,718,832	23,392	968,329	3,626
Total (B)	433,251	37	2,696,958	1,178	198,348	495	19,867,969	85,422	973,073	4,360
Total (A+B) 31 Dec. 2024	9,174,816	14,674	11,626,780	36,836	390,494	672	42,895,075	1,080,743	34,942,533	473,553
Total (A+B) 31 Dec. 2023	8,878,007	13,172	12,939,781	37,216	425,816	1,121	42,032,135	1,221,137	33,670,860	541,449

On-balance-sheet exposures include loans as well as other financial assets, such as debt securities, with the exception of derivative contracts, equity securities and units of O.I.C.R. collective investment undertakings.

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or commodities are excluded.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees given, revocable and irrevocable commitments, derivatives) for which credit risk is taken.

B.2 BREAKDOWN BY GEOGRAPHICAL AREA OF ON-BALANCE-SHEET AND OFF-BALANCE-SHEET EXPOSURES TO CUSTOMERS

Exposures/Geographical areas	Northwest Italy		Northeast Italy		Central Italy		South and insular Italy	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures								
A.1 Bad loans	51,311	132,817	38,232	122,683	23,376	77,427	25,283	87,102
A.2 Unlikely to Pay	256,651	270,109	414,818	216,443	364,467	128,888	76,058	88,951
A.3 Non-performing past-due exposures	2,192	1,360	1,741	1,064	1,088	693	960	718
A.4 Performing exposures	31,825,713	157,569	18,782,414	112,781	18,161,669	68,791	4,158,040	29,455
Total (A)	32,135,867	561,855	19,237,205	452,971	18,550,600	275,799	4,260,341	206,226
B. Off-balance-sheet exposures								
B.1 Non-performing exposures	37,330	10,859	87,757	33,789	20,125	16,260	7,470	1,802
B.2 Performing exposures	11,698,003	21,198	7,754,472	4,941	3,092,832	1,474	1,050,496	523
Total (B)	11,735,333	32,057	7,842,229	38,730	3,112,957	17,734	1,057,966	2,325
Total (A+B) 31 Dec. 2024	43,871,200	593,912	27,079,434	491,701	21,663,557	293,533	5,318,307	208,551
Total (A+B) 31 Dec. 2023	43,186,992	621,313	26,801,516	597,693	21,338,608	330,213	5,444,627	245,056

On-balance-sheet exposures include loans as well as other financial assets, such as debt securities, with the exception of derivative contracts, equity securities and units of O.I.C.R. collective investment undertakings.

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or commodities are excluded.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees given, revocable and irrevocable commitments, derivatives) for which credit risk is taken.

B.3 BREAKDOWN BY GEOGRAPHICAL AREA OF ON-BALANCE-SHEET AND OFF-BALANCE-SHEET EXPOSURES TO BANKS

Exposures/Geographical areas	Italy		Other European Countries		America		Asia		Rest of the world	
	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments	Net exposure	Total value adjustments
A. On-balance-sheet exposures										
A.1 Bad loans	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to Pay	-	-	-	-	-	-	-	-	19	4,119
A.3 Non-performing past due exposures	-	-	-	-	-	-	-	-	-	-
A.4 Performing exposures	6,854,834	217	2,444,737	51	3,495	3	4,114	1	1,080	-
Total (A)	6,854,834	217	2,444,737	51	3,495	3	4,114	1	1,099	4,119
B. Off-balance-sheet exposures										
B.1 Non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.2 Performing exposures	2,724,281	594	323,099	23	99,821	1	342,033	65	31,745	10
Total (B)	2,724,281	594	323,099	23	99,821	1	342,033	65	31,745	10
Total (A+B) 31 Dec. 2024	9,579,115	811	2,767,836	74	103,316	4	346,147	66	32,844	4,129
Total (A+B) 31 Dec. 2023	12,927,820	778	2,701,467	56	84,669	8	312,119	25	44,983	3,770

On-balance-sheet exposures include loans as well as other financial assets, such as debt securities, with the exception of derivative contracts, equity securities and units of O.I.C.R. collective investment undertakings.

Exposures associated to counterparty risk relating to transactions for lending or borrowing securities or commodities are excluded.

Off-balance-sheet exposures include all financial transactions other than on-balance-sheet ones (guarantees given, revocable and irrevocable commitments, derivatives) for which credit risk is taken.

B.4 LARGE EXPOSURES

As at 31 December 2024 the positions having large exposure features in accordance with Regulation (EU) no. 575/2013 (CRR) as amended, including by Regulation (EU) no. 876/2019 (CRR2) were:

- a) Of a total nominal amount of Euro 38,299,776 thousand;
- b) Of a total weighted amount of Euro 743,196 thousand;
- c) A total number of 8 making reference to both nominal value and weighted value.

C. Securitizations

QUALITATIVE DISCLOSURES

Within the derisking actions deployed on the NPE portfolio, in 2021 the Crédit Agricole Italia Banking Group successfully completed disposals of non-performing loans for an aggregate gross book value of about Euro 1.6 billion.

On the Senior notes, the Italian Ministry of the Economy and Finance gave the Italian State Guarantee on Securitization of NPLs (GACS) on 13 April 2022.

Stelvio (structured transaction pursuant to Italian Law no.130 of 30 April 1999)

Key transaction information	
Transaction finalized on	3 Dec. 2021
Special-purpose vehicle	Ortles 21 S.r.l.
Underlying exposures	Non-Performing Loans consisting of mortgage and unsecured credit exposures to individuals and businesses (corporate and retail bnkg)
Geographical area of the sold loans	Italy
Total original amount of the loans sold	1,552,479
Outstanding notes as at 31 Dec. 2024	203,344
Of which senior	149,033
Of which mezzanine	40,000
Of which junior	14,311
Senior notes rating at issue	BBB Scope Rating, DBRS, ARC
Limited recourse loan (Cash reserve) as at 31 Dec. 2024	8,512
Senior notes rating as at 31 Dec. 2024	BBB- Scope, DBRS, ARC

The transaction was carried out by the Crédit Agricole Italia Banking Group, con ItalFondinario as the Master Servicer, Zenith as the corporate servicer and DoValue S.p.A. and Cerved as the Portfolio Special Servicers.

Elrond NPL 2017

Key transaction information	
Transaction finalized on	14 July 2017
Special-purpose vehicle	Elrond NPL 2017 S.r.l.
Underlying exposures	Non-Performing Loans consisting of mortgage and unsecured credit exposures to individuals and businesses (corporate and retail bnkg)
Geographical area of the sold loans	Italy
Total original amount of the loans sold	1,405,252
Outstanding notes as at 31 Dec. 2024	277,659
Of which senior	215,159
Of which mezzanine	42,500
Of which junior	20,000
Senior notes rating at issue	Baa3 Moody's BBB- Scope Ratings
Limited recourse loan (Cash reserve) as at 31 Dec. 2024	8,639
Senior notes rating as at 31 Dec. 2024	CAA2 Moody's and CC Scope Rating

Special servicing is performed by Cerved Credit Management S.p.A., whereas master servicing is performed by Cerved Master Servicer S.p.A.

Aragorn NPL 2018

Key transaction information	
Transaction finalized on	14 June 2018
Special-purpose vehicle	Aragorn NPL 2018 S.r.l.
Underlying exposures	Non-Performing Loans consisting of mortgage and unsecured credit exposures to individuals and businesses (corporate and retail bnkg)
Geographical area of the sold loans	Italy
Total original amount of the loans sold	1,670,633
Outstanding notes as at 31 Dec. 2024	338,543
Of which senior	261,721
Of which mezzanine	66,822
Of which junior	10,000
Senior notes rating at issue	BBBL DBRS BBB- Scope Ratings
Limited recourse loan (Cash reserve) as at 31 Dec. 2024	14,007
Senior notes rating as at 31 Dec. 2024	CCC DBRS and Scope Ratings

Master servicing is performed by Master Gardant S.p.A., while special servicing is performed by Fire S.p.A., which, in 2024, replaced Special Gardant SpA and Cerved Credit Management S.p.A..

As the Stelvio, Elrond and Aragorn securitizations had the objective of transferring credit risk, they may entail the specific risk that credit risk is not fully transferred, but the sale of the mezzanine and junior tranches (with substantial transfer of the risks and rewards associated with the securitized loans and the subsequent derecognition of the portfolio) and the State guarantee given, ensure constant compliance with the requirements of significant transfer of credit risk.

Pillarstone Italy

In 2018, Creval, along with other banks, transferred its loans to Rainbow Magicland S.p.A. to the Pillarstone Italy SPV. With the loans disposed of totalling Euro 8.4 million, in January 2019 Creval subscribed class B1 notes for Euro 1.5 million and class C2 notes for Euro 6.9 million (the latter fully written down).

Key transaction information	
Special-purpose vehicle	Pillarstone Italy SPV S.r.l.
Underlying exposures	Non-Performing Loans having RAINBOW MAGICLAND S.p.A. as the borrower
Geographical area of the sold loans	Italy
Amount of the loans sold by Creval	8,395
All subscribed by Creval	8,395
Of which class B1	1,469
Of which class C2	6,926
Notes rating	N.R.

The role as Servicer was vested in Banca Finint S.p.a. (within the restructuring of the Securitisation Services S.p.a. Group, it was merged into Banca Finanziaria Internazionale S.p.a. – i.e. Banca Finint S.p.a.).

Tranched Cover – Creval 25

In 2020, the “Creval 25” portfolio was finalized for a tranched cover synthetic securitization on newly-originated loans to Retail and Corporate bnkg customers. The transaction provides for a personal guarantee to be given covering credit risk. The guarantee was given by the Central Guarantee Fund for SMEs on the junior tranche of a selected portfolio.

The portfolio of underlying exposures consists of loans originated in 2019 and 2020, to approximately 580 enterprises based throughout Italy, amounting to Euro 65,452 thousand, (the junior tranche amounting to Euro 5,638 thousand, the senior tranche amounting to Euro 59,814 thousand).

Key transaction information	
Transaction finalized on	3 Oct. 2020
Originator	Creval S.p.A.
Transaction type	Tranched Cover
Underlying exposures	Unsecured performing loans with average maturity of 60 months
Geographical area of the sold loans	Italy
Amount of the portfolio of underlying assets	65,452
Risk holder	
Senior tranche	Crédit Agricole Italia S.p.A.
Junior tranche	Partially covered by protection seller
Guarantees given by third parties	Guarantee given by the Central Guarantee Fund for SMEs on the junior tranche

Risk measurement and control internal systems and hedging policies

In order to comply with the regulatory requirements concerning the recognition of “Significant transfer of credit risk”, within the securitizations of non-performing and performing loans, the Group designed a comprehensive and clear-cut framework for periodic monitoring and management of the controls and information flows (consistently with its risk appetite expressed by the Risk Appetite Framework and with its strategic plan), adopting the policy for oversight on the model for governance and management of the risks associated with the securitizations, called Significant Risk Transfer (“SRT”).

The “SRT” Policy provides for a clear definition of the roles and responsibilities for monitoring, control and reporting, as well as for the related escalation mechanisms; the Framework for the management of significant transfer of credit risk and the related risk oversight and control system are part of the overall Internal Controls System, which is managed and implemented by the Parent Company Crédit Agricole Italia on behalf of all the entities of the Group.

QUANTITATIVE DISCLOSURES

C.1 EXPOSURES RESULTING FROM “OWN” MAIN SECURITIZATION
TRANSACTIONS BROKEN DOWN BY TYPE OF ASSET-BACKED SECURITIES AND
BY TYPE OF EXPOSURES

Type of securitized assets/ Exposures	On-balance-sheet exposures					
	Senior		Mezzanine		Junior	
	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries
A. Fully derecognized	616,103	921	769	-	1	-
ELROND NPL 17-40 TV						
- Non-performing loans	214,867	333	87	-	-	-
ARAGORN NPL 18-38 TV						
- Non-performing loans	251,827	443	-	-	-	-
ORTLES ABS 21-45TV A						
- Non-performing loans	149,409	145	682	-	1	-
PILLARSTONE ITALY SP						
- Non-performing loans	-	-	185	-	-	-
C. Not derecognized	1,289	15	-	-	837	291
MCC Tranché Cover						
Mortgage loans and unsecured loans	1,289	15	-	-	837	291

C.2 EXPOSURES RESULTING FROM “THIRD PARTIES” MAIN SECURITIZATION
TRANSACTIONS BROKEN DOWN BY TYPE OF ASSET-BACKED SECURITIES AND
BY TYPE OF EXPOSURES

Type of securitized assets/ Exposures	On-balance-sheet exposures					
	Senior		Mezzanine		Junior	
	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries
AGRICOLE BA 22-32 TV						
Minibonds	6,833	37	-	-	-	-

C.3 SECURITIZATION SPECIAL-PURPOSE ENTITIES

Securitization name// SPV name	Registered Office	Consolidation
Ortles 21 S.r.l.	Milan, Italy	No
Elrond NPL 2017 S.r.l.	Conegliano Veneto (TV), Italy	No
Aragorn NPL 2018 S.r.l.	Rome	No
Pillarstone Italy SPV S.r.l.	Milan, Italy	No

Guarantees given						Credit lines					
Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-

Guarantees given						Credit lines					
Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries	Book value	Adjustments/ recoveries
-	-	-	-	-	-	-	-	-	-	-	-

Assets			Liabilities		
Credit	Debt securities	Other	Senior	Mezzanine	Junior
160,001	-	31,269	149,239	43,642	21,436
861,011	-	-	215,160	42,500	20,000
293,805	-	30,116	263,946	94,391	17,215
42,009	-	-	25,093	25,601	105,917

As regards the Ortles, Elrond, Aragorn and Pillarstone transactions, given that there is no control in accordance with IFRS 10 and considering the transfer to third parties of all the risks and rewards, the special-purpose entities have not been consolidated.

C.4 SECURITIZATION SPECIAL-PURPOSE VEHICLES NOT CONSOLIDATED

Subsequent to the Stelvio transaction, which was finalized at the end of 2021, as at 31 December 2024 the Group held the senior tranche issued by the special-purpose entity Ortles 21 and having a book value of Euro 149.4 million, 5% of the mezzanine tranche having a book value of Euro 0.7 million and 5% of the junior tranche, which has been fully written down. Within the transaction, the Group made a limited recourse loan (cash reserve) to the special-purpose entity amounting , as at 31 December 2024, to Euro 8.5 million.

On the Senior notes, the Italian Ministry of the Economy and Finance gave the Italian State Guarantee on Securitization of NPLs (GACS) on 13 April 2022 and, therefore, the variability of the performance of that tranche is not material.

As regards the securitization transactions carried out by Creval before its acquisition, as at 31 December 2024 the Crédit Agricole Italia Banking Group held the senior tranches issued by the special-purpose entities Elrond NPL 2017 and Aragorn NPL 2018 backed by the GACS Italian State guarantee and amounting to a book value of Euro 466.7 million, and 5% of the mezzanine and junior tranches having a total book value of about Euro 86 thousand. Within those transactions, the Group made limited recourse loans to the special-purpose entities to provide them with cash reserves to manage the risk of any mismatch between the funds from collections and recoveries on the portfolio of transferred loans on the one hand, and the necessary funds to pay interests on the senior ABS on the other, amounting to Euro 22.6 million and recognized in item "40. Financial assets measured at amortized cost as at 31 December 2024" As regards the Pillarstone transaction, the Group subscribed a portion of the mezzanine notes amounting to Euro 1.5 million, having a total book value of Euro 0.5 million, and a portion of the junior notes amounting to Euro 6.9 million and fully written down.

The State guarantee limits the variability of the results for the Group on the senior tranche and, consequently, the maximum exposure to the risk of loss is equal to the sum of the book values of the junior and mezzanine tranches amounting to Euro 1.3 million, and the book value of the limited recourse loans amounting to Euro 31.1 million. The maximum exposure to the risk of loss is deemed amounting to Euro 32.4 million.

ASSET DISPOSALS

D. Covered bond programme

In order to increase its liquidity reserves, in 2013 Crédit Agricole Italia designed its public programme for the issue of Covered Bonds. These bonds are secured, i.e. "covered" both by the issuing Bank and by a pool of high-quality loans that are managed by a special-purpose entity (Crédit Agricole Italia OBG S.r.l. – the Special-Purpose Entity dedicated to the Program, of which Crédit Agricole Italia holds 60%), operating as the depositary of the mortgage loans used as collaterals. The Programme requires effective organizational control and significant capital strength. It is also emphasized that the above program has no effect on the regulatory risk profile of Crédit Agricole Italia Banking Group and does not generate the obligation for the Bank to derecognize the assets used as collaterals.

The Italian applicable legislation and regulation framework on the issue of covered bonds consists of the provisions laid down in Title I-*bis* of Italian Law no. 130 of 30 April 1999 (as amended and supplemented), implemented with Italian Legislative Decree no. 190 of 5 November 2021 transposing Directive (EU) 2019/2162, and in Bank of Italy Circular no. 285 of 17 December 2013 (laying down "Supervisory Provisions for Banks") as amended. The issue of Covered Bonds has allowed Crédit Agricole Italia to further diversify its stock of eligible assets with the European Central Bank, to have access to funding tools with longer maturity than the securities placed with its Retail Customers, to diversify its investor base and to stabilize the cost of funding.

In general, the programme transactions, in accordance with the relevant regulations, consist in the activities listed below.

Crédit Agricole Italia transfers a pool of residential mortgage loans to Crédit Agricole Italia OBG S.r.l., which finances the payment of purchase price of the assets through a subordinated loan, originated by the Bank. Crédit Agricole Italia issues the Covered Bonds, on which a guarantee is given to the subscribers so that they can rely on a pool of assets separated from those of the Bank and consisting of the assets transferred to the Special-purpose Entity. The repayment of the Covered Bonds that have been issued within the programme is indeed secured by unconditional and irrevocable guarantee given by Crédit Agricole Italia OBG exclusively to the benefit of the Covered Bond subscribers and of unrelated counterparties.

The programme, which is part of a process for enhancing the efficiency of funding sources, aims at providing the Bank with a wider range of liquidity management instruments. Indeed, thanks to the Programme of issues on the market, Crédit Agricole Italia can access funding instruments with longer maturities than that of the securities placed with Retail Customers, stabilize the cost of funding and diversify its investor base, being appreciated as one of leading players on the Italian Covered Bond market.

Furthermore, thanks to the issue of retained Covered Bonds, an additional buffer of eligible assets with the ECB to be used in refinancing operations.

In January 2024, Crédit Agricole Italia went again to the market with a new issue of Green Covered Bonds, with 9.5-year maturity for an amount of 500 million Euros. Moreover, a private placement issue for 77 million Euros was sold to institutional investors with 15-year maturity. On 11 March 2024, a Covered Bond Premium Label was issued for an amount of 1 billion Euros with 12-year maturity.

In 2024 3 Covered Bonds reached their maturity. Two of them were retained, for a total amount of 1 billion Euros, while the other one had been placed on the market for an amount of 750 million Euros.

As at 31 December 2024, the nominal value of the outstanding bonds came to Euro 11.5 billion, of which Euro 1 billion in retained bonds and Euro 10.5 billion in publicly traded bonds.

Disclosure

At its meetings held on 24 July 2012 and 26 March 2013, the Board of Directors of Crédit Agricole Italia resolved to start a programme for the issue of Covered Bonds.

The Italian applicable legislation and regulation framework on the issue of Covered Bonds consists of the provisions laid down in Title I-*bis* of Italian Law no. 130 of 30 April 1999 (as amended and supplemented), implemented with Italian Legislative Decree no. 190 of 5 November 2021 transposing Directive (EU) 2019/2162, and in Bank of Italy Circular no. 285 of 17 December 2013 (laying down “Supervisory Provisions for Banks”) as amended. The issue of Covered Bonds has allowed Crédit Agricole Italia to further diversify its stock of eligible assets with the European Central Bank, to have access to funding tools with longer maturity than the securities placed with its Retail Customers, to diversify its investor base and to stabilize the cost of funding.

The cover pool

The loan pool that, each time, is transferred to the Special-purpose Vehicle must have some common features.

Since May 2013, several transfers have been made within which receivables, i.e. credit claims, based on mortgage loan contracts were selected and, as at their respective transfer date, had, by way of example and not limited to, the following common features:

- Residential mortgage loans having a risk-weighting factor not higher than 35%.
- The residual principal amount plus the residual principal of any previous mortgage loans with mortgage on the same property is not higher than 80% of the value of the mortgaged property.
- Mortgage loans originated or purchased by Crédit Agricole Italia.
- Performing loans with no instalments past due by over 30 days.
- Mortgage loans that do not include clauses restricting the right of Crédit Agricole Italia to sell its credit claims resulting from the relevant loan contract or providing for the borrower's consent to the transfer and for Crédit Agricole Italia to have obtained such consent.
- Any pre-amortization period provided for by the contract has fully expired and at least one instalment has matured and has been paid.
- Mortgage loans that have been granted to a natural person, a legal person or to more than one natural or legal person, who have jointly taken out the loan.
- Mortgage loans that provide for the payment by the borrower of interest at a floating or fixed rate.

On 26 February 2024 Crédit Agricole Italia transferred the fifteenth pool to Crédit Agricole Italia OBG S.r.l. for a total principal amount of approximately Euro 1.99 billion.

As at 31 December 2024, the Cover Pool consisted of 187,073 mortgage loans, with a total residual debt, net of any repayments, of approximately Euro 14.8 billion.

Current accounts

The Programme provides for a complex structure of current accounts to manage the cash flows from the transaction.

A number of accounts have been opened in the name of Crédit Agricole Italia OBG and specifically, but not limited to: collection accounts, quota capital account, reserve fund account, guarantor payments account and expenses account.

Parties involved in the Programme

With regard to the Programme, the following parties have the roles set forth here below:

- Transferor Bank: Crédit Agricole Italia.
- Master Servicer: Crédit Agricole Italia (which, in this capacity, has been tasked by Crédit Agricole Italia OBG, pursuant to the Servicing Master Agreement, with the collection and recovery of the receivables in the Initial Pool and in the pools that the Transferor Bank will transfer to Crédit Agricole Italia OBG pursuant to the Transfer Master Agreement).
- Principal Paying Agent: Crédit Agricole Italia (which, in this capacity, pursuant to the Cash Management and Agency Agreement, shall have the main task to determine and process the payments due, for principal and interest, to the holders of the Covered Bonds).
- Calculation Agent: Crédit Agricole Corporate & Investment Bank, Milan Branch ("CACIB") (which, in this capacity, pursuant to the Cash Management and Agency Agreement, shall have the main task to prepare and send – to all parties to the agreement – the so-called Payments Report, setting forth the available funds owned by Crédit Agricole Italia OBG and the payments to be made, based on the payment priority order as set by the parties in the transaction, pursuant to the Intercreditor Agreement, from the available funds);
- Account Bank: Crédit Agricole Italia (with which, in this capacity, pursuant to the Cash Management and Agency Agreement, the Italian current accounts shall be opened and kept in the name of Crédit Agricole Italia OBG S.r.l.; on these accounts the liquidity shall be deposited to be used for the payments as per the Programme schedule).
- Asset Monitor: BDO Italia (which, in this capacity, pursuant to the Asset Monitor Agreement, shall carry out the calculations and verifications on the Mandatory Tests and on the Amortisation Test to be performed pursuant to the Cover Pool Administration Agreement, verifying the accurateness of the calculations made by the Calculation Agent pursuant to the Cover Pool Administration Agreement. With separate assignment, the Asset Monitor, tasked by Crédit Agricole Italia, shall carry out further verifications, specifically on (i) compliance of the eligible assets making up the Pool with the requirements set by the Legislation and (ii) compliance with the limits set for the transfer and with the issuers' requirements as provided for in the Instructions and (iii) the completeness, truthfulness and promptness of the information made available by investors).
- Guarantor quotaholders: Crédit Agricole Italia and Stichting Pavia (which, in this capacity, have signed the Quotaholders Agreement to exercise the corporate rights associated to the equity investment held by each one of them in Crédit Agricole Italia OBG).
- Representative of the Covered Bondholders: Zenith Global (which, in this capacity, exercises, towards Crédit Agricole Italia and Crédit Agricole Italia OBG, the rights of the counterparties involved in the transaction based on the Programme Contracts).
- Administrative Services Provider: Zenith Global (which, in this capacity, has the task of providing Crédit Agricole Italia OBG with administrative and corporate services relating to the activities to be carried out within the Programme).
- Arranger: CACIB.
- Rating Agency: Moody's.

Risks associated with the Programme

The Programme for the Issue of Covered Bonds entails the financial risks specified below, for which several mitigation measures have been adopted: Credit Risk, Liquidity Risk, Refinancing Risk, Counterparty Risk, Operational Risks, Risk of Bankruptcy of the Issuer Bank, Legal Risks.

Based on the procedures, in compliance with the Supervisory Instructions, the Internal Audit Function of Crédit Agricole Italia performs a verification of the controls carried out, at least every 12 months, also using the information received from and the judgements expressed by the Asset Monitor.

The Programme financial structure envisages that Crédit Agricole Italia may issue Covered Bonds, in more than one subsequent series, to be rated by Moody's Investors Service (presently the expected rating is Aa3).

Section 2 – Market risks

2.1 INTEREST RATE RISK AND PRICE RISK – SUPERVISORY TRADING BOOK

QUALITATIVE DISCLOSURES

A. General aspects

Crédit Agricole Italia does not typically engage in proprietary trading on financial markets, but only in trading operations to meet its customers' needs. Furthermore, trading activities are subject to specific regulatory requirements that prohibit any proprietary speculative trading. The applicable legislation consists of the Volcker Rule (Dodd-Frank Wall Street Reform and Consumer Protection Act) and the LBF - "*Loi de séparation et de régulation des activités bancaires*" (French law no. 2013-672)). Following the Volcker Rule reform in 2020, the Crédit Agricole Italia Banking Group has been classified as a TOTUS ("Totally Outside The US") entity. The Entities that do not have any branches in the US or direct operations in the US territory are exempted from the obligation to perform the Volcker specific controls that were previously required, thus simplifying the programme for compliance with that piece of legislation. Therefore, trading activities are ancillary to and aimed at meeting customers' requirements; Crédit Agricole Italia takes only residual risk positions in the trading book.

The trading book of Crédit Agricole Italia mainly consists of Over-The-Counter derivatives (matched trading) and non-structured financial instruments. The control of market risk on the trading book ensures that a risk level consistent with the Group's objectives is continuously maintained.

Given the exposure immateriality, Pillar One capital absorption is calculated in accordance with the standardized approach.

B. Management and measurement of interest rate and price risks

Organisational aspects

The process for the management of market risks is regulated by the relevant risk policy. This document lays down the internal system of normative instruments for the management of market risk with reference to operations in financial instruments, foreign currencies and commodities, in terms of:

- The principles, objectives, methodologies and tools used for the measurement, control and management of market risk.
- Guidelines and rules which the market risk management processes are based on.

The Market Risk Policy is one of the components of the overall risk governance model implemented by the Crédit Agricole Group, consistently with the guidelines issued by the Parent Company Crédit Agricole S.A.

Within the process for market risk management, primary responsibility is assigned to corporate bodies/structures, according to their respective scopes, and they must be fully aware of the Bank's level of exposure. Specifically:

- The Board of Directors is the body engaged in strategic oversight functions and is therefore responsible for defining market risk governance policies and management processes.
- The Co-General Manager, through the Corporate Banking Function, is the officer responsible for market risk management, and, therefore, sets and steers the Group's mechanism for the management of Market Risk.
- The Equity Investments and Middle Office Function is responsible for controlling the perfect back-to-back of the transactions entered by the Capital Market Function on behalf of Customers.
- The Risk Management and Permanent Controls Function is responsible for level 2.2 control. It verifies the corporate risk management process and supervises compliance of the market risk treatment with the applicable legislation in force and with the Group Risk Strategy.

The limit structure

The limit structure reflects the level of risk deemed acceptable with reference to the individual business areas and is a mechanism designed to control that operational practices, at the various organisational levels, are performed in compliance with management guidelines and strategies, as defined by the Top Management.

The risk framework system regarding the trading books of Crédit Agricole Italia is reviewed on a yearly basis, consistently with the guidelines and the risk appetite set by the Crédit Agricole Group. Its risk appetite is structured through global limits and operational limits that are defined by the Risk Strategy.

The system of global limits must be able to ensure a controlled development of the business. The limits are set in order to contain any losses within a level that is deemed acceptable for the Crédit Agricole Group as a whole and are defined using common metrics, such as Notional Value, Mark to Market and Value at Risk. As regards limits and thresholds on market risk, the global limits and global alert thresholds are validated by the Group Risk Committee of Crédit Agricole SA (*Comité Risques Groupe* - CRG) and approved by the Board of Directors of the Parent Company Crédit Agricole Italia and implemented by the Boards of Directors of the other Entities of the Group, whereas the local operational limits and the local alert thresholds – which are specific adaptations of the global limits – are adapted locally for the individual entities of the Crédit Agricole Italia Banking Group and also validated by the Board of Directors of Crédit Agricole Italia and submitted for implementation and information to the Boards of Directors of the other Entities.

Control System

The monitoring of global limits, local operational limits and alert thresholds is a task assigned to the Risk Management and Permanent Controls Structure. Reporting on compliance with the set limits is included in the monthly Financial Risk Report, while continuous compliance is verified with automated daily reporting through an internal procedure. The Financial Risk Report is sent to the Group's top bodies and officers, to the structures engaged in market risk management, to the Internal Audit Function and to the Group Risk Department (*Direction Risques Groupe*) of Crédit Agricole S.A. A summary of this report is the basis for quarterly reporting on foreign exchange risks to the Group's Executive and Control collective Bodies (Risk and Internal Control Committee, Board of Auditors, Board of Directors).

If certain events occur (the limits are breached, there are significant changes in markets, significant losses, etc.), a specific alert procedure is triggered, reporting the event and a remedial action plan to the Top Management Bodies and to the Parent Company Crédit Agricole S.A., depending on the type of breach detected.

Furthermore, the Risk Management and Permanent Controls Function performs audits on Prudent Valuation of the financial instruments held by the Bank.

Local “Correspondant Volcker Rule” (the Local Officer in charge of the Volcker Rule)

The Local “*Correspondant Volcker Rule*” (the Local Officer in charge of the Volcker Rule) for Crédit Agricole Italia is part of the Finance Function and is responsible for ensuring that the Group is always compliant with the Volcker Rule and with the LBF cooperating with the Officers in charge at Crédit Agricole S.A.

Fair Value Option

In 2024, no transactions recognized under “Fair Value Option” were carried out.

QUANTITATIVE DISCLOSURES

1. Supervisory Trading Book: breakdown by residual maturity (repricing date) of on-balance-sheet financial assets and liabilities and financial derivatives

Euro

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	From over 5 year to 10 years	Over 10 years	Indefinite maturity
1. On-balance-sheet assets	-	5	1	-	1	-	1	-
1.1 Debt securities	-	5	1	-	1	-	1	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	5	1	-	1	-	1	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	-	-	-	-	-	-	-	-
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives								
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	177,856	7,205,278	5,123,265	2,254,153	5,635,569	465,292	44,096	-
- Options								
+ long positions	28	10,030	15,616	28,075	64,810	3,648	60	-
+ short positions	28	10,025	15,616	28,079	64,812	3,648	60	-
- Other derivatives								
+ long positions	88,900	3,597,207	2,545,985	1,098,963	2,752,968	228,998	21,988	-
+ short positions	88,900	3,588,016	2,546,048	1,099,036	2,752,979	228,998	21,988	-

Other currencies

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	From over 5 year to 10 years	Over 10 years	Indefinite maturity
1. On-balance-sheet assets	-	-	-	-	-	-	-	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Other assets	-	-	-	-	-	-	-	-
2. On-balance-sheet liabilities	-	-	-	-	-	-	-	-
2.1 repurchase agreements for funding purposes	-	-	-	-	-	-	-	-
2.2 Other liabilities	-	-	-	-	-	-	-	-
3. Financial Derivatives								
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	616,383	258,293	253,959	30,662	-	-	-
- Options								
+ long positions	-	558	681	799	215	-	-	-
+ short positions	-	558	681	799	215	-	-	-
- Other derivatives								
+ long positions	-	302,986	128,466	126,180	15,116	-	-	-
+ short positions	-	312,281	128,465	126,181	15,116	-	-	-

2.2 INTEREST RATE RISK AND PRICE RISK - BANKING BOOK

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of interest rate risk and price risk

General aspects

Asset & Liability Management activities cover all the items on the banking book, on-balance-sheet and off-balance-sheet. Future fluctuations in interest rates that would impact on profits, through changes in net interest income, and that would also have an effect on the discounted value of its capital, as they would cause a change in the net present value of future cash flows, are mitigated with hedges that are calibrated also through specific modeling of financial statement items.

Organisational aspects

In its capacity as the Parent Company, Crédit Agricole Italia coordinates the interest rate risk and price risk profiles of the Group's banking book, centrally managing financial operations, as well as risk assessment and control activities.

The Governance model adopted by the Crédit Agricole Italia Banking Group vests:

- The ALM Committee with the task of setting the strategic and direction lines for the management, of validating proper application of the standards and methods for measuring the exposure to interest rate risk, of examining the reporting produced by the Finance Function, as well as to resolve on any measures to be implemented, as well as of validating the local operational limits and the local alert thresholds regarding interest rate risk.
- The Risk and Internal Control Committee with the task of examining the outcomes of controls on compliance with the RAF and Risk Strategy limits and alert thresholds, as well as any alert procedures that started.

The CFO is responsible for the management and measurement of interest rate risk for the Group as a whole. Through the Finance Function, the CFO sets the methods for managing interest risk in compliance with the applicable regulations and with the methodological indications provided by the Crédit Agricole Group. The CFO also designs operational actions, carries out stress testing exercises based on the guidelines issued by the Crédit Agricole Group and prepares the ICAAP reports, both the local one and the contribution to the Group's ICAAP exercise.

The Risk Management and Permanent Controls Function is responsible for control. Therefore, it verifies the corporate risk management process and supervises compliance of the risk treatment with the applicable legislation in force and with the Group Risk Strategy.

In compliance with the normative instruments of the Crédit Agricole Group and with the supervisory regulations, the system of limits to interest rate risk is reviewed on a yearly basis within the Risk Appetite Framework (RAF) process, setting out operational limits in the Risk Strategy, which is submitted to the Group Risk Committee of Crédit Agricole SA. and is approved by the Boards of Directors of all the Group's Entities. The local operational limits are reviewed by the ALM Committee.

Risk policy and management

The processes for the management of interest rate risk and price risk are governed by the respective risk policies. These documents lay down the internal normative framework for the management of risks with reference to operations in financial instruments, in terms of:

- Principles, objectives, methodologies and tools used for the measurement, control and management of risks.
- Guidelines and rules on which the Risk Management and Stress Testing processes are based.

The management of interest rate risk designed by the Crédit Agricole Italia Banking Group aims at ensuring that the individual legal entities and the Group as a whole achieve the maximum possible income from the existing positions through proactive management of interest risk hedges. The main financial instruments to manage risk hedges are derivative contracts, i.e. interest rate options and Interest Rate Swaps.

Control System

Independent level 2.2 control on the system for the management of interest rate risk is performed by the Risk Management and Permanent Controls Function of Crédit Agricole Italia, by verifying the system compliance with the internal model of Crédit Agricole S.A.

Specifically, within its responsibilities, the Risk Management and Permanent Controls Function:

- Independently verifies compliance with the limits and alter thresholds provided for by the RAF and by the Risk Strategy; it also expresses its prior opinion in case of any significant changes to the approaches and methods used by the Finance Function, while reporting on them to the ALM Committee and to the Risk and Internal Control Committee.
- Submits the outcomes of its verifications to the Controlling Company on a monthly basis and, in case of breach of any one of the limits and alert thresholds set in the Risk Strategy and/or locally by the ALM Committee, it triggers the alert procedure, with a specific escalation measure depending on the type of breach detected, and analyzes and approves the action plan proposed by the relevant corporate structures.
- Reports to the Boards of Directors of the single Banks of the Group and to the Risk and Internal Control Committee on any breached limits or thresholds, problems arisen and compliance with the Risk Strategy.

The Risk Management and Permanent Controls Function is responsible for level 2.2. control on compliance with the set limits; therefore, on a monthly basis, it prepares and sends its Financial Risk Report to the Corporate Bodies, which provides information on the control outcomes and on any breaches of limits, and activates, where required, the appropriate alert procedures. On a quarterly basis, it submits a summary of the above Report to the Risk and Internal Control Committee and to the Boards of Directors of all the Entities of the Crédit Agricole Italia Banking Group.

Risk measurement: methodological aspects

The model for the measurement of global interest rate risk provides for an analysis of the contractual profile (cash flow generation by maturity), of all balance-sheet items and, where appropriate, for the “modeling” of other balance sheet items that, in terms of asset stability and responsiveness to changes in market interest rates, are among the items that are sensitive to interest rate risk for the Entities of the Group. Specifically, for interest rate risk analysis, the following elements are identified:

- Fixed-rate Term loans (with contractually defined term).
- Floating-rate term loans (with contractually defined term) for the portion with an already established rate.
- Balance-sheet items modelled in accordance with Crédit Agricole S.A. methodological guidelines.
- Balance-sheet items “modelled” in accordance with a statistical analysis able to differentiate a part stable over time by volume and, within it, the component linked to the market (floating-rate part) and the “core” part (fixed-rate one).
- Balance-sheet items modelled in accordance with specific management rules set by the relevant corporate structures of Crédit Agricole Italia (local models).
- Loans with optional contents.

As regards price risk for the Banking Book, global limits have been set, based on the type of instruments that can be held, which are expressed with reference to indicators, such as the balance sheet notional value and fair value, along with the outcomes of the management for stress tests on the relevant perimeter.

QUANTITATIVE DISCLOSURES

1. Banking book: breakdown by remaining maturity (by repricing date) of financial assets and liabilities

Euro

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	From over 5 year to 10 years	Over 10 years	Indefinite maturity
1. On-balance-sheet assets	20,819,244	23,982,666	3,522,459	2,975,623	11,705,909	7,951,588	12,367,499	-
1.1 Debt securities	-	20,205	1,113,108	878,847	4,920,738	2,104,335	150,091	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	20,205	1,113,108	878,847	4,920,738	2,104,335	150,091	-
1.2 Loans to banks	7,029,250	1,647,583	2,947	402,940	966	-	-	-
1.3 Loans to customers	13,789,994	22,314,878	2,406,404	1,693,836	6,784,205	5,847,253	12,217,408	-
- c/a	1,010,867	706,974	9,721	11,956	31,491	3,255	1,150,931	-
- other loans	12,779,127	21,607,904	2,396,683	1,681,880	6,752,714	5,843,998	11,066,477	-
- with early repayment option	1,823	648,872	247,253	48,880	99,908	9,787	12,261	-
- other	12,777,304	20,959,032	2,149,430	1,633,000	6,652,806	5,834,211	11,054,216	-
2. On-balance-sheet liabilities	52,939,303	6,146,375	2,350,924	333,452	3,229,907	3,923,986	10,958,155	-
2.1 Due to customers	52,901,822	8,531	18,080	29,219	217,746	155,875	8,108,145	-
- c/a	49,875,829	2,624	-	-	-	-	8,007,393	-
- other due and payables	3,025,993	5,907	18,080	29,219	217,746	155,875	100,752	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	3,025,993	5,907	18,080	29,219	217,746	155,875	100,752	-
2.2 Due to banks	31,531	1,329,851	117,254	25	123,365	343	81	-
- c/a	1,665	-	-	-	-	-	-	-
- other due and payables	29,866	1,329,851	117,254	25	123,365	343	81	-
2.3 Debt securities	5,950	4,807,993	2,215,590	304,208	2,888,796	3,767,768	2,849,929	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	5,950	4,807,993	2,215,590	304,208	2,888,796	3,767,768	2,849,929	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	440,024	35,211,468	2,670,470	4,046,945	13,752,228	10,296,274	8,521,990	-
3.1 With underlying security	-	345,319	342,296	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	345,319	342,296	-	-	-	-	-
+ long positions	-	345,319	-	-	-	-	-	-
+ short positions	-	-	342,296	-	-	-	-	-
3.2 Without underlying security	440,024	34,866,149	2,328,174	4,046,945	13,752,228	10,296,274	8,521,990	-
- Options	24	47,301	744,174	1,393,643	1,101,287	880,046	794,490	-
+ long positions	24	21,223	370,650	695,077	552,117	441,523	399,868	-
+ short positions	-	26,078	373,524	698,566	549,170	438,523	394,622	-
- Other derivatives	440,000	34,818,848	1,584,000	2,653,302	12,650,941	9,416,228	7,727,500	-
+ long positions	440,000	10,750,206	639,000	2,095,504	8,477,700	8,191,000	4,052,000	-
+ short positions	-	24,068,642	945,000	557,798	4,173,241	1,225,228	3,675,500	-
4. Other off-balance-sheet transactions	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-

Other currencies

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	From over 5 years to 10 years	Over 10 years	Indefinite maturity
1. On-balance-sheet assets	38,986	299,446	21,021	5,777	244,742	5,250	16,411	-
1.1 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Loans to banks	31,615	196,106	1,264	-	-	-	-	-
1.3 Loans to customers	7,371	103,340	19,757	5,777	244,742	5,250	16,411	-
- c/a	5,350	71	-	-	-	-	16,411	-
- other loans	2,021	103,269	19,757	5,777	244,742	5,250	-	-
- with early repayment option	-	31,402	787	1,608	-	-	-	-
- other	2,021	71,867	18,970	4,169	244,742	5,250	-	-
2. On-balance-sheet liabilities	334,039	320,240	10,050	2,712	-	-	-	-
2.1 Due to customers	329,994	6,696	2,195	1,492	-	-	-	-
- c/a	329,414	6,696	2,195	1,492	-	-	-	-
- other due and payables	580	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	580	-	-	-	-	-	-	-
2.2 Due to banks	4,045	313,544	7,855	1,220	-	-	-	-
- c/a	4,045	-	-	-	-	-	-	-
- other due and payables	-	313,544	7,855	1,220	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with early repayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial Derivatives	-	-	-	-	-	-	-	-
3.1 With underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
3.2 Without underlying security	-	-	-	-	-	-	-	-
- Options	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
- Other derivatives	-	-	-	-	-	-	-	-
+ long positions	-	-	-	-	-	-	-	-
+ short positions	-	-	-	-	-	-	-	-
4. Other off-balance-sheet transactions	-	7,263	25	-	-	-	-	-
+ long positions	-	3,619	25	-	-	-	-	-
+ short positions	-	3,644	-	-	-	-	-	-

2.3 FOREIGN EXCHANGE RISK

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of foreign exchange risk

General aspects

Crédit Agricole Italia is not engaged in proprietary trading on the currency market. Consequently, there are no exposures other than residual positions resulting from activities carried out to meet customer requirements, in both the spot and forward markets.

Organisational aspects

The process for the management of foreign exchange risks is governed by the relevant risk policy, which is one of the key components of the overall risk governance model implemented by the Group, consistently with the guidelines given by Crédit Agricole S.A..

Within the process for foreign exchange risk management, primary responsibility is assigned to corporate bodies/functions, according to their respective scopes, and they must be fully aware of the Bank's level of exposure. Specifically:

- The Board of Directors is tasked with strategic oversight and is therefore responsible for defining risk governance policies and management processes.
- The Co-General Manager, through the Corporate Banking Function, is responsible for risk management, and, therefore, defines and steers the Group's mechanism for the management of exchange rate risk, in compliance with the instructions and resolutions issued by the ALM Committee and by the Risk and Internal Control Committee.
- The Risk Management and Permanent Controls Function is responsible for level 2.2 control. It verifies the corporate risk management process and supervises compliance of foreign exchange risk treatment with the applicable legislation in force and with the Group risk strategy.

The limit structure

The limit structure reflects the level of risk deemed acceptable with reference to the individual business areas and is designed to control that operations are performed in compliance with the management and strategic directions set by the Top Management.

The Group's framework system for foreign exchange risk is reviewed on a yearly basis, consistently with the guidelines and the risk appetite set by the Crédit Agricole Group. Such risk appetite is structured through global limits and operational limits that are defined by the Risk Strategy.

The global limit is set in order to ensure a controlled development of the business. It is calculated as the sum of the value in Euro of the open foreign currency position (in absolute value) for each currency and is validated by the Group Risk Committee (CRG) of Crédit Agricole S.A. and approved by the Board of Directors of Crédit Agricole Italia and implemented by the single entities of the Group.

Control System

The monitoring of the limits, which is carried out on a daily basis, is a task assigned to the Risk Management and Permanent Controls Function. The outcomes of monitoring on limits are included in the monthly Report on Financial Risks. It is sent to the Group's Top Management (CFO), to the structures engaged in foreign exchange risk management (Corporate Banking), to the Internal Audit Function and to Crédit Agricole S.A. (*Direction Risques Groupe*).

A summary of this report is the basis for quarterly reporting on foreign exchange risks to the Group's Executive and Control collective Bodies (Risk and Internal Control Committee, Board of Auditors, Board of Directors).

If certain events occur (the limits are breached, there are material changes in markets, material losses, etc.), the Group triggers the alert procedure in force, reporting the event and the related remedial action plan to the Top Management Bodies and to the *Direction Risques Groupe* of Crédit Agricole S.A., depending on the type of breach.

B. Foreign exchange risk hedging

Foreign exchange risk hedging is based on the intermediation principle, which allows the Group not to take foreign exchange risk positions breaching the authorized operational limits. Back-to-back hedging transactions are carried out with authorized financial counterparties, are traded upon the closing of the relevant transactions with Customers and entered in the relevant procedures within the business day.

QUANTITATIVE DISCLOSURES**1. Breakdown by currency of assets, liabilities and derivatives**

Items	Currencies					
	USD	GBP	JPY	CAD	CHF	Other currencies
A. Financial Assets	318,944	31,866	22,940	2,259	248,023	7,305
A.1 Debt securities	-	-	-	-	-	-
A.2 Equity securities	29	-	-	-	-	-
A.3 Loans to banks	173,978	18,866	22,536	1,165	5,424	7,016
A.4 Loans to Customers	144,937	13,000	404	1,094	242,599	289
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	44,991	1,561	558	229	1,194	907
C. Financial Liabilities	353,143	33,056	23,447	2,314	247,757	7,324
C.1 Due to banks	87,663	2,435	-	268	234,008	2,291
C.2 Due to customers	265,480	30,621	23,447	2,046	13,749	5,033
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	3,791	806	7	48	427	141
E. Financial derivatives						
- Options						
+ long positions	1,720	351	182	-	-	-
+ short positions	1,720	351	182	-	-	-
- Other derivatives						
+ long positions	406,877	47,401	20,323	5,150	467	92,531
+ short positions	415,271	47,349	20,320	5,105	1,722	92,276
Total assets	772,532	81,179	44,003	7,638	249,684	100,743
Total liabilities	773,925	81,562	43,956	7,467	249,906	99,741
Mismatch (+/-)	-1,393	-383	47	171	-222	1,002

Section 3 – Derivatives and hedging policies

3.1 DERIVATIVE INSTRUMENTS HELD FOR TRADING

A. Financial Derivatives

A.1 FINANCIAL DERIVATIVES HELD FOR TRADING: CLOSING NOTIONAL VALUES

Underlying assets/Type of derivatives	Total 31 Dec. 2024				Total 31 Dec. 2023			
	Over-the-Counter			Organized markets	Over-the-Counter			Organized markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting arrangements	Without netting arrangements			With netting arrangements	Without netting arrangements	
1. Debt securities and interest rates	-	6,360,611	5,353,520	-	-	6,339,679	5,448,554	-
a) Options	-	1,069,293	872,868	-	-	1,226,830	1,001,302	-
b) Swaps	-	5,291,318	4,480,652	-	-	5,112,849	4,447,252	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity securities and equity indices	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Foreign exchange and gold	-	806,883	846,903	-	-	797,659	760,782	-
a) Options	-	267,905	268,362	-	-	157,036	158,077	-
b) Swaps	-	25,966	25,966	-	-	78,786	19,518	-
c) Forwards	-	513,012	552,575	-	-	561,837	583,187	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	-	7,167,494	6,200,423	-	-	7,137,338	6,209,336	-

A.2 FINANCIAL DERIVATIVES HELD FOR TRADING: GROSS POSITIVE AND NEGATIVE FAIR VALUE - BREAKDOWN BY PRODUCT

Underlying assets/Type of derivatives	Total 31 Dec. 2024				Total 31 Dec. 2023			
	Over-the-Counter			Organized markets	Over-the-Counter			Organized markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting arrangements	Without netting arrangements			With netting arrangements	Without netting arrangements	
1. Positive fair value								
a) Options	-	16,706	5,482	-	-	27,270	3,765	-
b) Interest rate swaps	-	59,694	35,687	-	-	132,335	21,665	-
c) Cross currency swaps	-	-	-	-	-	543	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	8,882	7,047	-	-	7,543	5,153	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	1,039	92	-	-	21	106	-
Total	-	86,321	48,308	-	-	167,712	30,689	-
2. Negative fair value								
a) Options	-	7,130	15,074	-	-	7,187	23,542	-
b) Interest rate swaps	-	47,737	50,066	-	-	35,188	119,356	-
c) Cross currency swaps	-	-	-	-	-	543	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	6,291	9,386	-	-	5,008	7,298	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	90	1,023	-	-	99	20	-
Total	-	61,248	75,549	-	-	48,025	150,216	-

A.3 OTC FINANCIAL DERIVATIVES HELD FOR TRADING: NOTIONAL VALUES, GROSS POSITIVE AND NEGATIVE FAIR VALUE BY COUNTERPARTY

Underlying assets	Central counterparties	Banks	Other financial companies	Other parties
Contracts not included in netting agreements				
1) Debt securities and interest rates				
- notional value	X	-	107,396	5,246,124
- positive fair value	X	-	1,713	36,860
- negative fair value	X	-	80	58,400
2) Equity securities and equity indices				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Foreign exchange and gold				
- notional value	X	32,922	-	813,982
- positive fair value	X	462	-	9,273
- negative fair value	X	521	-	16,547
4) Commodities				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other				
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in netting agreements				
1) Debt securities and interest rates				
- notional value	-	5,868,033	176,752	315,826
- gross positive fair value	-	63,953	2,779	3,007
- gross negative fair value	-	47,262	1,568	3,416
2) Equity securities and equity indices				
- notional value	-	-	-	-
- gross positive fair value	-	-	-	-
- gross negative fair value	-	-	-	-
3) Foreign exchange and gold				
- notional value	-	806,884	-	-
- gross positive fair value	-	16,583	-	-
- gross negative fair value	-	9,002	-	-
4) Commodities				
- notional value	-	-	-	-
- gross positive fair value	-	-	-	-
- gross negative fair value	-	-	-	-
5) Other				
- notional value	-	-	-	-
- gross positive fair value	-	-	-	-
- gross negative fair value	-	-	-	-

REMAINING MATURITY OF OTC FINANCIAL DERIVATIVES HELD FOR TRADING: NOTIONAL VALUES

Underlying asset/remaining life	Up to 1 year	Over 1 year and up to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	5,864,777	5,152,696	696,657	11,714,130
A.2 Financial derivatives on equity securities and equity indices	-	-	-	-
A.3. Financial derivatives on foreign exchange rates and gold	1,577,732	76,056	-	1,653,788
A.4 Financial Derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total 31 Dec. 2024	7,442,509	5,228,752	696,657	13,367,918
Total 31 Dec. 2023	7,248,533	5,626,026	472,115	13,346,674

3.2 ACCOUNTING HEDGES

QUALITATIVE DISCLOSURES

A. Fair Value hedging

Hedging interest rate risk has the objective of immunizing the Banking Book from changes in the fair value of funding and lending, caused by adverse movements in the yield curve.

The main financial instruments for the management of interest risk hedges are Interest Rate Swaps and Interest Rate Options, which, for their very nature, are contracts referring to “pure” interest rate risk.

Specifically, fixed-rate debenture loans have been hedged (micro-hedging), as have the mortgage loans with optional components to Customers (macro-hedging), government securities (micro- hedging), current accounts and fixed-rate mortgage loans in the macro-hedging portfolio.

In compliance with the financial reporting standards, the effectiveness of the hedges is assessed by the Finance Function, which carries out the relevant tests on a monthly basis and keeps formal documentation for every hedge.

B. Cash flow hedging

In 2024, no Cash Flow Hedge transactions were carried out.

D. Hedging instruments

Crédit Agricole Italia hedges interest rate risk resulting from some parts of its balance sheet items under fair value hedging, with the following instruments:

- IRS, both for micro-hedging (Issued Debenture Loans and Securities under assets), and for macro-hedging (modelled Retail Current Accounts under liabilities and fixed-rate mortgage loans to Customers);
- IRO, in macro-hedging, to hedge optional risk resulting from CAP options associated with a part of mortgage loans sold to Customers.

A source of ineffectiveness set for all the types of hedging used is the possible early repayment of the hedged item. Moreover, for hedging with IRS, also any possible sudden and material change in the Euribor rates, entailing the breach of the tolerance threshold set by IAS 39 for the hedge ratio (-80%/+125%), could be a cause of possible ineffectiveness. Lastly, as regards the hedging of “modelled” items, yet another cause of ineffectiveness may be a change in the model’s financial features, following the modeling periodic revision process.

Over time, ineffectiveness resulting from early or from the periodic review of the models (reduction in the modelled item duration) has been overcome with total or partial unwinding of the hedging instruments.

E. Hedged items

Hedging of issued (fixed-rate) Debenture Loans:

The hedged item is limited to portion referring to interest rate risk. Hedging uses IRS in which the fixed-rate leg equalizes the debenture loan rate and the variable-rate leg is determined as Euribor +/- spread.

The spread on the variable-rate leg of the IRS is included in the hedging relationship, inverting its sign, as "spread adjustment" of the hedged item (debenture loan rate +/- spread adjustment). In this way, based on the assumption that the two legs of the IRS, on the trading date, have the same value and knowing that an IRS contract hedges interest rate risk only, the value of the "hedged item" referring to every debenture loan can be determined, or the only part of the debenture loan interest rate referring to the hedged risk (interest rate risk).

Hedging of Securities recognized as Assets (fixed rate):

The hedged item is limited to portion referring to interest rate risk. Hedging is done with IRSs in which the variable-rate leg is determined as Euribor and the fixed-rate leg equalizes the swap market rate with maturity equal to the security maturity.

Hedging of the fixed-rate part of Retail Current Accounts recognized as Liabilities

The hedged item is limited to portion referring to interest rate risk. Hedging uses IRS in which the fixed-rate leg equalized the rate of a "fictitious" bond-equivalent designed to identify the hedged item resulting from the modelling of a balance-sheet item (a set of current accounts) that, in contractual terms only, would not allow to separate the characteristics required for the hedging, and the variable-rate leg is determined as 3Euribor. The value of the hedged rate and the duration of this bond-equivalent are determined with a modelling process that is specific to the Retail channel and is reviewed on a yearly basis and validated by the relevant structures of the Bank. Through a statistical analysis, the model breaks down a set of current accounts featuring the same behavioural aspects and product type (Retail current accounts under liabilities), into its different financial parts: stable part by volume (fixed-rate or variable-rate), and fluctuating part. The hedged part is the stable fixed-rate one.

Hedging of the CAP option on mortgage loans (variable rate):

The hedged item is limited to portion referring to interest rate risk. Hedging uses IRO traded in order to hedge the risk that a variable-rate mortgage loan contract, once having reached its CAP, becomes a fixed-rate item, with subsequent increase in the Bank's financial leverage; Every IRO is specifically traded in order to hedge portfolios of mortgage loans having the same financial characteristics (strike, market parameter, payment schedule, ...). In this way, the Bank achieves its objective of having essential specularity between the characteristics of the implied CAP rates of the mortgage loans and those of the IRO hedging them.

Hedging of fixed-rate mortgage loans

The hedged item is limited to the portion referring to interest rate risk only and is an aggregate of mortgage loans having the appropriate financial features (set based on the approach accepted for this specific hedge. Once having defined the financial characteristics of the item to be hedged for interest rate risk, it is hedge "at par", i.e. with the swap market rate on the IRS fixed-rate leg, equal to the meta mortgage loan maturity, which, on the trade date, equalizes the value of Euribor applied to the variable-rate leg.

QUANTITATIVE DISCLOSURES

A. Financial derivatives held for hedging

A.1 FINANCIAL DERIVATIVES HELD FOR HEDGING: CLOSING NOTIONAL VALUES

Underlying assets/Type of derivatives	Total 31 Dec. 2024				Total 31 Dec. 2023			
	Over-the-Counter			Organized markets	Over-the-Counter			Organized markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting arrangements	Without netting arrangements			With netting arrangements	Without netting arrangements	
1. Debt securities and interest rates	-	37,064,654	345,319	-	-	36,497,016	-	-
a) Options	-	2,419,245	-	-	-	2,604,101	-	-
b) Swaps	-	34,645,409	-	-	-	33,892,915	-	-
c) Forwards	-	-	345,319	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity securities and equity indices	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Foreign exchange and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	-	37,064,654	345,319	-	-	36,497,016	-	-

A.2 FINANCIAL DERIVATIVES HELD FOR HEDGING: GROSS POSITIVE AND NEGATIVE FAIR VALUE - BREAKDOWN BY PRODUCT

Type of derivatives	Positive and negative fair value							Change in value used to survey hedge effectiveness		
	Total 31 Dec. 2024				Total 31 Dec. 2023					
	Over-the-Counter			Organized markets	Over-the-Counter			Organized market	Total (31 Dec, 2024)	Total (31 Dec. 2023)
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties				
		With netting arrangements	Without netting arrangements			With netting arrangements	Without netting arrangements			
1. Positive fair value										
a) Options	-	174,852	-	-	-	255,770	-	-	174,852	255,770
b) Interest rate swaps	-	579,023	-	-	-	607,877	-	-	579,023	607,877
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	155	-	-	-	-	-	155	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	753,875	155	-	-	863,647	-	-	754,030	863,647
2. Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	1,672,836	-	-	-	2,139,540	-	-	1,672,836	2,139,540
c) Cross currency swap	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	-	1,672,836	-	-	-	2,139,540	-	-	1,672,836	2,139,540

A.3 OTC FINANCIAL DERIVATIVES HELD FOR HEDGING: NOTIONAL VALUES, GROSS POSITIVE AND NEGATIVE FAIR VALUE BY COUNTERPARTY

	Central counterparties	Banks	Other financial companies	Other parties
Contracts not included in netting agreements				
1) Debt securities and interest rates	-	345,474	-	-
- notional value	X	345,319	-	-
- positive fair value	X	155	-	-
- negative fair value	X	-	-	-
2) Equity securities and equity indices	-	-	-	-
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
3) Foreign exchange and gold	-	-	-	-
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
4) Commodities	-	-	-	-
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
5) Other	-	-	-	-
- notional value	X	-	-	-
- positive fair value	X	-	-	-
- negative fair value	X	-	-	-
Contracts included in netting agreements				
1) Debt securities and interest rates	-	39,491,364	-	-
- notional value	-	37,064,654	-	-
- gross positive fair value	-	753,874	-	-
- gross negative fair value	-	1,672,836	-	-
2) Equity securities and equity indices	-	-	-	-
- notional value	-	-	-	-
- gross positive fair value	-	-	-	-
- gross negative fair value	-	-	-	-
3) Foreign exchange and gold	-	-	-	-
- notional value	-	-	-	-
- gross positive fair value	-	-	-	-
- gross negative fair value	-	-	-	-
4) Commodities	-	-	-	-
- notional value	-	-	-	-
- gross positive fair value	-	-	-	-
- gross negative fair value	-	-	-	-
5) Other	-	-	-	-
- notional value	-	-	-	-
- gross positive fair value	-	-	-	-
- gross negative fair value	-	-	-	-

A.4 REMAINING MATURITY OF OTC FINANCIAL DERIVATIVES HELD FOR HEDGING: NOTIONAL VALUES

Underlying asset/remaining life	Up to 1 year	Over 1 year and up to 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	5,196,060	12,651,987	19,561,927	37,409,974
A.2 Financial derivatives on equity securities and equity indices	-	-	-	-
A.3. Financial derivatives on foreign exchange rates and gold	-	-	-	-
A.4 Financial Derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total 31 Dec. 2024	5,196,060	12,651,987	19,561,927	37,409,974
Total 31 Dec. 2023	5,330,705	13,261,184	17,905,126	36,497,015

D. Hedged items

D.1 FAIR VALUE HEDGES

	Micro-hedges: book value	Micro-hedges – net positions: book value of assets and liabilities (before netting)	Cumulative changes in the fair value of the hedged item	Micro-hedges Termination of hedging: cumulative amount of residual fair value changes	Change in value used to survey hedge effectiveness	Micro- hedges:book value
A. ASSETS						
Financial assets measured at fair value through other comprehensive income - hedging of:	2,379,720	-	-26,095	-18,445	-	
1.1 Debt securities and interest rates	2,379,720	-	-26,095	-18,445	-	X
1.2 Equity securities and equity indexes	-	-	-	-	-	X
1.3 Foreign exchange and gold	-	-	-	-	-	X
1.4 Loans	-	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
Financial assets measured at amortized cost – hedging of:	12,140,967	-	-140,774	-9,602	-	
1.1 Debt securities and interest rates	3,826,607	-	23,605	-13,106	-	X
1.2 Equity securities and equity indexes	-	-	-	-	-	X
1.3 Foreign exchange and gold	-	-	-	-	-	X
1.4 Loans	8,314,360	-	-164,379	3,504	-	X
1.5 Other	-	-	-	-	-	X
Total 31 Dec. 2024	14,520,687	-	-166,869	-28,047	-	-
Total 31 Dec. 2023	11,997,156	-	-473,348	-155,935	-	-
B. LIABILITIES						
Financial liabilities measured at amortized cost - hedging of:						
1.1 Debt securities and interest rates	23,397,304	-	-239,124	23,369	-	X
1.2 Foreign exchange and gold	-	-	-	-	-	X
1.3 Other	-	-	-	-	-	X
Total 31 Dec. 2024	23,397,304	-	-239,124	23,369	-	-
Total 31 Dec. 2023	24,987,232	-	-222,631	7,073	-	-

3.3 OTHER INFORMATION ON DERIVATIVE INSTRUMENTS (HELD FOR TRADING AND FOR HEDGING)

A. Financial and credit derivatives

A.1 OTC FINANCIAL AND CREDIT DERIVATIVES: NET FAIR VALUES BY COUNTERPARTY

	Central counterparties	Banks	Other financial companies	Other parties
A. Financial Derivatives				
1) Debt securities and interest rates	-	45,816,087	290,289	5,663,632
- notional value	-	43,278,006	284,148	5,561,949
- positive fair value	-	817,983	4,492	39,867
- negative fair value	-	1,720,098	1,649	61,816
2) Equity securities and equity indices	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Foreign exchange and gold	-	866,373	-	839,802
- notional value	-	839,805	-	813,982
- positive fair value	-	17,045	-	9,273
- negative fair value	-	9,523	-	16,547
4) Commodities	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
B. Credit derivatives				
1) Purchase and protection	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Sale and protection	-	-	-	-
- notional value	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

Section 4 – Liquidity risk

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of liquidity risk

General and organisational aspects

Liquidity risk reflects the possibility that the Group may not be able to meet its payment commitments, both expected and unexpected, without prejudicing its daily operations or its financial position. This risk is managed based on the following components:

- Management of short-term liquidity: its objective is to ensure the balance between incoming and outgoing liquidity flows, in the perspective of continuously supporting normal banking operations.
- Management of structural liquidity: its objective is to maintain the balance between total liabilities and medium-/ long-term assets.

The liquidity risk management model, approved by Crédit Agricole Italia Board of Directors, is based on the principle of separation of liquidity management and measurement processes from control processes, in compliance with the regulatory requirements and with the guidelines issued by Crédit Agricole S.A..

The model provides for the governance and management of liquidity risk to be centrally performed by the Parent Company Crédit Agricole Italia, which is also responsible for the funding process of all the entities of the Group.

The model lays down the responsibilities of the Corporate Bodies and Functions Holders involved, specifically:

- The Board of Directors, the body in charge of strategic oversight, is responsible for defining governance policies, the organizational structure and management processes. Specifically, it approves measurement methods, risk tolerance thresholds and the limits system, the assumptions at the basis of stress tests and the Contingency Funding Plan (CFP or *Plan d'Urgence*).
- The CFO, through the Finance Function, is the role responsible for management and, specifically, for the preparation of the reporting to the Bank of Italy, as well as of internal reporting on the Group's liquidity situation (Liquidity Report). The Finance Function operates in compliance with the directions set by the ALM Committee, the Risk and Internal Control Committee, the RAF and the Risk Strategy.
- The Risk Management and Permanent Controls Function is responsible for the permanent controls framework, verifies compliance with global and operational limits, as well as with alert thresholds, prepares the reporting to corporate Bodies and triggers, where required, the alert procedures. Jointly with the Finance Function, it is also responsible for monitoring the ratios and indicators provided for in the Contingency Funding Plan.

The process for the management of liquidity risk is governed by the relevant risk policy.

Risk management and control: methodological aspects

The model adopted for liquidity risk management is based on the monitoring of the short-term component (up to 12 months) and the medium/long-term one.

The main objective of the short-term liquidity management process is to ensure that the Group is able to satisfy on-balance-sheet payment commitments, expected and unexpected, in such a way as not to prejudice normal business.

A key condition for achieving this objective is to constantly maintain sufficient balance between incoming and outgoing liquidity flows.

The Group's liquidity risk monitoring system considers the following factors:

- Keeping immediate liquidity, i.e. the net balance of customer sources, surplus own funds and loans to customers. This is carried out by recognizing cash inflows and outflows expected in the various ranges of remaining maturity making up the maturity ladder.
- The continuation of the business activity at a planned pace (monitoring the performance of liquidity used in loans to customers/from customer sources).

An essential aspect of liquidity management is the definition of an interbank short-term refinancing limit (LCT - *Limite Court Terme*), which is fine-tuned in accordance with the guidelines given by the Parent Company Crédit Agricole S.A., aimed at limiting short-term funding on the market over a one-year time horizon in a market featuring stress conditions. Furthermore, in order to strengthen the Group's liquidity management, the Parent Company has set an alert threshold on the *Deficit Crédit Collecte* (DCC) indicator, which ensures appropriate coverage of loans to customers through funding from customers.

Short-term liquidity risk management and oversight policies aim at ensuring the surmounting of any crisis that leads to serious reduction in the Group's normal financing sources; in this regard, three stress scenarios have been identified:

- Systemic crisis: a situation that leads to partial closure of the short-term and medium-/long-term refinancing market, with continuing business operations. The Group must be able to continue operations for a time horizon of one year.
- Idiosyncratic crisis: a situation that leads to a bank run, partial closure of the short-term market and total closure of the medium-/long-term market with continuing business operations. In this scenario, the Group must be able to continue operations for a time horizon of three months.
- Global crisis: a situation having the combined features of both a systemic crisis and an idiosyncratic crisis, in terms of substantial bank run, total closure of the markets, use of reserves even though with write-downs. The Group must be able to continue business operations in a serious crisis for a time horizon of one month.

Within short-term liquidity risk monitoring, on a daily basis the Crédit Agricole Italia Banking Group calculates its Liquidity Coverage Ratio (LCR= Stock of high quality liquid assets/Total net cash outflows in the subsequent 30 calendar days). The LCR is a 30-day horizon ratio that simulates the combination of a systemic crises and an idiosyncratic one and measures the ability of the stock of liquid assets to ensure coverage of expected net cash outflows in the subsequent 30 calendar days.

As at 31 December 2024, the Liquidity Coverage Ratio (LCR) of Crédit Agricole Italia was 177.8%, once again firmly above the set compliance requirements.

Medium-/long-term liquidity management entails the identification of alert thresholds and limits by determining the *Position en Ressources Stables* (Stable Resources Position, PRS) and *Concentration des échéances MLT* (a concentration limit to MLT maturities). They aim at ensuring the Group's financial balance between stable resources (medium-/long-term market resources, funding from Customers, own funds) and long-term uses (non-current assets, loans to Customers, medium/long-term market uses and liquidity buffers), as well as at limiting concentration of maturities within medium-/long-term funding. Positive levels of the Stable Resources Position (PRS) substantiate the Group's ability to support its assets during a crisis and, by monitoring the medium-/long-term due register, a balance can be kept between the maturities of resources and long-term uses.

The liquidity ratios, except for the Net Stable Funding Ratio (NSFR), are calculated on a monthly basis. These ratios and indicators have the purpose of monitoring compliance with the Group's risk appetite and are benchmarked against specific global limits laid down by Crédit Agricole S.A. and approved by the Group Risk Committee, upon presentation of the Risk Strategy and then submitted to the Board of Directors of the Parent Company Crédit Agricole Italia for its approval.

Within its medium/long-term liquidity risk monitoring, the Crédit Agricole Italia Banking Group calculated its Net Stable Funding Ratio (NSFR) on a quarterly basis. The ratio, which shall be higher than 100%, has the Available Stable Funding (ASF) figure as the numerator and the Required Stable Funding (RSF) figure as the denominator.

As at 31 December 2024, the Liquidity Coverage Ratio (NSFR) of Crédit Agricole Italia was 130.8%, once again firmly above the set compliance requirements.

The Bank also monitors its intraday liquidity risk through a set of specific indicators that were developed in coordination with its Parent Company Crédit Agricole S.A. and are calculated on a weekly and monthly basis both in Business-as-Usual and in Stress conditions.

The limit structure is completed by other management and alert indicators provided for in the Contingency Funding Plan. Diversification of the Group's refinancing sources through Covered Bonds placed in the market continued in 2024, with the finalization of three new issues of Covered Bonds for a total of 1,577 billion Euros. In January, Crédit Agricole Italia went to the market with a new issue of Green Covered Bonds, with 9.5-year

maturity for an amount of 500 million Euros. Moreover, in the same month, a private placement issue for 77 million Euros was sold to institutional investors with 15-year maturity. The last issue in the year took place on 11 March 2024, with a Covered Bond Premium Label for an amount of 1 billion Euros with 12-year maturity.

Lastly, in marketing the products of the Group, the internal transfer rate system takes account of the cost of liquidity. Based on the products' financial features and on the prevailing market conditions, the system allows the internal return rate to be determined, which, in turn, is the basis for the pricing of lending and direct funding products. Specifically, following the change in the interest rate scenario occurred in the year, the Bank continued the placement of senior bonds with Customers.

Risk control

The Risk Management and Permanent Controls Function is responsible for verifying compliance with the set limits; therefore it prepares its own Financial Risk Report on a monthly basis and sends it to relevant corporate bodies, informing them of the control outcomes and of any breaches of the limits or alert thresholds and, in case any limits or thresholds are breached, it asks the Finance Function for a recovery plan. On a quarterly basis, it submits a summary of the above Report to the Risk and Internal Control Committee and to Crédit Agricole Italia Boards of Directors. Lastly, in case any limits are breached, the Risk Management and Permanent Controls Function shall inform, through the Alert Procedure in force, the relevant Top Bodies of the Group and the relevant structures of Crédit Agricole SA., depending on the type of breach detected. Jointly with the Finance Function, the Risk Management and Permanent Controls Function is also responsible for monitoring the ratios/indicators provided for in the Contingency Funding Plan (CFP).

The CFP of the Crédit Agricole Italia Banking Group is approved by the Board of Directors of the Parent Company Crédit Agricole Italia and applies to all the legal entities within the liquidity risk monitoring perimeter.

DISCLOSURE

The document "Disclosure" (Basel III Third Pillar) referring to 31 December 2024 is published on the Group's website <https://gruppo.credit-agricole.it/bilanci-ca-italia>.

It is pointed out that the Crédit Agricole Italia Banking Group is controlled by a parent company based in the EU and, therefore, the conditions laid down in Part One, Title II, Chapter 2, Article 13, Paragraph 1 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR) as amended (CRR) 2 - Regulation (EU) 2019/876 on "Application of disclosure requirements on a consolidated basis" are met.

QUANTITATIVE DISCLOSURES

1. Breakdown of financial assets and liabilities by residual contract maturity

Euro

Items/Time brackets	On demand	From over 1 day to 7 days	From over 7 days to 15 days	From over 15 days to 1 month	From over 1 month 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	Indefinite maturity
On-balance-sheet assets	8,608,223	260,295	385,541	1,084,901	3,583,274	4,646,553	8,399,596	26,507,102	31,057,803	638,295
A.1 Government securities	60	-	6,496	-	16,334	1,192,710	523,172	4,882,000	2,090,001	-
A.2 Other debt securities	-	667	234	-	785	2,522	477,810	57,224	167,997	87
A.3 Units of collective investment undertakings	150,227	-	-	-	-	-	-	-	-	-
A.4 Loans	8,457,936	259,628	378,811	1,084,901	3,566,155	3,451,321	7,398,614	21,567,878	28,799,805	638,208
- banks	5,465,354	890	588	4,291	1,059,884	3,037	859,778	1,050,966	-	638,208
- customers	2,992,582	258,738	378,223	1,080,610	2,506,271	3,448,284	6,538,836	20,516,912	28,799,805	-
On-balance-sheet liabilities	59,924,293	69,354	303,094	426,720	2,883,339	2,285,404	644,246	5,813,725	7,895,938	-
B.1 Deposits and current accounts	59,337,931	14,992	45,100	114,417	511,158	383,983	170,686	123,233	-	-
- banks	25,298	-	-	-	-	-	-	123,068	-	-
- customers	59,312,633	14,992	45,100	114,417	511,158	383,983	170,686	165	-	-
B.2 Debt securities	189,277	54,362	257,994	312,303	2,348,865	1,856,889	396,940	4,909,526	6,947,000	-
B.3 Other liabilities	397,085	-	-	-	23,316	44,532	76,620	780,966	948,938	-
Off-balance-sheet transactions	234,429	396,532	139,063	172,849	511,389	829,652	1,463,918	1,283,053	303,500	-
C.1 Financial derivatives with exchange of principal	-	393,235	93,034	146,417	299,305	238,270	222,971	363,053	-	-
- long positions	-	373,932	46,502	73,192	149,623	119,102	111,445	11,520	-	-
- short positions	-	19,303	46,532	73,225	149,682	119,168	111,526	351,533	-	-
C.2 Financial derivatives without exchange of capital	234,429	3,297	46,029	26,432	212,084	591,382	1,240,947	920,000	303,500	-
- long positions	116,007	3,297	37,364	16,122	93,560	77,095	257,420	920,000	151,750	-
- short positions	118,422	-	8,665	10,310	118,524	514,287	983,527	-	151,750	-
C.3 Deposits and loans to be received	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.4 Commitments to disburse funds	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Other currencies

Items/Timeframe	On demand	From over 1 day to 7 days	From over 7 days to 15 days	From over 15 days to 1 month	From over 1 month 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	Indefinite maturity
On-balance-sheet assets	56,208	197,386	15,795	23,414	63,021	14,708	1,948	248,472	7,291	-
A.1 Government securities	-	-	-	-	-	-	-	-	-	-
A.2 Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3 Units of collective investment undertakings	-	-	-	-	-	-	-	-	-	-
A.4 Loans	56,208	197,386	15,795	23,414	63,021	14,708	1,948	248,472	7,291	-
- banks	31,615	192,263	1,957	-	1,947	1,281	-	-	-	-
- customers	24,593	5,123	13,838	23,414	61,074	13,427	1,948	248,472	7,291	-
On-balance-sheet liabilities	334,039	1,970	15,766	11,497	291,814	10,212	2,817	-	-	-
B.1 Deposits and current accounts	333,459	1,970	15,766	11,497	291,814	10,212	2,817	-	-	-
- banks	4,045	1,970	12,741	11,497	288,036	7,979	1,262	-	-	-
- customers	329,414	-	3,025	-	3,778	2,233	1,555	-	-	-
B.2 Debt securities	-	-	-	-	-	-	-	-	-	-
B.3 Other liabilities	580	-	-	-	-	-	-	-	-	-
Off-balance-sheet transactions	2,245	54,602	95,116	150,324	309,665	248,422	232,603	23,924	-	-
C.1 Financial derivatives with exchange of principal	-	48,688	95,116	150,324	308,315	248,397	232,603	23,924	-	-
- long positions	-	19,690	47,565	75,162	154,157	124,199	116,301	11,962	-	-
- short positions	-	28,998	47,551	75,162	154,158	124,198	116,302	11,962	-	-
C.2 Financial derivatives without exchange of capital	2,245	-	-	-	-	-	-	-	-	-
- long positions	1,132	-	-	-	-	-	-	-	-	-
- short positions	1,113	-	-	-	-	-	-	-	-	-
C.3 Deposits and loans to be received	-	1,912	-	-	1,206	-	-	-	-	-
- long positions	-	1,559	-	-	-	-	-	-	-	-
- short positions	-	353	-	-	1,206	-	-	-	-	-
C.4 Commitments to disburse funds	-	4,002	-	-	144	25	-	-	-	-
- long positions	-	1,917	-	-	144	25	-	-	-	-
- short positions	-	2,085	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7 Credit derivatives with exchange of principal	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-
C.8 Credit derivatives without exchange of capital	-	-	-	-	-	-	-	-	-	-
- long positions	-	-	-	-	-	-	-	-	-	-
- short positions	-	-	-	-	-	-	-	-	-	-

Section 5 – Operational risks

QUALITATIVE DISCLOSURES

A. General aspects, management and measurement of operational risk

The Crédit Agricole Italia Banking Group has adopted the definition of operational risk given in “Basel 2 – International Convergence of Capital Measurement and Capital Standards” prepared by the Basel Committee on Banking Supervision.

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk. Legal risk includes, but is not limited to, exposure to fines, penalties, or punitive damages resulting from supervisory actions, as well as private settlements.

To consolidate and enhance control of operational risks, the Group has set clear objectives:

- To achieve full compliance with the requirements set by the Supervisory regulations for internal control systems (15th update of Bank of Italy's Circular No. 285/2013 as updated).
- To maintain constant full compliance of Crédit Agricole Italia with the regulatory requirements for the use of the Traditional Standardised Approach (TSA) and full compliance of the other banking entities of the Group with the requirements for the use of the Basic indicator approach (BIA) to calculate their regulatory capital.
- To constantly improve the monitoring of risks and losses, in order to allow a management-oriented approach, especially in terms of risk mitigation and prevention initiatives, as well as risk culture dissemination.
- Fine-tuning of the permanent controls systems and extension of the coverage of said controls within the company perimeter.

Macro-organisational aspects

Governance of the Group operational risks is the responsibility of the Risk Management and Permanent Controls Function of Crédit Agricole Italia, which implements the guidelines issued by the Risk Management Department of the Controlling Company Crédit Agricole S.A., and reports on a solid line to the latter.

The Risk Management and Permanent Controls Function (Italian acronym RPC) performs risk management and control activities for all the Companies of the Crédit Agricole Italia Banking Group.

In compliance with the supervisory regulations, the Group has formalized the roles and responsibilities of the corporate bodies and structures involved in the management of operational risks.

The governance model provides for:

- A centralized strategy for the control of operational risks.
- Close connections with the activities for permanent controls.
- Synergies with the Compliance Function and with the Internal Audit Function.

Risk management

The Group has adopted a model that is consistent with the guidelines issued by Crédit Agricole and governed by the central function, which works with the well-established and complementary contributions, in its operating, management and mitigation activities, of specialized roles, functions and mechanisms:

- Operational Risk Manager (ORM or with the Italian acronym: MRO).
- Control on Outsourced Important Operational Functions/Provision of Outsourced Essential Services (Italian acronyms FOIE/PSEE) and on Physical Security.
- MRSI (Manager des Risques SI), in charge of monitoring and control of IT risks on the Information System, on the Business Continuity Plan (BCP or with the Italian acronym PCO) and on physical security.
- CISO (Chief Information Security Officer), who is responsible for the security of corporate information.
- Information Security Manager (ISM): who is responsible for the implementation and management of the Information System operational security.

- Business Continuity Manager (BCM), who is responsible for the Crédit Agricole Italia Banking Group's Business Continuity Plan.
- Persons in charge of Controls, within the Distribution Network structures, with the task of performing 2nd degree 1st level permanent controls.
- Structures, systems and tools, instrumental for proper risk control and for the management of mitigation/improvement actions, including:
 - The Risk and Internal Control Committee;
 - The BCP (Business Continuity Plan) Interfunctional Unit;
 - The Supervisory Committee on IT Security and on BCP (CSSCA, Supervisory Committee on Security and Business Continuity);
 - The system of permanent controls for the Commercial Network, together with early warning indicators;
 - Work Groups for Improvement.

The upgrading of the process for the management and control of operational risks to the guidelines issued by Crédit Agricole S.A. has been intended for the harmonization with the general methods used throughout the Group and consists of the macro-phases listed below:

- Detection, identification and classification of risks and losses and their recognition in the accounts where necessary.
- Assessment and measurement of the risk profile for every corporate environment.
- Identification of mitigation actions and preparation of the action plan.
- Verification of the adequacy of the control plan and increase in control points.
- Verification of actual implementation of controls.
- Verification of correct exercise of mitigation actions.
- Information and reporting.

In the above phases, the following processes are also applied:

- Loss data collection (recording, classification and processing of loss data).
- Risk self-assessment ((self-assessment of the exposure to operational risks relating to the specific structures engaged in operating functions and the relevant processes).
- Direct involvement of corporate structures in collective assessment work groups.

Each one of these processes entails information processing based on methods that are predefined, repeatable and formalized in the Company's normative instruments, as well as with the support of specific application tools.

Risk mitigation

The Group has implemented a policy for operational risk mitigation through:

- Specific self-assessment activities with three-year planning and assessment on a yearly basis (Risk Self-Assessment") aimed at designing an annual Action Plan containing all the initiatives that the owners of the various corporate processes have identified as required in order to mitigate the detected operational risks; the Action Plan is then submitted to the Board of Directors for approval.
- Implementation of the permanent controls plan, both within the Distribution Network and at Central Functions, in order to have the most critical processes fully under control.
- A fraud prevention system governed by the Compliance Function.
- Implementation of the framework for controlling and monitoring outsourced critical and important functions (CIF).
- Implementation of the framework for controlling and monitoring:
 - Physical security;
 - Business Continuity (BCP);
- Implementation of the function for control and monitoring of Information and Communication Technology (ICT) Risk.

Transfer of risk

The insurance strategy implemented by the Group provides – through specific policies – for the risk to be transferred to specific companies in case of material and exceptional events. The risks generated by recurring events in day-to-day operations and entailing medium-low amounts (known as expected losses) are covered by specific control and process activities. It follows that the insurance policies in force cover events that are not frequent but that could have severe consequences, consistently with the insurance approach of the Crédit Agricole Group.

Where the outcomes of specific assessments prove it appropriate, the structures engaged in insurance coverage governance shall:

- Transfer insurable risks underwriting specific insurance policies, in order to mitigate the impact of any unexpected losses and in accordance with the best practices in the System.
- Coordinate with Crédit Agricole S.A., in order to ensure full consistency between the transfer strategy and the Group objectives.
- Exercise control on and provide support to the corporate functions in outsourcing management, with specific focus on the outsourcing of Critical and Important Functions (CIF).
- Perform controls and specific analyses on the insurance policies underwritten by the Providers of Outsourced Important Operational Functions (FEI), in order to assess their adequacy to the risks associated with the outsourced essential services.

Risk management oversight and shared solutions

This is the specific task of the Group Risk and Internal Control Committee, composed of the main Corporate Function holders, which is responsible for:

- Approving guidelines and action plans on Operational Risks.
- Acknowledging the Loss Data Collection (LDC) results.
- Monitoring control activities and outcomes, as well as periodically validating the mapping of operational risks.
- Governing Business Continuity for the Crédit Agricole Italia Banking Group.
- Monitoring and, if necessary, taking action on Information and Communication Technology (ICT) Risk for the Crédit Agricole Italia Banking Group, assessing the situation based on the periodic reporting made by the *Manager des Risques SI* (MRSI) and by the Chief Information Security Officer (CISO).
- Assessing the risk analyses of the essential services, that is to say CARITICAL OR Important Functions (CIF or with the Italian acronym FEI) for the Crédit Agricole Italia Banking Group.

Loss data

Operational losses, which the model considers as quantitative data, are collected, managed and analyzed, to different levels of granularity and detail, using an event classification scheme complying with the one set by the Basel II Framework, by the Supervisory Authority and by Crédit Agricole S.A. The basic structure is given below:

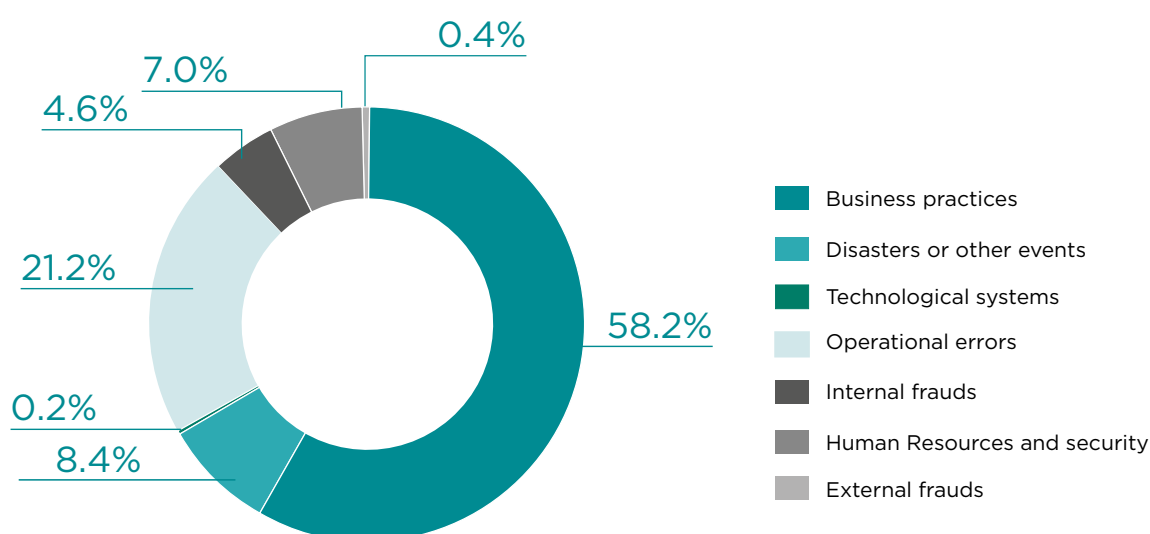
- Internal frauds: events due to deliberate acts committed by at least one party internal to the Bank and causing losses to the Bank.
- External frauds: events due to deliberate acts committed exclusively by parties that cannot be defined as internal to the Bank, generally for the purpose of personal gain.
- Relations with staff and workplace safety: events relating to the relations between the company and its staff or to the failure of the workplace to meet health and safety standards. These include liabilities arising from accidents to employees in company offices or vehicles.
- Business practices: events linked to the supply of products and provision of services to Customers carried out in an improper or negligent manner (fiduciary requirements and adequate information on investments), as well as defects in the nature or features of products/models/contracts. These include liabilities arising from breach of public security laws or other legislation not specific to the banking sector.
- Disasters or other events: events due to natural causes or human actions, which lead to damage to company resources (tangible or intangible property, persons, etc.) and/or service interruptions or other events (including improper conduct and illegal acts by third-party companies that damage the company). The category also includes liabilities arising from political changes and retroactive changes in legislation and taxation.

- Technological systems and services: events arising from the malfunctions, logical or structural defects in technological and other support systems, execution, delivery and management of processes: events arising from unintentional errors in the management of operational and support activity or caused by counterparties other than Customers and Vendors.

For Loss Data Collection and for reporting consolidated loss data, the Crédit Agricole Italia Banking Group has adopted an IT application especially designed for and widely used in the Banking System, as well as specific tools and models developed directly by Crédit Agricole S.A.

QUANTITATIVE DISCLOSURES

With reference to sources of operational risk, the breakdown of Crédit Agricole Italia's net losses (gross losses net of other collection excluding insurance-related ones) by event type recognized in 2024 is given below. Any "boundary losses" have been excluded.



Information and Communication Technology (ICT) Risk

In the Internal Policy documents, in compliance with the provisions issued by the Bank of Italy (Circular 285/13 as updated), Information and Communication Technology risk and Security risk (hereinafter referred to also as "ICT risk" is defined as the risk of losses due to confidentiality breach, poor integrity of systems and data or unavailability of the systems and data or inability to replace Information Technology (IT) within reasonable time limits [...]. In the integrated statement of corporate risks for prudential purposes (ICAAP), this type of risk is included, in accordance with the specific aspects, among operational, reputational and strategic risks".

The Governance of security management and of ICT risk management is based on the following criteria:

- Formalization of the roles and responsibilities in the ICT security scope; having, within the Risk Management and Permanent Controls Function, the ICT Risk Management structure and the role off the Information System Risk Manager (Italian acronym MRSI).
- Implementation of the principle of separation of duties, in order to appropriately allocate responsibilities;
- Assessment of the ICT risk analysis carried out on a regular basis or in case of significant changes. In accordance with the risk level, the security measures for its mitigation are identified. The risk analysis is carried out also in case of new initiatives or projects that may entail impacts on the Bank's information system.

To analyze and assess ICT risks on its IT resources, the Crédit Agricole Italia Banking Group implements and develops the key concepts of the Risk Analysis Methodology of the Parent Company Crédit Agricole S.A., supplementing it, to achieve an overall representation of its risk position, through:

- The definition of the risk taxonomy of the information system (ICT Governance and strategy, ICT availability and continuity risk, ICT security risk, ICT change risk, ICT data integrity risk and ICT outsourcing risk).

- A Risk Self-Assessment exercise on the processes impacted by ICT risk.
- The collection and analysis of IT incidents and of the related operational losses.
- Continuous application of the overall framework of permanent controls.
- The preparation of continuous reporting flows to the Top Management and the BoD on the main processes/ events concerning the Information System and Information System Security, with specific reference to incident and vulnerability management.

In order to ensure that the ICT Risk Control activities run smoothly, within the Risk Management and Permanent Controls Function there is a specific organizational role called MRSI (Information System Risk Manager).

The other functions involved in ICT Risk Governance are:

- The Chief Operating Officer (COO) of the Crédit Agricole Italia Group, who is also the General Manager of Crédit Agricole Group Solutions.
- The Chief Information Security Officer (CISO), who belongs to the COO structure: he or she ensures the security of the Group's information system, assessing the risks and threats it is exposed to (Mesari Risk Analysis), contributing to the design of the action plans and risk mitigation plans, as well as the technical solutions to be implemented.
- The Head of the Security Function of Crédit Agricole Group Solutions, who has the role of ICT Security Manager in the information security system scope: he or she ensures proper implementation and operational management of the security of the Group's information system, overseeing compliance with the relevant policies, rules and standards.
- The Head of the Information Systems Function of Crédit Agricole Group Solutions (Chief Information Officer or CIO) in the information system scope (other non-security risks): he or she is responsible for the governance of the Group's Information System and the processes related thereto, carrying out also first-level controls on ICT risk, overseeing any corrective actions.

In 2024 the Risk Management and Permanent Controls Function continued to supplement controls and risk measurement indicators, focusing its activities both on ICT security matters and on project development.

The ICT risk management framework (covering both in-house and outsourced ICT activities, processes and services) underwent extensive revision following the project activities associated with full implementation of the DORA Regulation applicable as of January 2025.

To this effect, within the project activities carried out in 2024, some of the DORA specifications have already been implemented, including:

- The definition of critical functions for digital resilience.
- A Digital Operational Resilience Strategy (DORS) document.

In early 2025, all the new policies have been issued, including the related implementing regulations, which transpose the DORA requirements and expectations, and the related new organizational arrangements have been defined.

In 2025 the activities to ensure full alignment to DORA will continue, on the one hand implementing the organizational and control arrangements provided for by the policies, and, on the other hand, progressively aligning the outsourcing agreements to the DORA Regulation.

In 2024 the initiatives for the evolution and strengthening of the Information System continued, in order to maintain and enhanced the appropriate security safeguards. To this end, a multi-year action programme is ongoing within the Group in the following scopes:

- **Cyber prevention:** prevention of Cyber risks resulting from third parties, malware and vulnerabilities.
- **Cyber detection:** monitoring, detection and management of Cyber threats to the Bank's systems.
- **Anti-fraud and data loss prevention:** adoption of a new anti-fraud system in the e-money scope.
- **Access and Identity Management:** strengthening of the Access Management systems, progressively extending the RBAC (Role Based Access Control) model also to central functions.
- **Network and perimeter security:** upgrading of the perimeter protection and Network Security solutions to new risk scenarios, to Crédit Agricole S.A.'s requests and to the new developments in the applicable legislation and regulations.
- **Cloud Security:** implementation of the Cloud security control strategy.

Business Continuity Plan (“BCP”)

Completing the action programme, in 2024, the Group continued to update and verify its Business Continuity Plan to take account of the changes in the scenario and in the Group’s organisational, technology and logistic infrastructure, of the rules set by the Parent Company and of the applicable EU legislation and regulations (DORA) In 2024, the main activities were:

- Updating of the Business Continuity Policy and whole manual.
- Periodic testing and certification exercises on the solutions for information system recovery and on critical processes in the business continuity scope, including that of critical providers.
- Carrying out IMPT (workstations) tests and ILSI (logical unavailability of the Information System) tests following a new strategy designed in 2023.
- Adequacy assessment and analysis of business continuity plans and of the relevant tests of providers of Outsourced Critical and Important Functions (CIF), continuing also with the activity on NON-CIF vendors involved in critical processes.
- Testing the Crisis Management Organizational Model (Italian acronym MOGC), by simulating a Distributed Denial-of-Service (DDoS) attack.
- The updating the Business Impact Analysis (“BIA”) on the corporate processes in the business continuity scope, covering also critical processes under DORA.
- The activity started to digitalize the BIA process and interviews on the ITSM tool.
- Participation in the Campi Flegrei crisis simulation, together with the other components of the Italian financial sector.

In 2025 the BCMS (Business Continuity Management System) digitalization will continue.

Critical or Important Functions (CIF or Critical or Important Services, called PSEE – Provisions of Outsourced Essential Services - by Crédit Agricole S.A.)

The structure in charge of control on CIF/Critical or Important Services, which is part of the Risk Management and Permanent Controls Function, governs the system of controls on compliance with the process to outsource critical functions; furthermore, it has specific duties concerning the definition of the risk monitoring controls. This structure has a role of management and methodological support, especially as regards the assessment of risks associated with outsourcing arrangements.

Having regard to Internal Normative Instruments, within the project of alignment with the DORA regulation, the set of internal normative instruments was revised and the revision will enter into force in January 2025 and will implement new organizational and control mechanisms.

In FY 2024, the most material initiatives of the Risk Management and Permanent Controls Functions continued in line with the previous FYs, thus ensuring:

- Strong support to the corporate structures in the phases of outsourcing management, aimed both at proper implementation of the process and at wider dissemination of an outsourcing culture and the analysis of the associated risks.
- The review and upgrading -by the Unit responsible for control on outsourced critical and important functions - of the monitoring tools it uses to perform its tasks.
- The review and update of the tools used to assess risks associated with outsourcing.
- Monitoring of the process for the preparation of the Register of Outsourcing Arrangements as a tool for the governance and management of information concerning all outsourcing arrangements in force, with different level of detail for critical and important functions.
- General monitoring on and actions to increase the awareness of the outsourced service owners as regards their responsibilities. In this scope, the monitoring and control systems were constantly updated, also based on the instructions given by the Parent Company Crédit Agricole S.A..

PART F – INFORMATION ON EQUITY

Section 1 – Shareholders' equity

A. Qualitative disclosures

The own funds management policy implemented by Crédit Agricole Italia is aimed at maintaining an adequate level of resources in order to be able to cope at any time with the risks taken.

B. Quantitative disclosures

B.1 Shareholders' equity: breakdown

The breakdown of equity as at 31 December 2024 is given below:

Items/Values	Amount as at 31 Dec. 2024	Amount as at 31 Dec. 2023
1. Capital	1,102,071	1,102,071
2. Share premium reserve	3,495,378	3,495,378
3. Reserves	2,198,898	1,935,977
- retained earnings	2,195,068	1,932,471
a) legal reserve	220,414	220,414
b) reserve provided for by the Articles of Association	1,372,626	1,031,392
c) treasury shares	-	6
d) other	602,028	680,659
- other	3,830	3,506
4. Equity instruments	740,000	815,000
5. (Treasury Shares)	-6	-6
6. Valuation reserves	-64,224	-58,993
- Equity securities designated at fair value through other comprehensive income	-16,139	-16,452
- Hedging of equity securities designated at fair value through other comprehensive income	-	-
- Financial assets (other than equity securities) measured at fair value through other comprehensive income	-4,056	1,658
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedging of investments in foreign operations	-	-
- Cash flow hedges	-	-
Hedging instruments (non-designated elements)	-	-
- Foreign exchange differences	-	-
- Non-current assets held for sale and discontinued operations	-	-
- Financial liabilities designated at fair value through profit or loss (changes in own credit rating)	-	-
- Actuarial gains (losses) pertaining to defined-benefit pension plans	-44,029	-44,199
- Share of valuation reserves on equity investments measured using the equity method	-	-
- Special revaluation laws	-	-
7. Profit (Loss) for the period	793,627	703,250
Total	8,265,744	7,992,677

Item "Financial assets (other than equity securities) measured at fair value through other comprehensive income" reports fair value changes in debt securities held (Euro 11,195 thousand) as well as the fair value changes in the ecobonus tax credit assets classified with the HTC&S business model (down by Euro -15.251 thousand).

B.2 Valuation reserves of financial assets measured at fair value through other comprehensive income: breakdown

Assets/Values	Total 31 Dec. 2024		Total 31 Dec. 2023	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	11,340	145	12,876	1,348
2. Equity securities	2,740	18,879	2,315	18,768
3. Loans	-	-	-	-
Total	14,080	19,024	15,191	20,116

B.3 Valuation reserves of financial assets measured at fair value through other comprehensive income: annual changes

	Debt securities	Equity securities	Loans
1. Opening balance	11,528	-16,452	-
2. Increases	10,103	996	-
2.1 Fair value gains	7,452	496	-
2.2 Adjustments for credit risk	2,161	X	-
2.3 Reclassification to profit or loss of negative reserves from disposal	490	X	-
2.4 Transfers to other equity components (equity securities)	-	500	-
2.5. Other changes	-	-	-
3. Decreases	10,436	683	-
3.1 Fair value losses	464	614	-
3.2 Recoveries for credit risk	191	-	-
3.3 Reclassification to profit or loss of positive reserves: from disposal	9,781	X	-
3.4 Transfers to other equity components (equity securities)	-	69	-
3.5. Other changes	-	-	-
4. Closing balance	11,195	-16,139	-

B.4 Valuation reserves relating to defined-benefit plans: annual changes

	31 Dec. 2024
1. Opening balance	-44,199
2. Increases	1,661
2.1 Actuarial losses	1,374
2.2 Other changes	287
3. Decreases	1,491
3.1 Actuarial gains	1,139
3.2 Other changes	352
4. Closing balance	-44,029

Section 2 – Own Funds and supervisory requirements

please, refer to the disclosure on own funds and capital adequacy contained in Section 1 the public disclosure (Basel III Pillar 3”), on the website of the Crédit Agricole Italia Banking Group <https://gruppo.credit-agricole.it/bilanci-ca-italia>, concomitantly with the publication of the Annual Report and Financial Statements.

PART G - BUSINESS COMBINATIONS

Section 1 – Business combinations made in the reporting year

In the reporting year no business combinations were made.

Section 2 – Business combinations made after the reporting date

No business combinations were made after the reporting date.

Section 3 – Retrospective Adjustments

No retrospective adjustments are to be reported.

PART H - TRANSACTIONS WITH RELATED PARTIES

The regulation issued by the Bank of Italy on 12 December 2011, on risk assets and conflicts of interest with associated persons falls within the scope of the framework regulation concerning related parties (Article 2391-bis of the Italian Civil Code, Article 53 of the Italian Consolidated Law on Banking (TUB) and CONSOB Regulation No. 17221/10) and has been designed to *“control the risk that the closeness of some persons to the Bank’s decision-making centers may compromise the objectivity and impartiality of decisions relating to loan granting and other transactions with the same persons, with possible distortions in the allocation of resources, in the Bank’s exposure to risks not adequately measured or controlled and in potential damages to depositors and shareholders”*. This regulation entered into force on 31 December 2012 and, therefore, the first supervisory reporting was sent on 31 March 2013, as expected by the competent Authorities.

The Crédit Agricole Italia Banking Group had already adopted a Regulation on Transactions with Related Parties implementing the original CONSOB regulation of 2010; afterwards, on 11 December 2012, in accordance with the regulation issued by the Bank of Italy, Crédit Agricole Italia approved the Document “Regulation for Risk Assets and Conflicts of Interests with Persons Associated with the Crédit Agricole Italia Banking Group”, in order to give the Group a specific internal normative instrument on this matter and to harmonize the various regulations in force; the Document was then updated on 29 July 2014.

On 25 July 2018, the Board of Directors of Crédit Agricole Italia approved the adoption of the new “Regulation on transactions with Associated Persons”, which was then adopted by the other Banks and Companies of the Banking Group, which formalized, in a single normative instrument, the procedures that the Banks and Companies of the Crédit Agricole Italia Banking Group had to apply to transactions with Associated Persons, in compliance with the regulations in force at the time issued by CONSOB and by the Bank of Italy. Afterwards, with resolution no. 21624 of 10 December 2020 CONSOB amended the Regulation on Transactions with Related Parties as issued with its previous resolution no. 17221 of 12 March 2010. As the amendments entered into force on 1 July 2021, the Crédit Agricole Italia Banking Group duly aligned its “Regulation on Transactions with Associated Persons” to those amendments.

Furthermore, the document implements the amendments introduced with the 33rd update of 23 June 2020 to Bank of Italy Circular no. 285 “Supervisory Provisions for Banks - Risk assets and conflicts of interest with associated persons”, whereby a new chapter, Chapter 11, was added to Part III, up to then contained in Circular no. 263/2006, aligning it to the new regulatory framework and, specifically, it excluded, under certain conditions, equity investments in insurance undertakings from the scope of application of prudential limits

Later on, with the 35th update to Circular no. 285 of 17 December 2013, which was published on the Italian Official Journal issue no. 165 of 15 July 2021, the Bank of Italy laid down the obligation for banks to comply – by 31 January 2022 – with Article 88(1)(4) and (5) of Directive 2013/36/EU (CRD), as amended by Directive 2019/878/EU (CRD V), on loans to members of the management body and their related parties. Therefore, in January 2022, the Regulation was updated implementing the new Supervisory provisions.

As a consequence of the changed corporate structure of the Group resulting from the mergers of Credito Valtellinese S.p.A. and Crédit Agricole FriulAdria S.p.A. into Crédit Agricole Italia S.p.A., it was appropriate to make yet another update to the Regulation on Transactions with Associated Persons.

Indeed, as the Banking Group perimeter no longer includes any entities whose shares are listed (publicly held to any material extent, the Bank has no longer the obligation to apply the provisions laid down in CONSOB Regulation no. 17221 on related parties.

Therefore, on 23 March 2023, the Board of Directors approved the aforementioned Regulation in its updated version.

Furthermore, the Board of Directors of the Parent Company approved the internal Policies governing controls on risk assets and conflicts of interest with the Group’s Associated Persons. That document describes, as regards the operational characteristics and strategies of the Bank and of the Group, the business sectors and the types of business transactions, also not entailing the assumption of risk assets, from which conflicts of interest may arise, as well as the controls implemented in the organizational structure and in the internal controls system in order to ensure constant compliance with the prudential limits and decision-making procedures referred to in the aforementioned Regulation.

Besides identifying the related parties and their connected persons of the Crédit Agricole Italia Banking Group, the “Regulation on Transactions with Associated Persons” lays down, in compliance with the principles established by the applicable legislation on related parties, the proceedings and rules aimed at ensuring transparency and substantial and procedural fairness of transactions with related parties and their connected persons carried out by Crédit Agricole Italia, directly or through any of its subsidiaries. The Regulation also defines the cases, criteria and circumstances in which, without prejudice to full compliance with all obligations and requirements, full or partial application of the Regulation may be excluded. It also lays down prudential limits to risk assets with associated persons, sets the procedures to process and approve transactions with related parties, defines specific rules with regard to transactions with related parties made by the companies belonging to the Group and lays down procedures and time frames for the provision of reporting and appropriate documentation on the transactions (i) to independent directors/Related Party Committee, as well as, where necessary, (ii) to the control bodies.

With regard to controls, the required activities are carried out by the various relevant corporate roles and structures, in different capacities and in the different phases of the process, in order to ensure constant compliance with the prudential limits and resolution-making procedures as provided for by the applicable legislation, also pursuing the objective to appropriately prevent and manage potential conflicts of interests that may result from transactions with associated persons.

Perimeter of Related Parties

The Perimeter of Related Parties is essentially based on the provisions issued by the Bank of Italy on this matter (Circular no. 285 of 17 December 2013 “Supervisory Provisions for Banks” Part III, Chapter 11 “Risk assets and conflicts of interest with associated persons”).

To the purpose of the aforementioned provisions, the following definition apply:

- Related Party is a person that- based on his/her/its relationships with Crédit Agricole Italia, with one of the banks or any supervised intermediary of the Crédit Agricole Italia Banking Group - is:
 - a) A Corporate Officer;
 - b) A Shareholder/Investor;
 - c) The person, other than a shareholder/investor, that can appoint, on his/her/its own, one or more members of the Board of Directors, also based on any agreements in whatsoever form or clauses of the Articles of Association dealing with or providing for the exercise of the above rights and powers;
 - d) A company or an undertaking, also set up in a legal form other than that of a company, on which a bank or an entity of the Group can exercise control or significant influence.
- Connected Persons:
 1. The companies and undertakings, also set up in a legal form other than that of a company, that are controlled by a related party;
 2. Persons exercising control on a related party among those listed at letters b) and c) of the relevant definition, as well as entities that are directly or indirectly subject to joint control with the same related party;
 3. The close members of the family of a related party and the companies or undertakings, also set up in a legal form other than that of a company, that are controlled or jointly controlled by close members of the related party's family.

The International Accounting Standards and International Financial Reporting Standards govern disclosure on transactions with related parties in IAS 24, which was endorsed by the European Union with Regulation (EU) no. 1126/2008 as amended.

In accordance with the definition given in IAS 24, a related party is a person or entity that is related to the entity that is preparing its financial statements (“reporting entity”). Specifically:

- a) A person or close member of that person's family is related to a reporting entity if that person:
 - (i) Has control or joint control over the reporting entity,
 - (ii) Has significant influence over the reporting entity; or
 - (iii) Is a member of the key management personnel of the reporting entity, i.e. the Bank and the supervised intermediary of the Banking Group, or of a parent of the reporting entity;
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the Crédit Agricole Group;

- (ii) The entity is an associate or joint venture of the Bank and/or of the supervised intermediary (or an associate or joint venture of a member of the Crédit Agricole Group);
- (iii) Both entities are a joint venture of the same third party;
- (iv) It is a joint venture of a third entity that is an associate of bank and of the supervised intermediary;
- (v) It is a post-employment defined benefit plan for the benefit of employees of either the bank and/or supervised intermediary or of an entity that is related to them;
- (vi) It is controlled or jointly controlled by a person identified in (a);
- (vii) (vii) A person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

In the definition of related party, an associate includes the subsidiaries of the associate and a joint venture includes the subsidiaries of the joint venture.

Close member of a person's family are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity, and include:

- a) that person's children and spouse or domestic partner;
- b) children of that person's spouse or domestic partner; and
- c) dependents of that person or that person's spouse or domestic partner.

Those persons are reported in column "Other related parties" of the table given in paragraph "Information on transactions with related parties".

Information on remuneration of managers vested with strategic responsibilities (aka key management personnel) and information on transactions with related parties is given below in compliance with Circular no. 262 "Banks' financial statements: layouts and preparation" of 22 December 2005, issued by the Bank of Italy as updated, in accordance with IAS 24.

1. Information on remuneration of managers vested with strategic responsibilities

"Managers vested with strategic responsibilities" or "Key management personnel" includes individuals having direct and indirect power and responsibility over the planning, management and control of the operations of Crédit Agricole Italia, including Directors, both executive and non-executive, and the members of control bodies.

The remuneration of Directors and Auditors is established with specific resolutions passed by the General Meeting of Shareholders.

The table below reports the amounts of the man benefits awarded to Directors, Auditors and Managers tasked with strategic responsibilities.

	31 Dec. 2024
Short-term benefits:	9,275
Post-employment benefits	206
Other long-term benefits	-
Employee severance benefits	-
Share-based payments	-

2. Information on transactions with related parties

These are transaction with associated persons (related parties and their connected persons), entailing the assumption of risk assets, transfer of resources, services or obligations, regardless of whether a price is paid, including mergers and demergers.

TYPE OF RELATED PARTIES	Cash and cash equivalents	Financial assets measured at fair value through profit or loss	Financial assets through other comprehensive income	Financial assets measured at amortized cost: loans to Customers	Financial assets measured at amortized cost: due from Banks	Financial liabilities measured at amortized cost: due to Customers	Financial liabilities measured at amortized cost: due to Banks	Guarantees given
Controlling Company	192,220	-	-	-	1,337,331	-	1,691,209	25,023
Entities exercising significant influence on the Company	-	-	-	-	-	6,181	-	-
Subsidiaries	-	-	-	2,897,149	-	55,688	-	17,856
Associates	-	-	-	2,018	-	15,772	-	1,246
Directors and Managers with strategic responsibilities	-	-	-	2,120	-	2,091	-	-
Other related parties	36,249	82,710	101	4,265,564	2,273,294	239,950	13,596	113,289
Total	228,469	82,710	101	7,166,851	3,610,625	319,682	1,704,805	157,414

Main income transactions with related parties

Amounts in thousands of Euro	Net interest income	Dividend and similar income	Net fee and commission income	Personnel expenses
Controlling Company	(160,410)	-	(2,247)	(218)
Entities exercising significant influence on the Company	(1,603)	-	67	-
Subsidiaries	110,619	-	3,229	37,888
Associates	(336)	50	60	-
Directors and Managers with strategic responsibilities	79	-	310	(9,481)
Other related parties	258,992	-	553,246	1,157
Total	207,341	50	554,665	29,346

PART I - SHARE-BASED PAYMENTS

QUALITATIVE DISCLOSURES

1. Share-based payments

Crédit Agricole Italia has no agreements in place for payments based on its shares.

The share capital increase by the Parent Company Crédit Agricole S.A., in favour of all Employees of the Crédit Agricole Group was completed in August 2024 with the allotment of shares to Employees.

The Employees were given the opportunities to invest in shares of Crédit Agricole S.A. with a 20% discount vs. market value. These shares will be tied for the following five years (until 31 May 2029), at the end of which time each employee may freely dispose of them.

In 2024, this financial transaction entailed a cost equal to the discount applied to the shares subscribed, which had – as a balancing item in accordance with IFRSs – an identical increase in equity through a specific reserve.

Having regard to multi-year incentive systems, their countervalue has an increase in liabilities as its balancing item.

QUANTITATIVE DISCLOSURES

The specific reserve recognized in equity as the balancing item of personnel expenses and equal to the discount applied to the shares in Crédit Agricole S.A. subscribed by Crédit Agricole Italia employees, as reported in the previous paragraph, amounts to Euro 324 thousand.

PART L - SEGMENT REPORTING

In accordance with IFRS 8, for segment reporting please see Part L of the Note to the Consolidated Financial Statements.

PART M - DISCLOSURE OF LEASES

SECTION 1 – LESSEE

Qualitative disclosures

The additional information on leases required by IFRS16 is given below.

Quantitative disclosures

RIGHT OF USE

Lease type	Number of contracts as at 31 Dec. 2024	Right of Use value as at 31 Dec.2024	Depreciation for the FY	Impairment/ Recoveries in the period
Buildings used in operations	846	246,561	-43,095	-57
Buildings used for investment	98	2,360	-1,360	-
Other property, plant and equipment assets: vehicles	278	2,412	-1,269	-
Total	1,222	251,333	-45,724	-57

Rights of Use are recognized in the Balance Sheet under item 80 “Property, Plant and Equipment.

LEASE LIABILITY

Lease type	Remaining liability as at 31 Dec. 2024	Remaining liability - breakdown by term to maturity				interest expenses for the FY
		Term to maturity < 1 year	Term to maturity between 1 and 3 years	Term to maturity between 3 and 6 years	Term to maturity of over 6 years	
Buildings and land used in operations	284,307	44,845	75,225	89,996	74,241	-9,702
Buildings used for investment	2,406	1,012	1,141	196	57	-88
Other property, plant and equipment assets: vehicles	2,518	1,075	1,316	126	-	-91
Total	289,231	46,932	77,682	90,318	74,298	-9,881

All contractual cash flows are included in the calculation of lease liabilities.

Lease liabilities are recognized under item 10 of Liabilities in the Balance Sheet, as Financial Liabilities measured at amortized cost.

OTHER DATA

Breakdown of real estate operating lease contracts by geographical area and by annual lease payment bracket

Region	Lease payments up to 5 thousand	Lease payments from 5 to 50 thousand	Lease payments from 50 to 100 thousand	Lease payments above 100 thousand	Total
EMILIA ROMAGNA	3	180	23	4	210
LOMBARDY	13	109	53	30	205
VENETO	1	63	25	11	100
TUSCANY	4	42	20	8	74
SICILY	3	48	7	4	62
LAZIO	1	23	12	23	59
PIEDMONT	4	26	21	11	62
CAMPANIA	-	28	20	9	57
LIGURIA	6	33	9	4	52
OTHER	5	45	9	4	63
Total	40	597	199	108	944

Frequency of payment instalment by lease type

Lease type	Instalment frequency	Number of contracts
Operating properties	Monthly	55
	Quarterly	712
	Half-yearly	-
	other	79
	Total	846
Property used for investment	Quarterly	97
	other	1
	Total	98
Vehicles	Monthly	278
	Total	278
Totals		1,222

All property lease contracts are linked to the cost-of-living index published by ISTAT (the Italian National Institute of Statistics).

Lease contracts out of the IFRS 16 scope of application (recognition exemptions para. 5 of IFRS 16)

Crédit Agricole Italia has applied paragraph 6 of IFRS16 to short-term leases and to leases with the underlying asset having low value.

The table reports the information required under paragraph 53 letter d) of IFRS 16.

Lease type	Short term lease - 2024 rents	Low value lease - 2024 rents
Real Estate properties	209	15
Vehicles	56	-
POS	-	3,648
PC and mobile phones	-	186
Total (net of VAT)	265	3,849

SECTION 2 – LESSOR

Qualitative disclosures

The disclosure required by paragraph 97 of IFRS 16 is given below.

Quantitative disclosures

1. Balance Sheet and Income Statement information

Crédit Agricole Italia has operating lease contracts in force. Leased properties have been recognized in the Balance Sheet under item 80 “Property, plant and equipment”; Lease payment income is recognized on an accrual basis under item “200. Other operating expenses/income”.

As at 31 December 2024 there were 8 finance sublease contracts in force on portions of properties, in which, therefore, the Bank is an intermediate lessor: under those contracts, the right of use of the head lease regarding the portion leased out, recognized in item “80 Property, plant and equipment”, is zeroed and an account receivable is recognized representing the present value of the rents to be received, under item “40. Financial assets at amortized costs b) Loans to Customers In the Income Statement, under item “10. Interest income”, reports the financial income consisting the sublease payments.

2. Finance Leases

As at the reporting date, finance lease sublease contracts were recognized for an amount of Euro 6.3 million.

In FY 2024 interest income on finance sublease contract was recognized amounting to 0.3 million Euros.

TIME BANDS	Total 31 Dec. 2024	Total 31 Dec. 2023
	Lease payments to be received	Lease payments to be received
Up to 1 year	1,201	1,381
From over 1 year to 2 years	1,067	1,427
From over 2 year to 3 years	905	1,273
From over 3 year to 4 years	905	1,111
From over 4 year to 5 years	870	1,111
From over 5 years	2,423	3,328
Total lease payments to be received	7,371	9,631
RECONCILIATION WITH LOANS		
Unearned financial income (-)	-1,063	-1,465
Unguaranteed residual value (-)	-	-
Collective impairment	-	-
Lease loans	6,308	8,166

3. Operating leases

The disclosure required by paragraph 97 of IFRS 16 is given below.

3.1 Classification of payments to be received by time band

TIME BANDS	Lease payments to be received Total as at 31 Dec. 2024	Lease payments to be received Total as at 31 Dec. 2023
Up to 1 year	4,080	5,171
From over 1 year to 2 years	3,917	4,872
From over 2 year to 3 years	3,053	4,686
From over 3 year to 4 years	1,389	3,839
From over 4 year to 5 years	1,248	2,210
From over 5 years	3,160	4,559
Total	16,847	25,337

The payments to be received reported in the table refer to property lease contracts.

There are no variable payments not included in the reported amounts and there are no purchase options on the leased asset.

The reported amounts include Euro 8.7 million regarding lease contracts with subsidiaries.

FINANCIAL STATEMENTS OF THE CONTROLLING COMPANY CRÉDIT AGRICOLE S.A.

The financial highlights of the Parent Company Crédit Agricole S.A. presented in the summary statement required under Article 2497-bis of the Italian Civil Code have been taken from its Financial Statements as at 31 December 2023. For appropriate and full understanding of the financial and cash flow situation of Crédit Agricole S.A. as at 31 December 2023, and of the profit or loss made by the Company in the financial year closed as at that date, please see its full annual report and financial statements and the related Independent Auditors' Report, which are made available in accordance with the Law.

ACTIF

	31 Dec. 2023	31 Dec. 2022
Opérations interbancaires et assimilées	193,360	241,527
Caisse, banques centrales	41,646	69,310
Effets publics et valeurs assimilées	14,348	15,429
Créances sur les établissements de crédit	137,366	156,788
Opérations internes au Crédit Agricole	420,799	446,622
Opérations avec la clientèle	3,204	5,415
Opérations sur titres	129,151	39,235
Obligations et autres titres à revenu fixe	129,114	39,210
Actions et autres titres à revenu variable	37	25
Valeurs immobilisées	66,599	65,570
Participations et autres titres détenus à long terme	1,324	1,287
Parts dans les entreprises liées	65,123	64,132
Immobilisations incorporelles	40	39
Immobilisations corporelles	112	112
Capital souscrit non versé	-	-
Actions propres	276	183
Comptes de régularisation et actifs divers	36,086	38,759
Autres actifs	16,901	22,943
Comptes de régularisation	19,185	15,816
Total actif	849,475	837,311

PASSIF

	31 Dec. 2023	31 Dec. 2022
Opérations interbancaires et assimilées	261,728	227,138
Banques centrales	2	23
Dettes envers les établissements de crédit	261,726	227,115
Opérations internes au Crédit Agricole	90,732	126,313
Comptes créditeurs de la clientèle	237,943	246,167
Dettes représentées par un titre	143,634	128,285
Comptes de régularisation et passifs divers	27,160	22,986
Autres passifs	3,590	4,216
Comptes de régularisation	23,570	18,770
Provisions et dettes subordonnées	30,651	28,884
Provisions	989	1,118
Dettes subordonnées	29,662	27,766
Fonds pour risques bancaires généraux	1,435	1,343
Capitaux propres hors FRBG	56,192	56,195
Capital souscrit	9,158	9,128
Primes d'émission	13,449	13,409
Réserves	14,681	14,681
Écart de réévaluation	-	-
Provisions réglementées et subventions d'investissement	5	8
Report à nouveau	15,793	13,736
Résultat de l'exercice	3,106	5,233
Total passif	849,475	837,311

HORS-BILAN DE CRÉDIT AGRICOLE S.A.

	31 Dec. 2023	31 Dec. 2022
Engagements donnés	25,531	26,447
Engagements de financement	885	5,860
Engagements de garantie	21,862	20,506
Engagements sur titres	2,784	81

	31 Dec. 2023	31 Dec. 2022
Engagements reçus	147,865	154,726
Engagements de financement	146,296	153,485
Engagements de garantie	1,569	1,241
Engagements sur titres	-	-

COMPTE DE RESULTAT DE CRÉDIT AGRICOLE S.A.

	31 Dec. 2023	31 Dec. 2022
Intérêts et produits assimilés	33,038	12,556
Intérêts et charges assimilées	(33,522)	(13,602)
Revenus des titres à revenu variable	3,616	6,006
Commissions (produits)	1,530	1,633
Commissions (charges)	(1,222)	(704)
Gains ou pertes sur opérations des portefeuilles de négociation	(24)	31
Gains ou pertes sur opérations des portefeuilles de placement et assimilés	(138)	(32)
Autres produits d'exploitation bancaire	66	11
Autres charges d'exploitation bancaire	(75)	(65)
Produit net bancaire	3,269	5,834
Charges générales d'exploitation	(839)	(757)
Dotations aux amortissements et aux dépréciations sur immobilisations incorporelles et corporelles	(11)	(10)
Résultat brut d'exploitation	2,419	5,067
Cost of risk	(25)	(11)
Résultat d'exploitation	2,394	5,056
Résultat net sur actifs immobilisés	415	(70)
Résultat courant avant impôt	2,809	4,986
Résultat exceptionnel	-	-
Impôt sur les bénéfices	385	298
Dotations/reprises de FRBG et provisions réglementées	(88)	(51)
Résultat net de l'exercice	3,106	5,233

DISCLOSURE OF GOVERNMENT AID

The transparency requirements on State aid are laid down in Article 1, paragraphs 125-129, of Italian Law no. 124/2017 but the wording gave rise to several problems in terms of interpretation and application. The worries expressed by trade associations (including Assonime, the Italian Association of Joint-stock Companies) were for the most part solved by Article 35 of Italian Decree Law no. 34/2019 (Growth Decree), which, in many cases, clarifies important matters, in order to streamline and rationalize the aforementioned requirements.

The Law establishes the obligation to disclose, in the note to the financial statements as at 31 December 2019 – and, where applicable, in the note to the consolidated financial statements – the amounts of and other information on “grants, subsidies, advantages, contributions or aids, in money or in kind, not given in general and other than considerations, remuneration or compensations, received from public administration bodies and other identified entities” (hereinafter for short “public funding”).

Noncompliance with these obligations is punished with a civil fine equal to 1% of the received amounts, with a minimum fine of Euro 2,000 and the ancillary penalty of complying with the disclosure obligation. If the offender does not comply with the set disclosure obligation and does not pay the fine within 90 days of its imposition, it shall be required to return the all the amounts received to the entities that granted them.

In order to prevent accumulation of non-relevant information, the Euro 10,000 threshold has been kept, below which the recipient is not required to disclose any information on the received government aid.

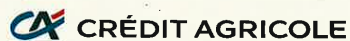
Furthermore, in August 2017 the Italian national State Aid Registry was set up at the Directorate-general for business incentive at the Italian Ministry of Economic Development, where all State aids and small amount aids to businesses shall be entered by those that give or manage such aids.

For the aids to Crédit Agricole Italia, please refer to the “Registry Transparency” section, which is publicly available.

DISCLOSURE OF THE FEES FOR THE AUDIT OF THE
ACCOUNTS AND NON-AUDIT SERVICES PURSUANT
TO ARTICLE 149-DUODECIES OF THE ISSUER
REGULATION

FEES FOR:	31 Dec. 2024
Statutory audit of annual accounts	1,453
Certification services	81
Other services	309
Total	1,843

CERTIFICATION OF THE FINANCIAL STATEMENTS PURSUANT TO ARTICLE 154-BIS OF ITALIAN LEGISLATIVE DECREE NO. 58/1998



1. The undersigned Giampiero Maioli, Chief Executive Officer, and Pierre Débourdeaux, Senior Manager in charge of the preparation of the company accounting statements of Crédit Agricole Italia S.p.A., hereby certify, considering also the provisions of article 154-bis, paragraphs 3 and 4, of legislative decree No. 58 of 24 February 1998:

- the adequacy in relation to the company's characteristics and
- the actual application of the administrative and accounting procedures for the formation of the financial statement during the course of the 2024 financial year.

2. With regard to this, no significant aspects have emerged.

3. The undersigned certify also that:

3.1 The report and financial statements as at 31 december 2024:

- a) have been drawn up in compliance with the applicable International accounting principles endorsed within the European Union pursuant to EC Regulation no. 1606/2002 of the European Parliament and of the European Council, dated 19 July 2002;
- b) correspond to the results recorded in the accounting books and registers;
- c) furnishes a true and correct representation of the capital, economic and financial situation of the issuer.

3.2 The management report includes a reliable analysis on the management trend and performance, as well as of the issuer's situation and a description of the major risks and uncertainties to which it is exposed.

Parma, 18 March 2025

Giampiero Maioli

Chief Executive Officer

Pierre Débourdeaux

Chief Financial Officer and Senior Manager in charge of the
preparation of the Company accounting statements

Crédit Agricole Italia S.p.A. - Sede Legale Via Università, 1 - 43121 Parma - telefono 0521.912111

Capitale Sociale euro 1.102.071.064,00 i.v. - Iscritta al Registro Imprese di Parma, Codice Fiscale n. 02113530345, aderente al Gruppo IVA Crédit Agricole Italia, Partita Iva n. 02886650346. Codice ABI 6230.7. Iscritta all'Albo delle Banche al n. 5435. Aderente al Fondo Interbancario di Tutela dei Depositi e al Fondo Nazionale di Garanzia. Capogruppo del Gruppo Bancario Crédit Agricole Italia iscritto all'Albo dei Gruppi Bancari al n. 6230.7 - Società soggetta all'attività di Direzione e Coordinamento di Crédit Agricole S.A.

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of Crédit Agricole Italia SpA

Opinion

We have audited the financial statements of the Crédit Agricole Italia SpA (the Company or the Bank), which comprise the balance sheet as of 31 December 2024, the income statement, 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 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and article 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 this report. We are independent of Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





Key Audit Matters

Recoverability of the book value of goodwill arising from business combinations

Notes to the financial statements
Part A – Accounting policies
Part B – Information on the Balance Sheet, Section 9 of assets

As of 31 December 2024, the book value of goodwill arising from business combinations is equal to Euro 1,316 million.

The directors assess the recoverable value of goodwill, at least annually (impairment test). Such assessment, aimed at identifying any impairment losses, is based, pursuant to IAS 36 “Impairment of assets”, on the comparison between the book value and the higher of fair value less costs to sell and the value in use of the Cash Generating Unit (the CGU).

The estimate of the value in use of the CGU was carried out using the Dividend Discount Model, in the excess capital version.

This methodology, consolidated and recognised in the prevailing practice, requires the use of information, parameters and assumptions, which were also developed with the support of the parent company Crédit Agricole S.A.. The determination of the recoverable value of the goodwill requires the directors to make estimates that, by their nature, contain significant elements of professional judgement with particular reference to expected cash flows.

For the reasons set out above, we considered the recoverability of the book value of goodwill to be a key audit matter of the financial statements as of 31 December 2024.

Auditing procedures performed in response to key audit matters

During the performance of our audit, we considered the internal control system relevant to the preparation of the financial statements. Specifically, we carried out the following main activities, also with the support of the PwC network experts:

- understanding and evaluating the process and methodology adopted by the directors to perform the impairment test;
- verifying the consistency of the evaluation method adopted with the requirements of IAS 36, taking also into account the market practice;
- assessing the reasonableness of the forecast data used to determine the prospective cash flows of the identified CGU, and the data consistency with the forecast plans;
- evaluation of the reasonableness of the main assumptions used by the directors in the evaluation process, also by checking with external data where available, the main quantitative parameters (cost of capital, discount and growth rates) used to determine the recoverable amount of the CGU;
- verification of the accuracy of the mathematical calculations underlying the valuation models used and their correctness;
- evaluating the results of the sensitivity analyses carried out by the directors in order to determine the changes in the main assumptions which could impact on the evaluation of the recoverable value of goodwill;
- verifying the completeness and adequacy of the disclosure provided by the directors in the notes to the financial statements in accordance with the requirements of international accounting standards and the applicable regulatory framework, as well as the communications of the Supervisory Authorities.



Key Audit Matters

Recoverability of “non-convertible” deferred tax assets

Notes to the financial statements
Part A – Accounting policies
Part B – Information on the Balance Sheet, Section 10 of assets
Part C – Information on the Income Statement, Section 19

As of 31 December 2024, the line item 100 b) “Deferred tax assets” included Deferred Tax Assets (hereinafter also “DTAs”) for an amount equal to Euro 1,067 million, of which Euro 647 million represented by tax assets which are not convertible pursuant to Law 214/2011.

The directors carry out the periodic assessment of the recoverability of the DTAs through the performance of a specific estimation process (the probability test) aimed, in accordance with IAS 12 “Income Taxes”, at verifying the availability of sufficient future taxable income, also in consideration of the Bank’s participation in the tax consolidation regime of the Crédit Agricole S.A. Group in Italy.

The assessment of the recoverability of DTAs requires the use of information, parameters and assumptions that present a high degree of subjectivity and complexity, with particular reference to the estimation of future taxable income.

For the reasons set out above, we considered the recoverability of the “non-convertible” deferred tax assets to be a key audit matter of the financial statements as of 31 December 2024.

Auditing procedures performed in response to key audit matters

During the performance of our audit, we considered the internal control system relevant to the preparation of the financial statements. In particular, in order to address such key audit matter, we carried out the following main activities, also with the support of the PwC network experts:

- understanding and evaluating the process and methodology adopted by the directors to perform the probability test;
- verifying the consistency of the methodology adopted with the requirements of IAS 12, taking also into consideration the professional practice, as well as the communications and recommendations of the Supervisory Authorities;
- assessing the reasonableness of the main qualitative and quantitative assumptions adopted for the preparation of the probability test based on the applicable tax framework;
- verifying the consistency of the income flows behind the probability test with those used in other relevant valuation processes;
- verifying the accuracy of the mathematical calculations underlying the probability test and their correctness;
- evaluating the results of the sensitivity analyses carried out by the directors on the recoverability of the DTAs when the parameters adopted change;
- verifying the completeness and adequacy of the disclosure provided in the notes to the financial statements in accordance with the requirements of international accounting standards, the applicable regulatory framework, as well as the communications and recommendations issued by the Supervisory Authorities.



Key Audit Matters

Valuation of performing loans to customers measured at amortized cost

Notes to the financial statements
Part A – Accounting policies
Part B – Information on the Balance Sheet, Section 4 of assets
Part C – Information on the Income Statement, Section 8
Part E – Information on risks and relative hedging policies – Section 1

Performing loans to customers (Stage 1 and 2) as of 31 December 2024 amount to Euro 64,664 million representing about 91 per cent of line item “40 b) Financial assets measured at amortized cost – loans to customers”, corresponding to 70 per cent of total assets of the financial statements.

Net adjustments for credit risk on these loans recognised during the year amount to Euro 4.9 million and represent the best estimate made by the directors in order to recognise, as of the balance sheet date, the expected credit losses (ECL) of the loan portfolio, based on applicable international accounting standards.

The estimation processes and valuation methods adopted are characterised by a high degree of professional judgement and require the estimation of numerous relevant variables. The use of significant assumptions is relevant for to verification of the Significant Increase in Credit Risk (SICR), and also to allocate portfolios to the different stages (Staging), as well as to determine the assumptions and input data for the Expected Credit Loss (ECL) models. These models incorporate the prospective information developed centrally by the parent company Crédit Agricole S.A., according to a multi-scenario approach.

Auditing procedures performed in response to key audit matters

During the performance of our audit, we considered the internal control system relevant to the preparation of the financial statements. In order to address such key audit matter, we carried out the following main activities, also with the support of the PwC network experts:

- analysing the adequacy of the IT environment and verifying the operational effectiveness of the relevant controls governing the IT systems and applications used by the Bank for loan assessment purposes;
- understanding and evaluating the design of relevant controls in the areas of loan monitoring, classification and evaluation and verifying the operational effectiveness of certain controls;
- procedures of comparative analysis of the performing loans to customers and of the related coverage indices, including by comparison with the previous periods' figures and with sector information;
- understanding and verifying the appropriateness of the policies, procedures and models used, as well as the related updates, for measuring SICR, staging and determining ECL;
- understanding and verifying the methods to determine the main estimation parameters used in the models for calculating the ECL, in light also of the refinements and updates introduced during the year. In particular, we verified the reasonableness of the estimates made by the directors in defining the expected macroeconomic scenarios, also through comparison with external sources, as well as the post-model adjustments applied and related reasonableness;



Key Audit Matters

For the current fiscal year, these estimation processes were affected by some methodological updates compared to the previous year.

In particular, in addition to the ordinary process of updating the input data and refining the risk parameters, the Bank, in agreement with the parent company Crédit Agricole S.A., has also carried out updates to the qualitative criteria for allocation to various risk stages and to post-model adjustments. These interventions were considered necessary in order to improve the predictive capacity of the models in use, to factor in the uncertainties of the macro-economic context, as well as to factor in certain additional risk elements that were not adequately captured by the models currently used.

Considering the significance of the financial statement value, the complexity of the processes and methodologies adopted, and taking also into account the refinements and updates made to the criteria and methods used during the year, we considered the valuation of the loans in question to be a key audit matter of the financial statements as of 31 December 2024.

Valuation of non-performing loans to customers measured at amortized cost

Notes to the financial statements

Part A – Accounting policies

Part B – Information on the Balance Sheet, Section 4 of assets

Part C – Information of the Income Statement, Section 8

Part E – Information on risks and relative hedging policies – Section 1

Auditing procedures performed in response to key audit matters

- verification of the correct application of the defined valuation criteria, the completeness and accuracy of the databases used to calculate the ECL, and the accuracy for calculating the risk parameters;
- verification, on a sample basis, of the reasonableness of the classification under performing loans on the basis of the different information available on the debtor status, including external evidence;
- evaluation of the results of the sensitivity analyses carried out by the directors on the ECL against the macroeconomic scenarios affecting the risk parameters of the models used;
- verifying the completeness and adequacy of the disclosure provided by the directors in the notes to the financial statements in accordance with international accounting standards, the applicable regulatory framework, as well as the communications issued by the Supervisory Authorities.

During the performance of our audit, we considered the internal control system relevant to the preparation of the financial statements. In order to address such key audit matter, we carried out the following main activities, also with the support of the PwC network experts:

- analysis of the adequacy of the IT environment and verification of the operational effectiveness of the relevant controls governing the IT systems and applications used for loan assessment purposes;



Key Audit Matters

Non-performing loans to customers (stage 3) as of 31 December 2024, show a balance of Euro 793 million corresponding to 1.1 per cent of line item “40 b) *Financial assets measured at amortized cost – loans to customers*”.

Net adjustments for credit risk on these loans recognised during the year amount to Euro 217.4 million and represent the best estimate made by the directors in order to adjust, as of the balance sheet date, the expected losses relating to the loan portfolio on the basis of the applicable international accounting standards.

The estimation processes and valuation methods, both analytical and lump-sum, are characterised by high complexity and a high degree of professional judgement requiring the estimation of numerous variables; the use of significant assumptions is particularly relevant to the estimation of expected future cash flows, their timing and the realisable value of collaterals, if any.

Considering the significance of the financial statement value of non-performing loans, the complexity of the processes and methodologies adopted and taking into account the high subjectivity of the assumptions and hypotheses, we considered the valuation of the loans in question to be a key audit matter of the financial statements as of 31 December 2024.

Auditing procedures performed in response to key audit matters

- understanding and evaluating the design of relevant controls in the area of loan monitoring, classification and evaluation and verifying the operational effectiveness of certain controls;
- understanding and verifying the appropriateness of the valuation policies adopted by the Bank;
- procedures of comparative analysis of loans to customers and related coverage indices, including by comparison with the previous periods' figures and with sector information;
- verifying, on a sample basis, the reasonableness of classification of the selected positions under non-performing loans, based on the different information regarding the debtor status, including external evidence. Additionally, analyses were carried out on the assumptions made with particular reference to the identification and quantification of future cash flows expected from recovery activities and the valuation of the guarantees covering such exposures;
- verifying the completeness and adequacy of the disclosure provided by the directors in the notes to the financial statements in accordance with the requirements of international accounting standards, the regulatory framework, as well as the communications issued by the Supervisory Authorities.

Other Matters

The Company as required by law, has included in the notes to the financial statements the key figures of the latest financial statements of the entity which directs and coordinates its activities. Our opinion on the financial statements of Crédit Agricole Italia SpA does not extend to those figures.



Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and article 43 of Legislative Decree No. 136/15 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we 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;
- We 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;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;



- We concluded on the appropriateness of the directors' 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;
- We 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 communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 28 April 2021, the shareholders of Crédit Agricole Italia SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2021 to 31 December 2029.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.



Report on Compliance with other Laws and Regulations

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of Crédit Agricole Italia SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Crédit Agricole Italia SpA as of 31 December 2024, including their consistency with the relevant financial statements and their compliance with the law.

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

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements;
- express an opinion on the compliance with the law of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the financial statements of Crédit Agricole Italia SpA as of 31 December 2024.

Moreover, in our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Milan, 8 April 2025

PricewaterhouseCoopers SpA

Signed by

Raffaella Preziosi
(Partner)

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

CRÉDIT AGRICOLE ITALIA

ANNEXES



Tax-related information on reserves

841

Owned assets subject to revaluation
pursuant to special laws

843

TAX INFORMATION ON RESERVES

Tax information on equity reserves

	Reserves and provisions that do not form part of Shareholders' income in case of distribution	Reserves and provisions that form part of the Company's taxable income in case of distribution	Reserves and provisions that form part of the Shareholders' taxable income in case of distribution	Reserve for windfall tax on banks ^(**)	Undistributable valuation reserves
Share premium reserve	3,452,934	42,444	-	-	-
Reserve pursuant to It. Leg. D. 124/93 - Art. 13	-	334	-	-	-
Legal reserve	-	-	220,414	-	-
Extraordinary reserve	-	-	647,516	-	-
Reserve under tax suspension for Realignment under Article 110 of Italian Decree Law 104/2020 ^(*)	-	711,733	-	-	-
Reserve from first time adoption of IAS/IFRS	-	-	-97,651	-	-
Reserve from tax adjustment from first time adoption of IAS/IFRS for realignment of carrying amounts and tax bases	-	-	12,318	-	-
Valuation reserve for other corridor elimination	-	-	-5,076	-	-
Reserve from measurement of OCIRE securities	-	-	-	-	11,195
Reserve from measurement of OCINR securities	-	-	-	-	-16,139
Reserve from valuation of HTCS tax credits	-	-	-	-	-15,251
Reserve from actuarial valuation - employee severance benefits and defined-benefit pension plan	-	-	-	-	-44,029
Undistributable extraordinary reserve gains on securities at FV	-	-	-	-	98
Reserve for share-based payments	1	-	2,589	-	-
Reserve for free assignation of shares	-	-	1,240	-	-
Reserve from adjustment to Transfer Purchase Price	-	-	605	-	-
Reserve for interest on Additional Tier 1 Instruments	-	-	-417,338	-	-
2019 retained earnings reserve	-	-	233,686	-	-
Reserve from OCINR category securities for sale	-	-	-4,196	-	-
Extraordinary reserve of undistributable dividends on treasury shares ^(**)	-	-	8	-	-
Undistributable extraordinary reserve for purchase of treasury shares	-	-	6	-	-
IFRS 9 FTA reserve	-	-	-347,953	-	-
Reserve for Carim FTA IAS 19 revised	-	-	-305	-	-
Other reserves for OCINR category securities	-	-	-	-	384
Reserve for windfall tax on banks under art. 26 of Italian Decree-Law 104/2023 ^(**)	-	-	-	217,350	-
Distributable reserve for business combinations under common control	-	1,023,135	-	-	-
TOTAL	3,452,935	1,777,646	245,863	217,350	-63,742
Reserve with tax suspension constraint under Law 266/2005 included in capital	-	138,249	-	-	-

(*) Reserve under tax suspension for realignment under Article 110 of Italian Decree Law 104/2020. In case of any use other than coverage of losses, the amounts attributed to the shareholders, plus the related substitute tax.

(**) Reserve for windfall tax on banks (known as excess profit tax) under art. 26 of Italian Decree-Law 104/2023.

In case of distribution, even partial, of the reserve, the Bank shall pay the full windfall tax under art. 26 of Italian Decree-Law 104/2023 plus interest.

The use of the loss reserve entails the transfer of the undistributability constraint, for the windfall tax, on the other distributable reserves (retained earnings and/or capital reserves) by an amount equal to the reserve use under art. 26 of Italian Decree-Law 104/2023 and, in any case, up to their full amount.

Shareholders' equity: possible use and distributability (pursuant to Article 2427 - paragraph 7-bis)

Liabilities	Amount	Possibility of use (*)	Distributable portion	Summary of uses in last three years	
				To cover losses	Other uses
Capital	- 1,102,071	-	-	-	-
o/w for Reserve under tax suspension pursuant to Law 266/2005	138,249	-	-	-	-
Treasury shares	- 6	-	-	-	-
Equity instruments	- 740,000	-	-	-	-
Share premium reserve	- 3,452,934	A, B, C (4)	3,452,934	-	-
Share premium reserve taxable pursuant to Law 266/2005	- 42,444	A, B (2), C (3)	42,444	-	-
Reserves	- 2,198,898	-	-	-	-
Legal reserve	220,414	-	A(1), B	-	-
Extraordinary reserve	647,516	-	A, B, C	71,836	166,000
Reserve under tax suspension for Realignment under Article 110 of Italian Decree Law 104/2020	711,733	-	A, B (6), C	-	-
Reserve pursuant to It. Leg. D. 124/93 - Art. 13	334	-	A, B, C	334	-
2019 retained earnings reserve	233,686	-	A, B, C	233,686	-
Reserve for share-based payments	2,590	-	A, B, C	2,590	-
Reserve for free assignment of shares	1,240	-	A, B, C	1,240	-
Reserve from adjustment to Transfer Purchase Price	605	-	A, B, C	605	-
Reserve from OCINR category securities for sale	-4,196	-	A, B, C	-4,196	-
Reserve for interest on Additional Tier 1 Instruments	-417,338	-	A, B, C	-417,338	-
Reserve for contributions for share capital increase	-	-	A	-	-
Reserve from first time adoption of IAS/IFRS	-97,651	-	-	-	-
Reserve from tax adjustment from first time adoption of IAS/IFRS for realignment of carrying amounts and tax bases	12,318	-	-	-	-
IFRS 9 FTA reserve	-347,953	-	-	-	-
Valuation reserve for other corridor elimination	-5,076	-	-	-	-
Reserve for Carim FTA IAS 19 revised	-305	-	-	-	-
Undistributable extraordinary reserve for gains on securities at FV	98	-	(5)	-	-
Extraordinary Reserve Undistributable reserve Treasury shares	8	-	-	-	-
Undistributable extraordinary reserve for treasury shares purchase	6	-	-	-	-
Distributable reserve for business combinations under common control	1,023,135	-	A, B, C	1,023,135	-
Other reserves for OCINR category securities	384	-	A, B, C	384	-
Reserve for windfall tax on banks under art. 26 of Italian Decree-Law 104/2023	217,350	-	A, B, C (7)	217,350	-
Valuation reserves	- 64,224	-	-	-	-
Reserve from measurement of OCIRE securities	11,195	-	-	-	-
Reserve from measurement of OCINR securities	-16,139	-	-	-	-
Reserve from valuation of HTCS tax credits	-15,251	-	-	-	-
Reserve from actuarial valuation - employee severance benefits and defined-benefit pension plan	-44,029	-	-	-	-
Profit for the FY	- 793,627	-	-	-	-
TOTAL	8,265,744		5,912,417	71,836	166,000

(*) A: For capital increase B: To cover losses C: For distribution to Shareholders.

(1) Usable for share capital increase (A) for the portion exceeding one fifth of the share capital.

(2) If the reserve is used to cover losses, no profits may be distributed until such reserve is restored or reduced by the same amount. The reduction must be approved by the Extraordinary Shareholders' Meeting without applying the provisions of the second and third paragraphs of Article 2445 of the Italian Civil Code.

(3) Unless the reserve is transferred to share capital, it may only be reduced with the application of the provisions of Article 2445 paragraphs 2 and 3 of the Italian Civil Code. If distributed, it shall form part of the Company's taxable income.

(4) Distributable when the legal reserve has reached one fifth of the share capital.

(5) Undistributable reserve pursuant to Article 6 of Italian Legislative Decree 38/2005.

The reserve may be reduced only if in compliance with paragraphs 2 and 3 of Article 2445 of the Italian Civil Code, i.e. with resolution of the extraordinary General Meeting of Shareholders. Where the reserve is used to cover losses, the formal procedures set out in paragraphs 2 and 3 of Article 2445 of the Italian Civil Code, but no earnings may be distributed until the reserve is fully restored or reduce by the amount used with resolution passed by the extraordinary General Meeting of Shareholders.

(**) Reserve for windfall tax on banks (known as excess profit tax) under art. 26 of Italian Decree-Law 104/2023.

In case of distribution, even partial, of the reserve, the Bank shall pay the full windfall tax under art. 26 of Italian Decree-Law 104/2023 plus interest.

The use of the loss reserve entails the transfer of the undistributability constraint, for the windfall tax, on the other distributable reserves (retained earnings and/or capital reserves) by an amount equal to the reserve use under art. 26 of Italian Decree-Law 104/2023 and, in any case, up to their full amount.

OWNED PROPERTY SUBJECT TO REVALUATION PURSUANT TO SPECIAL LAWS

List of owned property items that have been revaluated and are still recognized by Crédit Agricole Italia, setting forth the revaluation amount pursuant to Article 10 of Italian Law No. 72 of 19 March 1983.

Description	Book value net of revaluations	L.19.2.73 n. 823	L.2.12.75 n. 576	Total cost	Accumulated depreciation as at 31 Dec. 2024	Net book value as at 31 Dec. 2024
FURNITURE AND FITTINGS	40,581	3,225	18,450	62,256	62,256	-
MACHINERY	21,962,160	1,584	10,554	21,974,299	148,432	21,825,867
Grand total of assets with revaluation	22,002,741	4,809	29,004	22,036,555	210,688	21,825,867

Description	Book value net of revaluations	Book value net of revaluations/ impairment	L.11.2.62 n. 74	L.19.2.73 n. 823	L.2.12.75 n. 576	L.19.2.83 n. 72	L.30.7.90 n. 210	L.29.12.90 n. 408	L.30.12.91 n. 413	Fusione '94	L.185/08	Deemed cost	Italian Law 147/2013	Altre Riv. INC.	L.19.10.37 n. 1729	Riv. Italian Law 342/200	Riv. Italian Law 266/05	Riv. FTA 2003	Total cost	Accumulated depreciation as at 31 Dec. 2024	Net book value as at 31 Dec. 2024
ACI CASTELLO	256,850	256,850	-	-	-	31,000	-	-	82,000	-	-	-	-	-	-	-	717,122	-	1,086,972	650,603	436,370
ACI CATENA	206,868	206,868	-	-	-	21,000	-	-	146,000	-	-	-	-	-	-	-	346,538	-	720,406	401,292	319,114
ACIREALE	333,516	333,516	-	-	-	-	-	-	-	-	-	-	-	-	-	-	662,861	-	996,377	510,542	485,835
ACIREALE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ACIREALE	1,585,871	3,048,369	-	-	51,000	516,000	-	-	1,523,000	-	-	-	-	-	-	-	4,664,405	-	8,340,276	2,984,898	5,355,378
AGAZZANO	151,711	151,711	-	-	-	36,152	53,139	-	17,282	-	-	-	-	-	-	-	-	-	258,284	122,372	135,911
AGLIENTU	48,400	48,400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,496	-	58,896	-	58,896
AGRATE BRIANZA	113,649	113,649	-	-	-	25,823	-	-	215,619	-	-	-	-	-	-	-	981,859	-	1,336,950	751,742	585,208
ALBARETO	205,310	205,310	-	-	-	-	64,005	-	22,958	-	-	-	-	-	-	-	-	-	292,272	218,843	73,430
ALSENO	381,677	381,677	-	-	-	51,446	108,998	-	47,211	-	-	-	-	-	-	-	-	-	589,532	370,931	218,601
ANNICCO	136,729	136,729	1,176	3,176	-	-	-	-	52,652	67,277	-	-	-	-	-	-	-	-	261,011	174,663	86,348
APRICA	-16,037	-16,037	-	-	12,167	81,204	-	-	45,954	-	-	-	-	-	-	-	556,481	-	679,769	269,073	410,696
ARCOLA	365,661	365,661	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,673	-11,945	381,369	220,138	161,231
ARZENNO	-40,708	-40,708	-	-	-	106,063	-	-	44,379	-	-	-	-	-	-	-	398,275	-	508,009	273,080	234,929
ASOLA	365,004	365,004	1,501	19,641	-	-	-	-	66,395	227,909	-	-	-	-	-	-	-	-	680,451	348,054	332,396
AULLA	639,840	639,840	-	-	-	-	-	114,140	273,656	-	-	-	-	-	-	165,727	111,800	-56,593	1,248,570	1,057,050	191,520
AVIANO	1,954,083	2,138,655	-	-	-	-	-	-	154,547	-	-	-	-	-	-	-	-	-	2,108,630	1,345,040	763,589
AZZANO	1,975,305	2,238,347	-	-	-	33,164	-	-	848,193	-	-	-	-	-	-	-	-	-	2,856,662	1,623,566	1,233,096
BAGNONE	27,288	27,288	-	10,329	-	-	-	54,274	69,779	-	-	-	-	-	-	36,283	40,744	-3,531	235,166	188,978	46,188
BARBARASCO DI TRESANA	389,956	389,956	-	-	-	-	80,186	-	47,582	-	-	-	-	-	-	-	171,763	241,698	931,185	826,879	104,306
BASILIANO	135,957	135,957	-	14,254	2,582	-	-	-	77,082	-	-	-	-	-	14	-	-	-	229,890	127,766	102,123
BASILICANOVA	312,923	312,923	-	-	-	57,102	167,530	13,316	147,621	-	-	-	-	-	-	-	-	-	698,482	459,206	239,276
BEDONIA	680,117	680,117	-	-	-	-	182,435	-	112,306	-	-	-	-	-	-	-	-	-	974,858	678,193	296,665
BELGIOIOSO	206,308	206,308	1,151	11,204	-	-	-	-	21,180	229,336	-	-	-	-	-	-	-	-	469,179	295,762	173,417
BELLARIA IGEA MARINA	480,675	547,814	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	480,675	175,266	305,409
BELLARIA IGEA MARINA	735,969	735,969	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	735,969	247,697	488,272
BELLARIA IGEA MARINA	1,683,783	1,745,557	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,683,783	336,769	1,347,014
BERBENNO DI VALTELLINA	128,514	128,514	-	-	-	41,127	-	-	42,774	-	-	-	-	-	-	-	283,278	-	495,693	294,180	201,513
BERCETO	155,223	155,223	-	2,161	11,500	61,274	87,586	-	55,926	-	-	-	-	-	-	-	-	-	373,669	257,056	116,614
BETTOLA	158,413	158,413	-	-	-	61,975	134,658	-	27,484	-	-	-	-	-	-	-	-	-	382,530	239,564	142,966
BEVERINO	113,376	113,376	-	-	-	-	41,634	-	18,300	-	-	-	-	-	-	-	96,138	169,434	438,871	370,588	68,284
BIRONE DI GIUSSANO	-	-70,957	-	-	-	-	-	-	362,922	-	-	-	-	-	-	-	555,888	-	847,853	535,283	312,570
BOBBIO	562,298	562,298	-	-	-	43,608	112,497	-	20,969	-	-	-	-	-	-	-	-	-	739,372	340,249	399,122
BOLANO	801,886	801,886	-	-	-	-	366,774	-	131,993	-	-	-	-	-	-	-	315,973	503,375	2,120,001	1,872,977	247,024
BOLOGNA	492,214	492,214	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	492,214	101,014	391,200
BOLOGNA	723,809	1,401,908	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	723,809	225,552	498,257
BOMPIENSIERE PRINCIPE	41,787	41,787	-	-	-	-	-	-	16,308	-	-	-	-	-	-	-	8,512	-	66,607	61,191	5,416
BORGONOVIO	476,990	476,990	-	-	-	56,810	87,567	-	31,598	-	-	-	-	-	-	-	-	-	652,966	408,502	244,463
BORGOTARO	501,951	501,951	-	11,389	18,401	95,615	128,117	-	16,994	-	-	-	-	-	-	-	-	-	772,469	536,843	235,625
BORMIO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BORMIO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BORMIO	-242,819	-242,819	-	-	57,802	1,358,575	-	-	453,018	-	-	-	-	-	-	-	2,849,079	-	4,475,655	1,488,337	2,987,318

Description	Book value net of revaluations	Book value net of revaluations/ impairment	L. 11.2.62 n. 74	L. 19.2.73 n. 823	L. 2.12.75 n. 576	L. 19.3.83 n. 72	L. 30.7.90 n. 218	L. 29.12.90 n. 408	L. 30.12.91 n. 413	Fusione '94	L.185/08	Deemed cost	Italian Law 147/2013	Altre Riv. INC.	L. 19.10.37 n. 1729	Riv. Italian Law 342/200	Riv. Italian Law 266/05	Riv. FTA 2003	Total cost	Accumulated depreciation as at 31 Dec. 2024	Net book value as at 31 Dec. 2024
BRESCIA	2,097,666	2,808,304	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87,712	-	2,105,378	1,103,258	1,082,119
BRONI	979,935	979,935	-	-	-	328,983	-	-	300,316	50,149	-	-	-	-	-	-	-	-	1,659,383	1,202,725	456,658
BRUGNATO	223,949	223,949	-	-	-	-	127,067	-	43,974	-	-	-	-	-	-	-	173,300	200,863	769,153	669,892	99,261
BRUGNERA	2,176,623	2,472,492	-	-	-	-	-	-	170,054	-	-	-	-	-	-	-	-	-	2,346,678	1,497,623	849,055
BUIA	415,156	415,156	-	-	-	-	-	-	90,508	-	-	-	-	-	-	-	-	-	505,664	361,506	144,158
BULCAGO	505,025	505,025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	93,278	-	598,303	446,177	152,126
BUSSETO	730,093	730,093	-	22,360	-	-	468,356	-	100,485	-	-	-	-	-	-	-	-	-	1,321,294	913,651	407,643
CADEO	484,175	484,175	-	-	-	-	16,673	-	102,983	-	-	-	-	-	-	-	-	-	603,832	423,963	179,869
CALATAFIMI	631,023	631,023	-	-	-	-	-	254,187	-	-	-	-	-	-	-	-	44,102	-	929,312	764,200	165,111
CALENDASCO	314,391	314,391	-	-	-	-	36,431	-	41,650	-	-	-	-	-	-	-	-	-	392,472	186,082	206,390
CALESTANO	129,153	129,153	-	9,321	1,911	47,801	94,609	-	17,398	-	-	-	-	-	-	-	-	-	300,193	166,682	133,511
CAUCE AL CORNIOVIGLIO	-55,696	-55,696	-	-	-	-	17,175	-	1,980	-	-	-	-	-	-	-	89,692	112,468	165,618	138,861	26,757
CALTAGIRONE	-1,551,315	398,299	-	-	20,560	534,868	-	-	529,785	-	-	-	-	-	-	-	4,092,585	-	3,626,483	2,558,947	1,067,536
CALTANISSETTA	418,922	418,922	-	-	-	49,282	-	-	193,641	-	-	-	-	-	-	-	371,906	-	1,033,751	530,043	503,708
CAMPODOLCINO	-259,742	-156,238	-	-	-	193,623	-	-	64,540	-	-	-	-	-	-	-	552,298	-	550,719	266,057	284,662
CAMPODOLCINO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CANNIZZARO	330,468	330,468	-	-	-	-	-	-	37,000	-	-	-	-	-	-	-	901,173	-	1,268,641	684,443	584,198
CANNIZZARO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CARSO	420,319	420,319	-	-	-	98,127	101,462	-	41,257	-	-	-	-	-	-	-	-	-	661,165	377,149	284,016
CAPANNOLI	3,887	3,887	-	-	-	-	-	-	-	-	2,118	-	-	-	-	-	-	-	6,006	801	5,205
CAPANNOLI	273,070	309,723	-	-	-	-	-	-	-	-	9,200	-	-	-	-	-	-	-	282,270	101,031	181,239
CAPANNOLI	11,968	11,968	-	-	-	-	-	-	-	-	602	-	-	-	-	-	-	-	12,570	3,388	9,182
CARRARA	2,781,920	2,781,920	-	-	-	-	43,972	-	112,869	-	-	-	-	-	-	-	807,721	-347,109	3,399,372	1,915,943	1,483,429
CARRARA	230,062	230,062	-	-	-	-	-	64,806	385,522	-	-	-	-	-	-	167,428	-	-282,531	565,287	461,956	103,331
CARRARA	1,987,141	1,987,141	-	-	-	-	-	905,346	222,095	-	-	-	-	-	-	531,937	452,996	-55,377	4,044,138	2,703,644	1,340,494
CASALBUTTANO	98,557	98,557	506	31,536	-	-	-	-	57,722	100,940	-	-	-	-	-	-	-	-	289,261	199,884	89,376
CASALMAGGIORE	278,021	278,021	2,359	22,273	-	-	-	-	36,030	292,244	-	-	-	-	-	-	-	-	630,927	414,018	216,909
CASALPISTERLENGO	904,504	904,504	-	-	-	211,740	-	-	409,979	266,529	-	-	-	-	-	-	-	-	1,792,751	1,385,570	407,180
CASARSA DELLA DELIZIA	856,447	856,447	-	-	-	159,952	-	-	480,375	-	-	-	-	-	-	-	-	-	1,496,774	1,094,105	402,670
CASPOGGIO	70,825	145,833	-	-	-	-	-	-	263,229	-	-	-	-	-	-	-	762,976	-	1,097,030	554,624	542,406
CASSACCO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASSACCO	610,627	610,627	-	-	-	-	-	-	65,673	-	-	-	-	-	-	-	-	-	676,300	352,131	324,169
CASSINO CASILINA	-315,036	543,914	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,622,240	-	1,307,205	1,030,890	276,315
CASSOLNOVO	518,027	537,948	-	-	10,329	-	91,583	-	21,130	-	-	-	-	-	-	-	-	-	641,069	325,387	315,682
CASTEL SAN GIORGIO	844,063	844,063	-	-	-	171,844	413,391	-	88,751	-	-	-	-	-	-	-	-	-	1,518,049	948,141	569,908
CASTELFIORENTINO	478,919	478,919	-	-	-	-	-	-	-	-	14,609	-	-	-	-	-	-	-	493,528	191,052	302,476
CASTELFRANCO DI SOTTO	22,817	22,817	-	-	-	-	-	-	-	-	1,984	-	-	-	-	-	-	-	24,801	6,472	18,329
CASTELFRANCO DI SOTTO	1,069,015	1,069,015	-	-	-	-	-	-	-	-	6,973	-	-	-	-	-	-	-	1,075,988	371,498	704,491
CASTELLUCCHIO	732,860	835,064	-	-	-	-	-	-	226,505	49,464	-	-	-	-	-	-	-	-	1,008,829	729,029	279,800
CASTELNUOVO MAGRA	513,710	513,710	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,424	-6,424	513,710	256,467	257,244
CASTELVERO	70,667	70,667	-	5,416	-	-	-	-	17,640	92,677	-	-	-	-	-	-	-	-	186,400	127,343	59,057
CASTENASO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CASTENASO	405,677	405,677	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	405,677	114,162	291,516
CATANIA	2,537,574	4,314,737	-	-	-	516,000	-	-	1,218,000	-	-	-	-	-	-	-	1,290,818	-	5,562,392	2,340,628	3,201,764
CATANIA	344,969	344,969	-	-	-	-	-	-	-	-	-	-	-	-	-	-	143,931	-	488,900	287,256	201,644
CATTOLICA	4,834,407	6,824,407	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,834,407	953,907	3,870,500
CERRETO GUIDI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CERRETO GUIDI	413,634	413,634	-	-	-	-	-	-	-	-	2,413	-	-	-	-	-	-	-	416,047	149,535	266,512
CERRETO GUIDI	323,689	323,689	-	-	-	-	-	-	-	-	4,601	-	-	-	-	-	-	-	328,290	118,587	209,702
CERTOSA DI PAVIA	501,233	501,233	-	4,692	-	120,851	-	-	82,275	28,618	-	-	-	-	-	-	-	-	737,669	445,912	291,757
CERVIGNANO	231,848	231,848	-	82,225	12,395	473,591	-	-	154,057	-	-	-	-	-	-	-	-	-	954,116	626,975	327,141
CESENA	326,153	326,153	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	326,153	131,551	194,603
CHIAVENNA	-179,184	748,998	-	-	-	234,134	-	-	444,452	-	-	-	-	-	-	-	2,678,104	-	3,177,506	1,662,368	1,515,137
CHIRO	45,785	45,785	-	-	-	-	-	-	117,650	-	-	-	-	-	-	-	708,537	-	871,972	462,814	409,158
CINGIA DE' BOTTI	9,619	9,619	429	5,941	-	-	-	-	12,612	74,914	-	-	-	-	-	-	-	-	103,516	77,113	26,403
CLAUT	465,218	465,218	-	5,419	-	-	-	-	32,797	-	-	-	-	-	-	-	-	-	503,434	380,229	123,205
CODOGNO	1,338,636	1,338,636	-	-	-	-	171,309	-	217,624	-	-	-	-	-	-	-	-	-	1,727,569	1,300,282	427,287
COSENZA	371,668	403,344	-	1,808	-	-	138,121	-	9,465	-	-	-	-	-	-	-	-	-	521,062	340,566	180,496

Description	Book value net of revaluations	Book value net of revaluations/ impairment	L. 11.2.62 n. 74	L. 19.2.73 n. 823	L. 2.12.75 n. 576	L. 19.3.83 n. 72	L. 30.7.90 n. 218	L. 29.12.90 n. 408	L. 30.12.91 n. 413	Fusione '94	L.185/08	Deemed cost	Italian Law 147/2013	Altre Riv. INC.	L. 19.10.37 n. 1729	Riv. Italian Law 342/200	Riv. Italian Law 266/05	Riv. FTA 2003	Total cost	Accumulated depreciation as at 31 Dec. 2024	Net book value as at 31 Dec. 2024
COLLE UMBERTO	277,955	277,955	-	-	-	-	-	-	34,706	-	-	-	-	-	-	-	-	-	312,691	312,691	-
COLLECCHIO	2,169,503	2,414,228	-	-	-	-	288,117	-	191,196	-	-	-	-	-	-	-	-	-	2,648,816	1,577,067	1,071,750
COLLECCHIO	837,976	1,062,663	-	-	-	73,636	-	59,469	641,640	-	-	-	-	-	-	-	-	-	1,612,721	1,024,155	588,566
COLOGNO MONZESE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COLOGNO MONZESE	1,276,845	1,276,845	-	-	23,617	67,139	-	-	161,867	-	-	-	-	-	-	-	391,668	-	1,921,135	857,594	1,063,542
COLOGNO MONZESE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COLOGNO	1,062,310	1,164,854	-	-	-	-	786,454	-	108,667	-	-	-	-	-	-	-	-	-	1,957,431	1,329,789	627,642
COMEGLIANS	328,292	328,292	-	20,658	4,390	-	-	-	55,105	-	-	-	-	-	-	-	-	-	408,445	310,628	97,818
COMO	3,341,723	3,732,428	-	-	-	-	-	-	-	-	-	-	-	-	-	-	567,151	-	3,908,874	2,141,558	1,767,316
CONCORDIA	1,595,275	1,623,174	-	-	-	-	-	-	12,472	-	-	-	-	-	-	-	-	-	1,607,746	916,200	691,546
CORIANO	2,053,903	2,053,903	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,053,903	734,738	1,319,166
CORIANO	672,587	672,587	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	672,587	143,557	529,030
CORNIGLIO	216,159	216,159	-	21,056	928	48,146	156,211	-	31,247	-	-	-	-	-	-	-	-	-	473,745	247,576	226,169
CORNO DI ROSAZZO	545,194	545,194	-	-	-	-	-	-	69,636	-	-	-	-	-	-	-	-	-	614,830	561,963	52,867
CORTE DE'	138,546	138,546	-	713	-	-	-	-	7,370	47,582	-	-	-	-	-	-	-	-	194,210	123,140	71,070
CORTEMAGGIORE	380,259	380,259	-	-	-	77,469	87,409	-	35,055	-	-	-	-	-	-	-	-	-	580,192	316,421	263,770
CORTEOLONA	47,714	47,714	-	9,608	-	-	-	-	20,950	74,440	-	-	-	-	-	-	-	-	152,711	112,978	39,733
COSIO VALTELLINO	164,520	164,520	-	-	-	-	-	-	81,388	-	-	-	-	-	-	-	369,776	-	615,684	332,811	282,873
CREMA	800,997	800,997	4,822	56,297	-	-	298,140	-	628,944	257,319	-	-	-	-	-	-	-	-	2,046,519	1,449,197	597,322
DELEBIO	72,651	314,938	-	-	-	-	-	-	157,029	-	-	-	-	-	-	-	796,600	-	1,026,280	573,650	452,630
DELEBIO	147,234	219,170	-	-	-	-	-	-	30,756	-	-	-	-	-	-	-	156,024	-	334,014	126,325	207,689
DI CITTÀ	4,277,841	4,277,841	-	-	-	-	2,518	-	-	-	-	-	-	-	-	-	-	-	4,280,359	2,874,098	1,406,261
DUBINO	10,034	15,259	-	-	-	-	-	-	2,620	-	-	-	-	-	-	-	10,279	-	22,933	8,022	14,911
DUBINO	51,421	51,421	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,890	-	75,311	51,624	23,686
EMPOLI	1,724,578	1,724,578	-	-	-	-	-	-	87,894	-	-	-	-	-	-	-	-	-	1,812,472	659,470	1,153,002
EMPOLI	874,141	874,141	-	-	-	-	-	-	7,800	-	-	-	-	-	-	-	-	-	881,940	219,009	662,931
ENNA	828,090	828,090	-	-	-	-	-	-	48,959	-	-	-	-	-	-	-	12,466	-	889,515	684,965	204,550
ERBA	2,046,277	2,046,277	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,039	-	2,105,316	1,500,662	604,654
ERBA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FALCONARA MARITTIMA	328,583	328,583	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	328,583	106,729	221,854
FELINO	819,375	971,099	-	35,969	10,329	87,798	-	301,908	220,281	-	-	-	-	-	-	-	-	-	1,475,660	907,318	568,341
FERRIERE	180,708	180,708	-	-	-	-	4,523	-	53,147	-	-	-	-	-	-	-	-	-	238,378	189,477	48,901
FICARAZZI	32,847	32,847	-	-	-	-	-	-	134,000	-	-	-	-	-	-	-	457,508	-	558,661	352,496	206,165
FICARAZZI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIDENZA	690,929	690,929	-	-	-	28,659	345,710	-	48,093	-	-	-	-	-	-	-	-	-	1,113,392	703,972	409,420
FIDENZA	2,129,366	2,158,322	-	83,677	29,665	215,527	307,531	-	-	-	-	-	-	-	-	-	-	-	2,765,766	1,448,146	1,317,620
FIORENZUOLA D'ARDA	630,276	630,276	-	-	-	135,487	183,413	-	114,352	-	-	-	-	-	-	-	-	-	1,063,527	564,335	499,192
FIRENZE	7,202,110	7,202,110	-	-	-	-	-	-	-	1,738,055	-	-	-	-	-	-	-	-	8,940,165	3,280,000	5,660,165
FIUME VENETO	421,423	421,423	-	11,413	3,099	-	-	-	93,784	-	-	-	-	-	-	-	-	-	529,719	352,420	177,300
FIUMEFREDDO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIUMEFREDDO	15,106	15,106	-	-	-	41,000	-	-	46,000	-	-	-	-	-	-	-	457,032	-	528,926	291,936	236,990
FINIZZANO	647,221	647,221	-	-	-	-	61,448	7,445	70,857	-	-	-	-	-	-	-	213,451	201,415	1,201,837	1,027,426	174,411
FLORESTA	7,511	7,511	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,449	-	19,960	13,214	6,747
FOLLO	340,588	340,588	-	-	-	-	49,667	-	879	-	-	-	-	-	-	-	146,079	178,879	716,091	631,091	85,000
FONTANA LIRI	274,677	274,677	-	-	-	83,618	-	-	56,410	-	-	-	-	-	-	-	248,099	-	113,450	72,660	40,789
FONTANELLIATO	768,545	768,545	-	29,897	-	111,655	379,247	-	15,582	-	-	-	-	-	-	-	-	-	1,304,926	865,267	439,659
FONTANELLE	90,467	116,356	-	9,533	2,582	45,448	-	151,905	63,487	-	-	-	-	-	-	-	-	-	363,423	238,724	124,698
FORTEVIVO	30,057	45,256	-	8,368	-	-	-	150,514	111,087	-	-	-	-	-	-	-	-	-	300,026	139,782	160,245
FORTEVIVO	255,678	288,339	-	3,559	20,658	103,291	-	200,483	188,404	-	-	-	-	-	-	-	-	-	772,074	448,099	323,975
FORNOVIO TARO	1,212,547	1,212,547	-	8,156	19,437	-	198,065	-	14,142	-	-	-	-	-	-	-	-	-	1,452,347	986,264	466,083
PROSINONE	-7,704	1,272	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,976	-	1,272	-	1,272
PROSINONE	989,067	989,067	-	-	-	-	-	-	467,102	-	-	-	-	-	-	-	1,023,189	-	2,479,358	1,654,943	824,416
RUCCICCHIO	623,100	623,100	-	-	-	-	-	-	-	373,900	-	-	-	-	-	-	-	-	997,000	321,906	675,094
GAMBOLO'	418,528	418,528	-	-	10,329	-	94,165	-	4,474	-	-	-	-	-	-	-	-	-	527,496	355,648	171,848
GEMONA	910,797	910,797	-	-	-	-	-	-	130,029	-	-	-	-	-	-	-	-	-	1,040,826	953,785	87,041
GIARRE	453,565	584,889	-	-	-	41,000	-	-	240,000	-	-	-	-	-	-	-	694,645	-	1,429,210	710,858	718,352
GLIANO	107,904	107,904	-	9,586	1,856	-	-	-	39,065	-	-	-	-	-	-	-	-	-	158,411	114,872	43,540
GLIANO	45,380	45,380	-	4,032	781	-	-	-	16,429	-	-	-	-	-	-	-	-	-	66,621	48,310	18,311
GORZIA	1,313,898	1,313,898	-	114,021	21,545	729,728	-	-	299,383	-	-	-	-	-	-	-	-	-	2,478,576	1,814,071	664,505
GRADARA	209,631	262,744	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	209,631	65,125	144,506
GRAGNANO	302,215	302,215	-	-	-	41,317	23,034	-	29,569	-	-	-	-	-	-	-	-	-	396,135	256,489	139,646

Description	Book value net of revaluations	Book value net of revaluations/ impairment	L 11.2.62 n. 74	L 19.2.73 n. 823	L 2.12.75 n. 576	L 19.3.83 n. 72	L 30.7.90 n. 218	L 29.12.90 n. 408	L 30.12.91 n. 413	Fusione '94	L 185/08	Deemed cost	Italian Law 147/2013	Altre Riv. INC.	L 19.10.37 n. 1729	Riv. Italian Law 342/200	Riv. Italian Law 266/05	Riv. FTA 2003	Total cost	Accumulated depreciation as at 31 Dec. 2024	Net book value as at 31 Dec. 2024
GROSIO	208,357	208,357	-	-	-	200,903	-	-	144,288	-	-	-	-	-	-	-	489,341	-	1,042,889	556,876	486,013
GROSOTTO	44,941	44,941	-	-	-	-	-	-	44,055	-	-	-	-	-	-	-	212,276	-	301,272	144,332	156,940
GRUMELLO CREMONESE	156,931	156,931	59	2,644	-	-	-	-	9,162	66,174	-	-	-	-	-	-	-	-	234,970	133,107	101,863
GUARDIA	204,418	204,418	-	-	-	-	-	-	184,000	-	-	-	-	-	-	-	400,700	-	789,118	399,488	389,629
GUSSOLA	67,665	67,665	-	7,753	-	-	-	-	58,355	51,318	-	-	-	-	-	-	-	-	185,089	140,041	45,049
LA SPEZIA	6,550,966	6,550,966	-	-	401,545	1,603,647	3,118,336	-	1,164,756	-	-	-	-	-	-	-	4,724,760	4,637,768	22,201,778	10,437,648	11,764,130
LA SPEZIA	603,973	603,973	-	-	-	203,259	141,229	-	104,793	-	-	-	-	-	-	-	444,021	540,517	2,037,791	1,661,577	376,215
LA SPEZIA	1,727,639	1,727,639	-	-	-	-	248,904	-	68,478	-	-	-	-	-	-	-	517,313	425,849	2,988,183	2,444,485	543,698
LA SPEZIA	771,702	771,702	-	-	-	159,356	264,582	-	94,216	-	-	-	-	-	-	-	518,127	561,687	2,369,671	2,030,174	339,497
LA SPEZIA	608,779	608,779	-	-	-	231,608	215,178	-	106,104	-	-	-	-	-	-	-	409,903	526,402	2,098,053	1,764,602	333,451
LA SPEZIA	865,824	865,824	-	-	-	-	328,874	-	45,497	-	-	-	-	-	-	-	281,816	255,131	1,777,142	1,518,254	258,888
LA SPEZIA	440,027	440,027	-	-	-	-	331,678	-	9,447	-	-	-	-	-	-	-	219,704	178,372	1,179,227	830,057	349,170
LA SPEZIA	573,008	573,008	-	-	-	172,169	127,874	-	85,263	-	-	-	-	-	-	-	375,890	504,103	1,838,305	1,550,255	288,050
LA SPEZIA	123,666	123,666	-	-	-	-	41,382	-	9,764	-	-	-	-	-	-	-	76,800	50,317	201,295	73,217	128,078
LA SPEZIA	1,113,518	1,113,518	-	-	-	-	371,132	-	253,378	-	-	-	-	-	-	-	2,090,773	3,192,022	4,793,787	3,722,997	1,070,790
LA SPEZIA	1,604,088	1,604,088	-	-	-	-	443,693	-	262,165	-	-	-	-	-	-	-	1,207,474	1,671,932	5,189,353	4,432,813	756,540
LA SPEZIA	5,578,768	5,578,768	-	-	-	-	105,729	-	1,512,010	-	-	-	-	-	-	-	545,077	4,189,303	3,552,281	2,042,657	1,509,624
LA SPEZIA	540,657	540,657	-	-	-	-	65,547	-	145,997	-	-	-	-	-	-	-	214,886	359,855	1,326,942	931,847	395,095
LA SPEZIA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	184,546	184,546	-	-	-
LA SPEZIA	1,386,954	1,386,954	-	-	-	-	-	-	-	-	-	-	-	-	-	-	423,855	386,180	1,424,629	278,682	1,145,947
LA SPEZIA	681,598	681,598	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,843	23,843	681,598	309,567	372,031
LA SPEZIA	419,267	419,267	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,019	18,111	504,397	401,462	102,934
LA SPEZIA	740,689	740,689	-	-	-	-	-	-	-	-	-	-	-	-	-	-	92,273	92,273	740,690	340,575	400,115
LA SPEZIA	221,625	221,625	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,651	5,651	221,625	98,236	123,389
LAGRIMONE	246,255	246,255	-	-	-	-	-	99,980	-	-	-	-	-	-	-	-	-	346,235	253,962	92,273	
LANGHIRANO	1,106,800	1,106,800	-	42,532	12,128	90,543	562,140	-	50,672	-	-	-	-	-	-	-	-	1,864,815	885,664	979,151	
LANGHIRANO	57,180	98,002	-	34,618	15,494	162,684	-	255,039	217,764	-	-	-	-	-	-	-	-	742,779	458,975	283,805	
LANGHIRANO	414,265	414,265	-	-	-	-	138	-	-	-	-	-	-	-	-	-	-	-	414,402	310,263	104,139
LANZADA	-15,511	-15,511	-	-	-	86,610	-	-	50,132	-	-	-	-	-	-	-	399,786	-	521,017	312,949	208,068
LATISANA	1,728,763	1,728,763	-	-	-	750,006	-	-	226,281	-	-	-	-	-	-	-	-	-	2,705,051	784,040	1,921,011
LECCO	8,511,909	8,511,909	-	-	-	-	-	-	523,786	-	-	-	-	-	-	-	1,418,168	-	10,453,863	7,962,022	2,491,841
LERICI	825,181	825,181	-	-	-	-	286,365	-	81,078	-	-	-	-	-	-	-	751,232	922,628	2,866,484	2,260,669	605,815
LEVANTO	836,659	836,659	-	-	-	-	7,353	-	117,929	-	-	-	-	-	-	-	722,812	960,462	2,645,214	2,161,614	483,600
LICCANA NARDI	61,749	61,749	-	-	-	-	26,585	-	12,575	-	-	-	-	-	-	-	4,653	1,210	104,352	42,327	62,025
LICCANA NARDI	433,714	433,714	-	-	-	-	97,505	-	-	-	-	-	-	-	-	-	225,825	365,361	1,122,406	994,243	128,163
LIGNANO PINETA	620,092	620,092	-	-	27,338	96,175	-	-	38,104	-	-	-	-	-	-	-	-	-	781,709	295,578	486,131
LIGNANO SABBIADORO	2,978,698	2,978,698	-	-	-	-	-	-	71,312	-	-	-	-	-	-	-	-	-	3,050,010	1,899,180	1,150,830
LISSONE	254,675	254,675	-	-	-	-	-	-	-	-	-	-	-	-	-	-	229,501	-	484,176	294,840	189,335
LIVIGNO	3,056,256	3,056,256	-	-	41,317	718,885	-	-	365,456	-	-	-	-	-	-	-	3,063,975	-	7,245,889	2,003,243	5,242,646
LIVORNO	448,927	599,660	-	-	-	-	-	-	-	2,006	-	-	-	-	-	-	-	-	450,934	118,444	332,489
LODI	962,855	962,855	4,127	113,691	-	-	-	-	259,762	1,051,150	-	-	-	-	-	-	-	-	2,391,586	1,518,940	872,646
LUGAGNANO	782,039	782,039	-	-	-	65,107	28,660	-	26,297	-	-	-	-	-	-	-	-	-	902,104	521,541	380,563
MADESIMO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MADESIMO	310,751	310,751	-	-	-	-	-	-	-	-	-	-	-	-	-	-	65,391	-	376,142	256,498	119,643
MANIAGO	870,889	870,889	-	26,831	5,676	242,001	-	-	110,197	-	-	-	-	-	-	-	-	-	1,255,594	1,255,594	-
MANTOVA	5,092,347	5,092,347	-	-	-	-	-	-	1,560,197	321,766	-	-	-	-	-	-	-	-	6,974,310	5,935,340	1,038,970
MANZANO	933,307	933,307	-	14,977	5,165	121,108	-	-	134,959	-	-	-	-	-	-	-	-	-	1,209,516	829,539	379,977
MARMIROLO	185,280	185,280	-	10,252	-	-	-	-	78,068	61,702	-	-	-	-	-	-	-	-	335,301	241,297	94,005
MASSA	161,042	161,042	-	17,556	-	-	-	105,023	557,251	-	-	-	-	-	-	216,535	296,879	13,821	1,368,107	1,092,725	275,382
MEDESANO	291,256	291,256	-	18,132	9,531	108,953	219,782	-	40,468	-	-	-	-	-	-	-	-	-	688,121	405,443	282,678
MELDOLA	119,951	144,150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	119,951	33,015	86,936
MEZZANI	32,302	32,302	-	5,127	5,210	38,218	-	65,506	53,984	-	-	-	-	-	-	-	-	-	200,348	154,361	45,986
MILAN	987,740	987,740	-	-	-	-	-	-	124,827	-	-	-	-	-	-	-	577,314	-	1,689,881	900,183	789,697
MILAN	16,006,251	25,315,467	-	-	-	3,517,071	-	-	5,846,835	-	-	-	-	-	-	11,687,422	-	-	37,057,579	12,209,947	24,847,632
MILAN	2,400,118	2,400,118	-	-	-	-	1,547,429	-	157,597	-	-	-	-	-	-	-	-	-	4,105,144	3,034,726	1,070,418
MILAN	2,749,633	2,749,633	-	-	-	-	-	-	932,758	278,224	-	-	-	-	-	-	-	-	3,940,615	3,344,390	616,225
MILAN	819,630	819,630	-	81,632	-	371,849	-	-	543,908	268,264	-	-	-	-	-	-	-	-	2,085,283	1,446,380	638,903
MILAN	591,067	591,067	-	92,969	-	291,282	-	-	439,674	275,121	-	-	-	-	-	-	-	-	1,690,112	1,229,176	460,936
MILAN	711,368	711,368	-	41,673	-	127,048	-	-	258,173	351,453	-	-	-	-	-	-	-	-	1,489,715	1,025,153	464,562
MILAN	636,585	636,585	-	103,421	-	335,697	-	-	381,513	161,503	-	-	-	-	-	-	-	-	1,618,719	1,182,236	436,483

Description	Book value net of revaluations	Book value net of revaluations/ impairment	L. 11.2.62 n. 74	L. 19.2.73 n. 823	L. 2.12.75 n. 576	L. 19.3.83 n. 72	L. 30.7.90 n. 218	L. 29.12.90 n. 408	L. 30.12.91 n. 413	Fusione '94	L.185/08	Deemid cost	Italian Law 147/2013	Altro Riv. INC.	L. 19.10.37 n. 1729	Riv. Italian Law 342/200	Riv. Italian Law 266/05	Riv. FTA 2003	Total cost	Accumulated depreciation as at 31 Dec. 2024	Net book value as at 31 Dec. 2024
MILAN	608,800	608,800	-	191,991	-	192,122	-	-	433,140	889,114	-	-	-	-	-	-	-	-	2,315,166	1,705,395	609,771
MILAN	704,681	747,674	-	-	-	-	-	-	-	-	-	-	-	-	-	87,071	-	791,752	498,295	293,457	-
MILAN	4,713,832	4,713,832	-	-	-	-	-	-	188,260	-	-	-	-	-	-	-	956,856	-	5,858,948	5,858,948	-
MISANO ADRIATICO	1,441,758	1,485,443	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,441,758	328,636	1,113,123
MISANO ADRIATICO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MISANO ADRIATICO	307,200	307,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	307,200	86,009	221,191
MONCHIO	59,123	59,123	-	1,143	5,726	59,171	90,515	-	10,666	-	-	-	-	-	-	-	-	-	226,344	154,006	72,338
MONTEFASCONI	2,671,756	4,349,991	-	-	-	-	-	-	-	-	-	-	-	-	-	-	670,554	-	3,342,309	2,359,191	983,119
MONTEFASCONI	833,897	833,897	-	-	-	111,954	-	-	-	-	-	-	-	-	-	273,406	249,958	-	1,469,215	1,206,081	263,134
MONTELUPO FIORENTINO	543,877	543,877	-	-	-	-	-	-	-	-	16,061	-	-	-	-	-	-	-	559,938	179,597	380,342
MONTEROSSO AL MARE	213,029	213,029	-	-	-	-	126,073	-	3,263	-	-	-	-	-	-	-	171,645	138,959	652,968	520,968	132,000
MONTESCUDO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MONTESCUDO	256,512	336,285	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	256,512	97,776	158,736
MONTECELLI	510,101	510,101	-	-	-	-	-	-	69,145	-	-	-	-	-	-	-	-	-	579,246	393,644	185,602
MONTOPOLI VALDARNO	647,347	647,347	-	-	-	-	-	-	-	-	11,690	-	-	-	-	-	-	-	659,037	219,057	439,980
MONTOPOLI VALDARNO	234,828	234,828	-	-	-	-	-	-	-	-	3,959	-	-	-	-	-	-	-	238,786	89,404	149,382
MONZA	4,172,774	4,172,774	-	-	29,558	169,220	-	-	270,304	-	-	-	-	-	-	-	2,687,797	-	7,329,654	4,193,569	3,136,084
MONZA	560,763	560,763	-	-	12,607	30,987	-	-	79,196	-	-	-	-	-	-	-	488,906	-	1,172,459	792,536	379,923
MORBEGNO	127,797	2,295,133	-	-	25,823	-	-	-	371,865	-	-	-	-	-	-	-	2,180,694	-	2,706,179	1,903,818	802,361
MORCIANO DI ROMAGNA	983,298	1,165,549	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	983,298	176,429	806,869
MORFASSO	213,288	213,288	-	-	-	-	-	-	49,730	-	-	-	-	-	-	-	-	-	263,017	213,832	49,186
MUSSOMELI	-21,131	-21,131	-	-	24,191	25,995	-	-	68,770	-	-	-	-	-	-	-	193,108	-	290,933	164,098	126,835
MUZZANA DEL TURIGANO	384,256	384,256	-	-	-	40,705	-	-	-	-	-	-	-	-	-	-	-	-	424,961	257,531	167,429
NEVIANO ARDUINI	72,829	72,829	-	3,954	2,574	46,044	88,290	-	11,935	-	-	-	-	-	-	-	-	-	225,627	156,420	69,207
NIMIS	628,917	628,917	-	-	-	-	-	-	72,854	-	-	-	-	-	-	-	-	-	701,771	442,912	258,859
NOCETO	1,014,636	1,014,636	-	14,143	10,558	76,036	108,038	-	28,103	-	-	-	-	-	-	-	-	-	1,251,513	740,212	511,300
NOVALUCE	653,659	653,659	-	-	-	-	-	-	100,000	-	-	-	-	-	-	-	519,185	-	1,272,844	635,214	637,631
NUOVA OLONIO	394,929	654,261	-	-	-	-	-	-	184,475	-	-	-	-	-	-	-	718,138	-	1,297,542	766,567	530,975
ODERZO	2,655,689	2,697,908	-	-	-	-	-	-	266,981	-	-	-	-	-	-	-	-	-	2,922,670	826,544	2,096,126
ORTONOVO	472,476	472,476	-	-	-	-	19,306	-	25,241	-	-	-	-	-	-	-	151,334	226,706	895,062	764,173	130,890
OSIMO	302,944	302,944	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	302,944	70,556	232,389
OSNAGO	446,612	446,612	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,618	-	522,230	345,807	176,423
OSTIGLIA	123,117	123,117	-	-	-	-	-	-	54,938	77,867	-	-	-	-	-	-	-	-	255,922	179,004	76,918
OTTONE	72,798	72,798	-	-	-	15,494	33,085	-	7,709	-	-	-	-	-	-	-	-	-	129,085	79,507	49,578
PADERNO PONCHIELLI	70,137	70,137	-	4,106	-	-	-	-	14,653	84,481	-	-	-	-	-	-	-	-	173,377	119,095	54,282
PALALIA	212,581	212,581	-	-	-	-	-	-	-	-	29,687	-	-	-	-	-	-	-	242,268	87,812	154,456
PALANZANO	77,344	77,344	-	974	8,767	46,594	122,582	-	13,092	-	-	-	-	-	-	-	-	-	269,354	188,093	81,261
PALERMO	2,560,632	2,560,632	-	-	-	44,970	-	-	338,286	-	-	-	-	-	-	-	2,630,943	-	5,994,831	2,388,695	3,606,136
PALERMO	1,016,240	1,016,240	-	-	-	-	-	-	283,736	-	-	-	-	-	-	-	603,019	-	1,902,995	671,466	1,231,529
PALERMO	75,153	75,153	-	-	-	-	-	-	-	-	-	-	-	-	-	-	149,467	-	224,620	141,226	83,394
PALERMO	118,266	132,673	-	-	-	1,052,192	-	-	580,976	-	-	-	-	-	-	-	2,047,677	-	3,799,111	1,333,653	2,465,457
PALMANOVA	900,970	900,970	-	46,915	8,263	142,129	-	-	106,241	-	-	-	-	-	-	-	-	-	1,204,518	1,204,518	-
PALUZZA	333,843	333,843	-	16,010	4,648	-	-	-	93,911	-	-	-	-	-	-	-	-	-	448,412	302,154	146,258
PANDINO	469,885	469,885	1,731	27,915	-	-	-	-	66,462	159,407	-	-	-	-	-	-	-	-	725,399	374,647	350,752
PARMA	2,699,941	2,699,941	-	510,263	195,089	2,039,910	6,708,770	-	428,631	-	-	-	-	-	-	-	-	-	12,582,605	3,081,285	9,501,319
PARMA	2,529,768	2,529,768	-	385,900	-	1,501,229	3,609,776	-	389,474	-	-	-	-	-	-	-	-	-	8,416,147	3,458,756	4,957,391
PARMA	838,913	838,913	-	99,914	-	249,070	983,272	-	378,832	-	-	-	-	-	-	-	-	-	2,550,000	1,724,428	825,572
PARMA	1,700,015	1,700,015	-	56,793	3,788	285,627	807,691	-	189,474	-	-	-	-	-	-	-	-	-	3,043,388	1,970,733	1,072,655
PARMA	1,071,304	1,071,304	-	2,406	25,203	112,926	159,997	-	166,015	-	-	-	-	-	-	-	-	-	1,537,850	1,102,635	435,216
PARMA	1,053,309	1,053,309	-	37	-	382,861	887,578	-	319,388	-	-	-	-	-	-	-	-	-	2,643,174	1,723,562	919,612
PARMA	655,591	655,591	-	15,987	-	186,612	319,851	-	149,334	-	-	-	-	-	-	-	-	-	1,327,375	874,410	452,965
PARMA	3,873,849	3,873,849	-	-	-	1,954,872	-	-	607,415	-	-	-	-	-	-	-	-	-	6,436,135	4,757,469	1,678,666
PARMA	1,080,686	1,257,831	-	-	-	-	670,397	-	78,007	-	-	-	-	-	-	-	-	-	1,829,090	1,043,794	785,296
PARMA	80,928,796	85,181,992	-	-	-	22,803,265	42,608	3,941,633	-	-	-	-	-	-	-	-	-	-	107,716,302	49,537,899	58,178,403
PARMA	527,548	527,548	-	-	-	131,803	-	-	54,888	-	-	-	-	-	-	-	-	-	714,239	714,239	-
PARMA	935,911	999,249	-	-	-	14,843	-	-	9,560	-	-	-	-	-	-	-	-	-	960,314	573,008	387,306
PARMA	2,975,565	4,557,730	-	369,753	377,014	1,649,625	-	1,947,925	2,756,842	-	-	-	-	-	-	-	-	-	10,076,723	6,655,553	3,421,171
PARMA	1,157,373	1,157,373	-	-	-	179,927	-	498,958	177,237	-	-	-	-	-	-	-	-	-	2,013,495	1,448,786	564,709

Description	Book value net of revaluations	Book value net of revaluations/ impairment	L. 11.2.62 n. 74	L. 19.2.73 n. 823	L. 2.12.75 n. 576	L. 19.3.83 n. 72	L. 30.7.90 n. 218	L. 29.12.90 n. 408	L. 30.12.91 n. 413	Fusione '94	L.185/08	Deemed cost	Italian Law 147/2013	Altre Riv. INC.	L. 19.10.37 n. 1729	Riv. Italian Law 342/200	Riv. Italian Law 266/05	Riv. FTA 2003	Total cost	Accumulated depreciation as at 31 Dec. 2024	Net book value as at 31 Dec. 2024
PARMA	571,136	571,136	-	-	-	-	-	436,369	70,280	-	-	-	-	-	-	-	-	-	1,077,786	745,820	331,965
PARMA	2,454,386	2,670,300	-	-	-	-	271,083	-	48,005	-	-	-	-	-	-	-	-	-	2,773,474	942,580	1,830,895
PARMA	3,490,346	3,490,346	-	-	-	-	42,090	-	-	-	-	-	-	-	-	-	-	-	3,532,435	-	3,532,435
PARONA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PARONA	145,005	154,274	-	-	-	-	75,689	-	12,941	-	-	-	-	-	-	-	-	-	233,635	145,360	88,274
PASIANO	407,472	407,472	-	-	-	231,314	-	-	376,445	-	-	-	-	-	-	-	-	-	1,015,231	956,608	58,623
PASTURO	80,671	80,671	-	-	-	-	-	-	31,924	-	-	-	-	-	-	-	128,828	-	241,424	79,835	161,589
PASTURO	44,796	44,796	-	-	-	-	-	-	69,690	-	-	-	-	-	-	-	281,230	-	306,124	155,252	150,871
PAVIA	755,031	755,031	-	-	-	-	22,047	-	32,726	-	-	-	-	-	-	-	-	-	809,803	533,390	276,413
PAVIA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PELLEGRINO	254,342	254,342	-	15,431	2,998	49,259	182,482	-	19,224	-	-	-	-	-	-	-	-	-	523,736	331,643	192,093
PIACENZA	5,443,527	5,443,527	-	-	769,851	1,567,362	5,788,954	-	1,952,811	-	-	-	-	-	-	-	-	-	15,522,506	6,880,541	8,641,964
PIACENZA	1,292,691	1,292,691	-	-	-	-	195,554	-	196,597	-	-	-	-	-	-	-	-	-	1,684,843	1,104,846	579,997
PIACENZA	1,710,430	1,710,430	-	-	-	-	426,870	-	215,624	-	-	-	-	-	-	-	-	-	2,352,925	1,556,352	796,573
PIANELLO	491,479	491,479	-	-	-	-	60,751	-	9,449	-	-	-	-	-	-	-	-	-	561,679	342,608	219,071
PIEDIMONTE	53,653	53,653	-	-	-	-	-	-	14,000	-	-	-	-	-	-	-	198,322	-	265,975	174,670	91,305
PIEDIMONTE	21,046	21,046	-	-	19,724	39,937	-	-	84,635	-	-	-	-	-	-	-	300,568	-	423,818	297,025	126,793
PIEVE	163,526	163,526	-	-	-	-	-	-	53,937	84,966	-	-	-	-	-	-	-	-	302,429	213,932	88,496
PIEVE D'OLMI	35,494	35,494	-	12,488	-	-	-	-	21,534	48,712	-	-	-	-	-	-	-	-	118,228	79,409	38,820
PIEVETOTVILLE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PIEVETOTVILLE	44,007	44,007	-	342	-	45,249	73,623	-	8,525	-	-	-	-	-	-	-	-	-	171,744	120,922	50,822
PISA	379,040	379,040	-	-	-	-	-	-	-	-	32,960	-	-	-	-	-	-	-	412,000	107,513	304,487
PISA	1,492,977	1,492,977	-	-	-	-	-	-	-	-	55,531	-	-	-	-	-	-	-	1,548,507	531,318	1,017,189
PIZZIGHETTONE	526,012	526,012	-	-	-	178,694	-	-	99,878	20,092	-	-	-	-	-	-	-	-	824,676	548,782	275,893
POCENIA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
POCENIA	336,280	336,280	-	-	-	-	-	-	6,541	-	-	-	-	-	-	-	-	-	342,821	236,164	106,657
PODENZANO	638,458	638,458	-	-	-	67,139	115,376	-	70,923	-	-	-	-	-	-	-	-	-	891,896	540,103	351,793
POGGIORONZI	1,132,938	1,132,938	-	-	-	-	-	-	-	-	16,527	-	-	-	-	-	-	-	1,149,466	411,615	737,851
POLESINE	494,136	494,136	-	-	-	-	150,460	-	70,135	-	-	-	-	-	-	-	-	-	714,731	522,684	192,046
PONSACCO	342,078	342,078	-	-	-	-	-	-	-	81,113	-	-	-	-	-	-	-	-	423,191	149,751	273,441
PONSACCO	994,547	994,547	-	-	-	-	-	-	-	32,658	-	-	-	-	-	-	-	-	1,027,205	355,973	671,232
PONTE DELL'OLIO	555,427	555,427	-	-	-	-	172,170	-	99,830	-	-	-	-	-	-	-	-	-	827,426	520,887	306,540
PONTEBBA	343,969	343,969	-	18,718	3,099	-	-	-	77,744	-	-	-	-	-	-	-	-	-	443,529	342,153	101,375
PONTERERA	820,297	820,297	-	-	-	-	-	-	47,170	-	-	-	-	-	-	-	-	-	867,467	330,872	536,595
PONTERERA	168,581	168,581	-	-	-	-	-	-	6,677	-	-	-	-	-	-	-	-	-	175,258	63,523	111,734
PONTENURE	833,553	833,553	-	-	-	-	-	-	68,083	-	-	-	-	-	-	-	-	-	901,636	595,588	306,048
PONTETARO	800,580	800,580	-	19,513	3,367	66,243	93,310	26,289	116,981	-	-	-	-	-	-	-	-	-	1,126,282	740,043	386,239
PONTREMOLI	189,626	189,626	-	-	-	-	-	20,266	155,726	-	-	-	-	-	-	17,253	88,656	39,631	511,158	439,105	72,053
PORDENONE	4,127,447	4,127,447	-	-	58,503	444,601	-	-	4,647,383	-	-	-	-	137,891	-	-	-	-	9,415,825	2,046,135	7,369,690
PORDENONE	2,291,271	2,291,271	-	-	231,457	1,261,465	-	-	1,932,060	-	-	-	-	218,298	-	-	-	-	5,934,551	2,368,897	3,565,654
PORDENONE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PORDENONE	2,018,100	2,036,082	-	-	-	-	-	-	495,322	-	-	-	-	-	-	-	-	-	2,513,423	1,112,618	1,400,804
PORDENONE	252,659	252,659	-	-	18,592	121,597	-	-	311,156	-	-	-	-	-	-	-	-	-	704,004	305,578	398,426
PORDENONE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PORTOVENERE	557,587	557,587	-	-	-	-	81,023	-	89,171	-	-	-	-	-	-	-	391,749	1,156,304	2,275,835	1,848,215	427,620
POSTA FIBRENO	48,501	48,501	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,239	86,740	48,495
PRATA DI PORDENONE	639,526	639,526	-	-	-	91,330	-	-	187,120	-	-	-	-	-	-	-	-	-	917,976	606,506	311,470
RHO	1,003,531	1,028,492	-	-	-	-	-	-	-	-	-	-	-	-	-	343,051	-	-	1,346,583	763,159	583,424
RICCIONE	5,231,620	5,231,620	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,231,620	755,955	4,475,665
RICCIONE	842,112	842,112	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	842,112	190,074	652,038
RICCIONE	6,304,651	6,304,651	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,304,651	933,978	5,370,673
RICCIONE	4,417,700	4,417,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,417,700	718,225	3,699,475
RICCIONE	545,763	545,763	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	545,763	149,551	396,212
RICCIONE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rimini	1,333,955	1,769,551	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,333,955	683,797	650,158
Rimini	4,201,994	4,201,994	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,201,994	821,220	3,380,774
Rimini	7,164,876	7,164,876	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,164,876	801,598	6,363,278
Rimini	364,446	392,797	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	364,446	114,243	250,203
Rimini	559,845	559,845	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	559,845	213,504	346,341
Rimini	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rimini	4,021,483	4,131,401	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,021,483	928,555	3,092,928

Description	Book value net of revaluations	Book value net of revaluations/ impairment	L 11.2.62 n. 74	L 19.2.73 n. 823	L 2.12.75 n. 576	L 19.3.83 n. 72	L 30.7.90 n. 218	L 29.12.90 n. 408	L 30.12.91 n. 413	Fusione '94	L 185/08	Deemed cost	Italian Law 147/2013	Altre Riv. INC.	L 19.10.37 n. 1729	Riv. Italian Law 342/200	Riv. Italian Law 266/05	Riv. FTA 2003	Total cost	Accumulated depreciation as at 31 Dec. 2024	Net book value as at 31 Dec. 2024
ROMA	1,034,626	1,034,626	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,034,626	313,074	721,552
RIMINI	25,001,638	25,001,638	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,001,638	2,857,005	22,144,632
RIMINI	2,164,951	2,164,951	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,164,951	635,306	1,529,645
RIMINI	1,932,649	1,932,649	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,932,649	420,168	1,512,481
RIMINI	2,053,429	2,053,429	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,053,429	385,804	1,667,624
RIMINI	3,408,316	3,408,316	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,408,316	1,427,016	1,981,300
RIVAROLO	407,338	407,338	-	1,600	-	-	-	-	90,021	14,886	-	-	-	-	-	-	-	-	513,845	414,012	99,833
ROBECCO	138,928	138,928	948	8,786	-	-	-	-	15,957	81,443	-	-	-	-	-	-	-	-	246,062	125,765	120,296
ROCCABIANCA	896,999	896,999	-	-	-	-	241,824	-	17,912	-	-	-	-	-	-	-	-	-	1,156,735	563,454	593,281
ROMA	483,586	846,332	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	483,586	139,908	343,678
ROMA	931,981	931,981	-	-	-	-	-	-	-	-	-	-	-	-	-	374,036	-	-	1,306,017	749,990	556,026
ROMANENGO	861,724	861,724	795	12,932	-	-	-	-	21,601	110,278	-	-	-	-	-	-	-	-	1,007,330	544,963	462,367
RONCHIS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RONCHIS	376,460	376,460	-	-	-	-	-	-	20,998	-	-	-	-	-	-	-	-	-	397,457	284,160	113,298
ROTTOFRENO	47,391	47,391	-	-	-	56,810	61,128	-	24,581	-	-	-	-	-	-	-	-	-	189,910	137,269	52,641
ROVERBELLA	304,293	321,507	-	14,949	-	-	-	-	22,589	155,423	-	-	-	-	-	-	-	-	497,255	245,617	251,638
ROVEREDO IN PIANO	951,213	996,115	-	-	-	-	-	-	514,791	-	-	-	-	-	-	-	-	-	1,466,004	863,004	603,000
SAOILE	1,253,453	1,253,453	-	-	8,805	219,518	-	-	342,276	-	-	-	-	45,813	-	-	-	-	1,869,864	795,896	1,073,969
SAGRADO	485,745	485,745	-	-	-	-	-	-	105,770	-	-	-	-	-	-	-	-	-	591,516	591,516	-
SALA BAGANZA	173,823	173,823	-	46,459	6,907	72,054	323,203	-	59,315	-	-	-	-	-	-	-	-	-	681,760	310,895	370,866
SALA BAGANZA	627,027	711,796	-	15,749	-	235,765	-	670,239	14,659	-	-	-	-	-	-	-	-	-	1,563,440	951,331	612,110
SALSMAGGIORE	1,669,531	1,669,531	-	60,047	41,818	338,509	424,119	-	16,718	-	-	-	-	-	-	-	-	-	2,550,742	1,738,341	812,401
SAN CATALDO	3,773	3,773	-	-	-	-	-	-	139,780	-	-	-	-	-	-	-	187,887	-	331,440	236,841	94,598
SAN COSTANZO	496,068	496,068	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	496,068	269,738	226,329
SAN DANIELE DEL FRIULI	477,246	477,246	-	17,123	11,842	236,666	-	-	-	-	-	-	-	-	-	-	-	-	742,877	462,614	280,264
SAN GIACOMO DI TEGLIO	183,285	183,285	-	-	-	-	-	-	16,646	-	-	-	-	-	-	-	44,184	-	244,115	123,511	120,604
SAN GIOVANNI IN CROCE	737,847	737,847	664	3,813	-	-	-	-	11,034	54,843	-	-	-	-	-	-	-	-	808,200	484,377	323,824
SAN GIOVANNI IN MARIGNANO	1,638,453	1,638,453	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,638,453	484,161	1,154,292
SAN GIULIANO MILANESE	762,651	762,651	-	43,900	-	232,406	-	-	369,534	73,368	-	-	-	-	-	-	-	-	1,481,860	1,049,045	432,814
SAN MINIATO	5,528,050	5,528,050	-	-	-	-	-	-	-	-	2,349,773	-	-	-	-	-	-	-	7,877,823	5,661,473	2,216,350
SAN MINIATO	333,744	472,948	-	-	-	-	-	-	14,129	-	-	-	-	-	-	-	-	-	347,872	95,543	252,329
SAN MINIATO	4,284,813	4,284,813	-	-	-	-	-	-	450,703	-	-	-	-	-	-	-	-	-	4,715,516	1,810,333	2,905,183
SAN MINIATO	893,143	893,143	-	-	-	-	-	-	3,741	-	-	-	-	-	-	-	-	-	896,885	322,996	573,888
SAN MINIATO	893,588	893,588	-	-	-	-	-	-	48,006	-	-	-	-	-	-	-	-	-	941,595	263,571	678,024
SAN MINIATO	90,997	212,551	-	-	-	-	-	-	72,103	-	-	-	-	-	-	-	-	-	163,100	42,913	120,187
SAN MINIATO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SAN MINIATO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SAN MINIATO	7,233	66,997	-	-	-	-	-	-	57,597	-	-	-	-	-	-	-	-	-	64,830	8,772	56,058
SAN MINIATO	14,046	14,046	-	-	-	-	-	-	2,014	-	-	-	-	-	-	-	-	-	16,060	6,349	9,711
SAN MINIATO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SAN MINIATO	450,637	450,637	-	-	-	-	-	-	157,423	-	-	-	-	-	-	-	-	-	608,059	170,953	437,106
SAN MINIATO	114,428	114,428	-	-	-	-	-	-	9,950	-	-	-	-	-	-	-	-	-	124,378	29,022	95,356
SAN MINIATO	898,025	1,095,388	-	-	-	-	-	-	36,059	-	-	-	-	-	-	-	-	-	934,084	173,965	760,120
SAN MINIATO	195,010	746,787	-	-	-	-	-	-	74,990	-	-	-	-	-	-	-	-	-	270,000	51,069	218,931
SAN MINIATO	77,495	83,871	-	-	-	-	-	-	3,912	-	-	-	-	-	-	-	-	-	81,407	26,744	54,663
SAN MINIATO	1,697,150	1,697,150	-	-	-	-	-	-	180,242	-	-	-	-	-	-	-	-	-	1,877,392	446,130	1,431,262
SAN NICOLO	815,597	815,597	-	-	-	-	-	-	52,621	-	-	-	-	-	-	-	618,598	-	1,486,816	612,165	874,650
SAN POLO	853,626	915,715	-	-	-	-	-	-	11,996	-	-	-	-	-	-	-	-	-	865,622	500,844	364,777
SAN SECONDO	491,617	491,617	-	145	-	105,674	392,743	-	71,430	-	-	-	-	-	-	-	-	-	1,061,609	647,514	414,095
SAN TEREZO DI LERICI	4,900,561	4,900,561	-	-	-	-	3,287,968	-	1,580,071	-	-	-	-	-	-	-	12,455,221	10,841,173	21,263,872	9,394,471	11,869,402
SAN TEREZO DI LERICI	712,032	712,032	-	-	-	-	120,382	-	7,718	-	-	-	-	-	-	-	180,807	160,113	1,181,052	928,520	252,533
SAN TEREZO DI LERICI	81,603	81,603	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,296	97,899	-	97,899
SAN VITO AL TAGLIAMENTO	848,187	861,289	-	-	-	20,168	-	-	167,669	-	-	-	-	-	-	-	-	-	1,036,023	515,246	520,778
SANTA CATERINA VALFURVA	45,528	45,528	-	-	-	27,636	-	-	15,787	-	-	-	-	-	-	-	197,482	-	195,377	127,856	67,521
SANTA CROCE SULL'ARNO	394,443	394,443	-	-	-	-	-	-	-	7,336	-	-	-	-	-	-	-	-	401,778	184,134	217,645

Description	Book value net of revaluations	Book value net of revaluations/ impairment	L 11.2.62 n. 74	L 19.2.73 n. 823	L 2.12.75 n. 576	L 19.3.83 n. 72	L 30.7.90 n. 218	L 29.12.90 n. 408	L 30.12.91 n. 413	Fusione '94	L 185/08	Deemed cost	Italian Law 147/2013	Altre Riv. INC.	L 19.10.37 n. 1729	Riv. Italian Law 342/200	Riv. Italian Law 266/05	Riv. FTA 2003	Total cost	Accumulated depreciation as at 31 Dec. 2024	Net book value as at 31 Dec. 2024
SANTA CROCE SULL'ARNO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SANTA CROCE SULL'ARNO	423,737	423,737	-	-	-	-	-	-	-	-	4,540	-	-	-	-	-	-	-	428,277	150,348	277,929
SANTA CROCE SULL'ARNO	2,086,975	2,086,975	-	-	-	-	-	-	-	-	109,129	-	-	-	-	-	-	-	2,196,104	756,845	1,439,259
SANTA MARIA A MONTE	695,223	695,223	-	-	-	-	-	-	-	-	15,529	-	-	-	-	-	-	-	710,752	202,344	508,408
SANTA MARIA DEL TARO	64,698	64,698	-	3,146	-	58,320	100,472	-	10,200	-	-	-	-	-	-	-	-	-	236,836	170,609	66,227
SANT'ANDREA BAGNI	223,532	223,532	-	1,859	-	-	129,517	-	5,253	-	-	-	-	-	-	-	-	-	360,161	266,087	94,074
SANT'ANGELO	993,775	993,775	1,411	13,012	-	-	-	-	66,702	8,769	-	-	-	-	-	-	-	-	1,083,669	571,114	512,555
SANTARCANGELO DI ROMAGNA	3,061,333	3,061,333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,061,333	453,162	2,608,171
SANTO STEFANO DI MAGRA	268,395	268,395	-	-	-	-	150,836	-	6,091	-	-	-	-	-	-	-	122,985	83,427	631,734	571,014	60,720
SANTO STEFANO DI MAGRA	7,776	7,776	-	-	-	-	900	-	-	-	-	-	-	-	-	-	103	21	8,800	4,593	4,207
SARZANA	201,482	201,482	-	-	-	-	75,313	-	20,107	-	-	-	-	-	-	-	76,012	304,976	677,890	592,330	85,560
SARZANA	325,158	325,158	-	-	-	-	15,897	-	25,821	-	-	-	-	-	-	-	118,545	145,492	630,914	525,629	105,285
SARZANA	71,567	71,567	-	-	-	-	1,528	-	-	-	-	-	-	-	-	-	61,657	50,164	184,917	152,281	32,636
SARZANA	1,367,127	1,367,127	-	-	-	336,412	151,630	-	224,815	-	-	-	-	-	-	-	915,098	1,205,697	4,200,779	3,461,349	739,430
SEGRATE	-7,924	-7,924	-	-	-	-	-	-	6,136	-	-	-	-	-	-	-	36,560	-	34,772	23,018	11,753
SESTA GODANO	275,768	275,768	-	-	-	-	13,364	-	41,276	-	-	-	-	-	-	-	146,080	287,075	763,562	688,580	74,982
SESTO CREMONESE	245,865	245,865	508	3,370	-	-	-	-	12,890	76,972	-	-	-	-	-	-	-	-	339,606	166,992	172,613
SIRACUSA	393,337	393,337	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104,697	-	498,034	327,096	170,938
SIRACUSA	480,175	480,175	-	-	-	-	-	-	36,000	-	-	-	-	-	-	-	619,045	-	1,135,220	713,477	421,744
SIRONE	249,346	249,346	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,103	-	312,449	225,305	87,144
SISSA	557,203	557,203	-	3,353	7,578	-	159,671	-	27,414	-	-	-	-	-	-	-	-	-	755,220	473,196	282,024
SOIGNANO	89,680	89,680	-	4,209	5,424	51,082	97,942	-	9,218	-	-	-	-	-	-	-	-	-	257,555	156,570	100,986
SONDALO	83,626	83,626	-	-	25,823	195,115	-	-	81,092	-	-	-	-	-	-	-	354,231	-	739,887	320,287	419,600
SONDRIO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SONDRIO	101,412	101,412	-	-	-	-	-	-	2,998	-	-	-	-	-	-	-	80,774	-	185,184	73,754	111,430
SONDRIO	3,611,980	4,696,605	-	-	-	-	-	-	-	-	-	-	-	-	-	-	239,151	-	3,851,131	2,395,832	1,455,299
SONDRIO	-507,348	-507,348	-	-	-	229,896	-	-	176,183	-	-	-	-	-	-	-	1,094,990	-	993,721	570,508	423,214
SONDRIO	1,978,506	4,818,512	-	-	-	-	-	-	924,923	-	-	-	-	-	-	-	4,737,887	-	7,641,316	3,658,142	3,983,174
SONDRIO	1,055,013	1,055,013	-	-	-	-	-	-	24,568	-	-	-	-	-	-	-	330,921	-	1,410,502	482,236	928,265
SONDRIO	1,768,682	8,358,524	-	-	103,291	1,533,114	-	-	492,841	-	-	-	-	-	-	-	5,024,323	-	8,922,251	5,824,815	3,097,436
SONDRIO	-2,964,930	-2,835,476	-	-	75,403	2,084,617	-	-	110,687	-	-	-	-	-	-	-	1,561,741	-	867,518	292,530	574,988
SONDRIO	2,879,098	4,417,931	-	-	-	-	-	-	1,026,154	-	-	-	-	-	-	-	9,889,978	-	13,715,230	4,554,986	9,160,244
SONDRIO	2,529,256	2,529,256	-	-	-	-	-	-	261,829	-	-	-	-	-	-	-	588,181	-	3,379,266	2,843,230	536,036
SONDRIO	1,345,081	1,345,081	-	-	-	-	-	-	-	-	-	-	-	-	-	-	346,824	-	1,691,905	804,840	887,066
SONDRIO	939,054	2,087,262	-	-	-	-	-	-	651,811	-	-	-	-	-	-	-	3,917,503	-	5,508,368	2,916,046	2,592,322
SONDRIO	29,684	29,684	-	-	-	72,010	-	-	55,186	-	-	-	-	-	-	-	342,983	-	499,863	269,767	230,096
SONDRIO	539,409	842,718	-	-	103,291	2,252,894	-	-	1,023,723	-	-	-	83,098	-	-	-	6,998,160	-	9,921,757	3,718,746	6,203,011
SORA	113,680	113,680	-	-	78,360	98,004	-	-	257,583	-	-	-	-	-	-	-	328,463	-	876,090	636,286	239,804
SORAGNA	282,025	282,025	-	18,533	17,254	67,759	177,224	-	39,340	-	-	-	-	-	-	-	-	-	602,135	378,008	224,127
SORBOLO	1,386,554	1,386,554	-	-	-	-	651,020	-	62,444	-	-	-	-	-	-	-	-	-	2,100,017	1,593,474	506,544
SORESINA	510,845	510,845	800	35,251	-	-	-	-	97,091	382,504	-	-	-	-	-	-	-	-	1,026,522	641,195	385,327
SUZZARA	1,087,477	1,087,477	-	-	-	-	539,476	-	18,414	-	-	-	-	-	-	-	-	-	1,645,367	1,235,642	409,725
TABIANO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TABIANO BAGNI	68,799	68,799	-	757	19,119	85,501	132,004	-	16,618	-	-	-	-	-	-	-	-	-	322,800	240,950	81,850
TALAMONA	332,394	332,394	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,767	-	389,161	256,567	132,593
TARCENTO	685,425	732,721	-	-	24,478	349,685	-	-	741,279	-	-	-	-	587,948	-	-	-	-	2,388,814	2,226,728	162,086
TARVISIO	697,309	697,309	-	14,966	2,582	-	-	-	34,165	-	-	-	-	-	-	-	-	-	749,023	321,208	427,815
TERMINI	78,186	78,186	-	-	-	-	-	-	-	-	-	-	-	-	-	-	382,888	-	461,074	276,077	184,997
TIRANO	-536,083	-244,240	-	-	-	456,576	-	-	324,601	-	-	-	-	-	-	-	1,908,082	-	2,153,177	1,059,121	1,094,056
TIRANO	-5,541	-3,514	-	-	-	3,194	-	-	2,271	-	-	-	-	-	-	-	13,347	-	13,270	7,223	6,046
TIRANO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRAPANI	1,003,858	1,542,681	-	-	-	-	-	-	324,590	-	-	-	-	-	-	-	606,102	-	1,934,550	1,259,948	674,602
TRAVERSETOLO	1,327,362	1,327,362	-	23,043	8,221	72,176	259,432	-	84,935	-	-	-	-	-	-	-	-	-	1,775,168	1,085,691	689,477
TRAVO	297,211	297,211	-	-	-	-	1,640	-	38,548	-	-	-	-	-	-	-	-	-	337,399	210,464	126,935
TREPPA GRANDE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRESVIO	460,403	460,403	-	-	-	-	-	-	252,028	-	-	-	-	-	-	-	870,106	-	1,582,537	809,017	773,521
TREVISO	3,489,693	3,489,693	-	-	-	-	-	-	1,345,907	-	-	-	-	-	-	-	-	-	4,835,600	3,660,431	1,175,169

Description	Book value net of revaluations	Book value net of revaluations/ impairment	L. 11.2.62 n. 74	L. 19.2.73 n. 823	L. 2.12.75 n. 576	L. 19.3.83 n. 72	L. 30.7.90 n. 218	L. 29.12.90 n. 408	L. 30.12.91 n. 413	Fusione '94	L.185/08	Deemed cost	Italian Law 147/2013	Altre Riv. INC.	L. 19.10.37 n. 1729	Riv. Italian Law 342/200	Riv. Italian Law 266/05	Riv. FTA 2003	Total cost	Accumulated depreciation as at 31 Dec. 2024	Net book value as at 31 Dec. 2024
TRICESIMO	801,279	801,279	-	79,725	13,695	241,142	-	-	-	-	-	-	-	-	-	-	-	-	1,135,841	770,974	364,866
TRIESTE	1,109,839	1,109,839	-	8,005	9,813	-	-	-	247,656	-	-	-	-	-	-	-	-	-	1,375,313	947,625	427,687
TRIESTE	3,540,658	3,823,890	-	124,859	36,152	909,997	-	-	887,662	-	-	-	-	671,394	-	-	-	-	6,170,722	1,196,554	4,974,168
TRIGOLO	91,789	91,789	129	8,539	-	-	-	-	14,433	61,857	-	-	-	-	-	-	-	-	176,747	110,317	66,430
TROMELLO	466,710	466,710	-	-	-	-	78,092	-	17,078	-	-	-	-	-	-	-	-	-	561,879	319,957	241,923
UDINE	1,209,760	1,209,760	-	-	-	-	-	-	134,755	-	-	-	-	-	-	-	-	-	1,344,515	994,346	350,169
UDINE	5,952,021	6,627,935	-	426,387	72,397	2,353,017	-	-	2,304,320	-	-	-	-	-	-	-	-	-	11,108,142	7,179,184	3,928,958
VALENZA	473,865	473,865	-	-	55,996	250,688	-	-	90,441	853,142	-	-	-	-	-	-	-	-	1,724,131	838,818	885,314
VALVASONE	408,278	418,019	-	-	-	-	-	-	382,815	-	-	-	-	-	-	-	-	-	791,093	548,748	242,346
VARESE	-1,188,046	-1,188,046	-	-	-	206,583	-	-	1,375,715	-	-	-	-	-	-	-	2,845,172	-	3,239,424	1,653,928	1,585,497
VERUCCHIO	1,999,853	1,999,853	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,999,853	406,446	1,593,407
VERUCCHIO	1,007,399	1,007,399	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,007,399	241,700	765,699
VERUCCHIO	4,380,527	4,380,527	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,380,527	1,704,516	2,676,011
VESCOVIATO	76,855	76,855	48	12,183	-	-	-	-	17,887	100,177	-	-	-	-	-	-	-	-	207,149	127,093	80,056
VEZZANO LIGURE	791,490	791,490	-	-	-	-	13,110	-	36,687	-	-	-	-	-	-	-	329,019	319,610	1,499,916	1,302,604	187,313
VICOBARONE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIGEVANO	387,472	387,472	-	-	7,230	-	163,008	-	17,382	-	-	-	-	-	-	-	-	-	575,092	321,694	253,398
VIGEVANO	374,355	374,355	-	-	15,494	-	270,714	-	11,718	-	-	-	-	-	-	-	-	-	672,281	380,836	291,445
VIGEVANO	1,903,792	1,903,792	-	-	129,114	1,077,258	1,004,817	-	417,537	-	-	-	-	-	-	-	-	-	4,532,518	1,299,300	3,233,218
VIGLIATORE	188,875	188,875	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,753	-	289,628	192,542	97,086
VIGNATE	139,123	139,123	-	-	10,967	36,152	-	-	62,115	-	-	-	-	-	-	-	301,165	-	549,522	295,039	254,483
VILLA DI TIRANO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VILLA DI TIRANO	85,519	85,519	-	-	-	-	-	-	2,116	-	-	-	-	-	-	-	102,231	-	189,866	114,601	75,265
VILLA SANTINA	206,595	206,595	-	-	-	-	-	-	32,681	-	-	-	-	-	-	-	-	-	239,276	239,276	-
VILLAFRANCA IN LUNIGIANA	509,521	509,521	-	-	-	-	218,682	-	58,845	-	-	-	-	-	-	-	301,879	412,056	1,500,983	1,311,701	189,282
VILLAFRANCA IN LUNIGIANA	104,764	104,764	-	-	-	-	-	-	-	-	-	-	-	-	-	7,329	1,164	-6,371	106,886	59,585	47,301
VILLANOVA SULL'ARDA	464,302	464,302	-	-	-	-	57,044	-	71,327	-	-	-	-	-	-	-	-	-	592,672	299,308	293,364
VIMODRONE	-15,348	-15,348	-	-	18,194	68,170	-	-	117,578	-	-	-	-	-	-	-	696,768	-	885,362	502,407	382,955
VINCI	1,147,655	1,147,655	-	-	-	-	-	-	-	33,544	-	-	-	-	-	-	-	-	1,181,199	439,402	741,797
VINCI	470,509	470,509	-	-	-	-	-	-	-	6,758	-	-	-	-	-	-	-	-	477,267	177,481	299,786
VINOVO	511,557	511,557	-	-	-	-	-	-	20,734	148,416	-	-	-	-	-	-	-	-	680,707	467,595	213,113
VITERBO	353,567	353,567	-	-	-	-	-	-	-	-	-	-	-	-	-	80,474	111,110	-	545,151	464,627	80,524
VITERBO	142,110	142,110	-	-	-	-	-	-	-	-	-	-	-	-	-	-	327,480	-	469,590	265,493	204,097
XITTA	3,910	3,910	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,989	-	8,899	4,804	4,095
ZIANO	48,378	48,378	-	-	-	15,494	14,084	-	8,451	-	-	-	-	-	-	-	-	-	86,408	64,636	21,772
ZIANO PIACENTINO	105,706	105,706	-	-	-	20,658	45,381	-	8,838	-	-	-	-	-	-	-	-	-	180,583	106,725	73,859
ZIBELLO	206,940	206,940	-	136	-	98,960	278,852	-	6,056	-	-	-	-	-	-	-	-	-	590,944	415,571	175,373
ZOPPOLA	401,092	401,092	-	-	-	26,296	-	-	43,108	-	-	-	-	-	-	-	-	-	470,496	359,394	111,101
Grand total of assets with revaluation	510,095,658	562,564,904	23,194	4,125,028	3,621,915	45,763,737	71,927,365	6,445,995	78,095,356	8,232,790	3,873,893	2,349,773	83,098	1,661,344	14	1,496,372	143,685,850	26,426,709	907,837,122	457,684,075	450,153,049

EQUITY INVESTMENTS ASSETS MEASURED AT FAIR VALUE THROUGH EQUITY AND ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	Book value net of revaluations	No. 218 of 30 July 1990	Impairment	OCINR/ FVOBL measurement	Total cost	Net book value as at 31 Dec. 2024
Stelline Real Estate	12,153,726	-	- 3,604,357	-	8,549,369	8,549,369
FIERE DI PARMA	20,483,198	- 416,050	-	-	20,067,148	20,483,198
GLOBAL BROKER	752,871	-	- 214,903	-	537,968	537,968
CA GROUP SOLUTIONS	39,132,000	-	-	-	39,132,000	39,132,000
NUOVA MADONNINA ORD	1	-	-	-	1	1
CALIT SRL	160,300,000	-	- 47,133,000	-	113,167,000	113,167,000
CARIPARMA OBG SRL	6,000	-	-	-	6,000	6,000
SOC.AGRIC.LE CICOONE	2,221,209	-	-	-	2,221,209	2,221,209
LE VILLAGE BY CA MIL	962,156	-	- 686,206	-	275,950	275,950
SAN GIORGIO IMMOBILI	2,491,238	-	- 2,491,237	-	1	1
SAN PIERO IMMOBILIAR	719,647	-	- 719,646	-	1	1
LE VILLAGE BY CA PR	800,000	-	-	-	800,000	800,000
LE VILLAGE BY CA TRI	816,000	-	-	-	816,000	816,000
VALTELLINA GOLF CLUB	1	-	-	-	1	1
BDX SPA	2,500,000	-	-	-	2,500,000	2,500,000
LE VILL BY CA ALPI	490,000	-	-	-	490,000	490,000
BLANK S.P.A. CAT B	2,626,400	-	-	-	2,626,400	2,626,400
LE VILLAGE BY CA SIC	500,000	-	-	-	500,000	500,000
CAREI	300,000	-	-	-	300,000	300,000
QUOTE G.A.L. ELORO S	1,033	-	-	- 1,032	1,033	1
GAL VALTELLINA SRL	3,600	-	-	- 1,755	3,600	1,845
SITA SPA	1	-	-	-	1	1
AVIOVALTELLINA SPA	214,661	-	-	-	214,661	214,661
FIDI TOSCANA	2,549,813	-	-	- 1,729,958	2,549,813	819,855
CEPIM	756,711	- 44,831	-	877,152	711,880	1,633,863
SKIAREA VALCHIAVENNA	226,318	-	-	38,444	226,318	264,762
GRASSETTO NON DISP	1	-	-	-	1	1
CA RISP VOLTERRA	7,116,003	-	-	- 3,920,200	7,116,003	3,195,803
CENTRO AGRO-ALIM RIM	405,002	-	-	21,377	405,002	426,379
SPOLETO CRED. SERV.	1	-	-	-	1	1
MTS SPA N	86,915	-	-	- 11,377	86,915	75,537
BORMIO TERME S.P.A.	189,278	-	-	- 22,053	189,278	167,226
RIMINI TERME SPA	18,077	-	-	- 18,076	18,077	1
CONFIDICOOP MARCHE S	54,222	-	-	-	54,222	54,222
TERRE DELL'ETRURIA	349,902	-	-	- 345,901	349,902	4,001
S.I.C.I. SGR AOR 06	481,281	-	-	-	481,281	481,281
RETE FIDI LIGURIA	51,646	-	-	- 26	51,646	51,620
COOPERARE	1,298,132	-	-	206,091	1,298,132	1,504,223
CENTROFIDI TERZIARIO	1,194,064	-	-	- 185,451	1,194,064	1,008,613
PIACENZA EXPO	703,083	94,063	-	231,155	797,146	934,239
SVILUPPO COMO	1,160,185	-	-	- 36,158	1,160,185	1,124,027
LINEAPIU' SPA PRIV	12,932	-	-	- 12,931	12,932	1
FAVENTIA SALES AOR	888,019	-	-	- 5,024	888,019	882,995
SPEDIA	275,445	-	-	- 275,444	275,445	1
CONSORZIO AGR ADRIAT	195,437	-	-	- 193,843	195,437	1,594
ISI	67,015	-	-	- 67,014	67,015	1

EQUITY INVESTMENTS ASSETS MEASURED AT FAIR VALUE THROUGH EQUITY AND ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	Book value net of revaluations	No. 218 of 30 July 1990	Impairment	OCINR/ FVOBL measurement	Total cost	Net book value as at 31 Dec. 2024
LUGO IMMOBILIARE AOR	1	-	-	-	1	1
BORMIO GOLF SPA	52,001	-	-	- 52,000	52,001	1
SMIA S.P.A.	21,404	-	-	-	21,404	21,404
FIDIPERSONA SOC.COOP	62,857	-	-	-	62,857	62,857
BANCA D'ITALIA	211,271,250	-	-	-	211,271,250	211,271,250
ALBA LEASING SPA	27,418,403	-	-	- 6,854,458	27,418,403	20,563,945
SIR AOR	30,000	-	-	- 3,586	30,000	26,414
BANCOMAT-AZ ORD	1,771	-	-	64,500	1,771	66,271
CARBONCINI & C. SPA	1	-	-	2	1	3
CALFIN SPA SFP	1	-	-	5	1	6
CBI AZ ORD	-	-	-	510,853	-	510,853
ARAL SPA SFP	1	-	-	-	1	1
ASTALDI-SFP	6,546,300	-	-	- 4,682,228	6,546,300	1,864,071
SWIFT	67,898	519	-	221,542	68,417	289,440
CARRIER 1 INTL GER	1	-	-	-	1	1
CA INDOSUEZ FIDUCIAR	400,000	-	-	- 298,739	400,000	101,261
TERREMERSE SCRL	1,549	-	-	- 1,280	1,549	269
LUGO NEXT LAB SRL	1,001	-	-	- 1,000	1,001	1
ESCO CRE SRL QUOTE	2,841	-	-	- 2,840	2,841	1
FOND FURIO FARABEGOL	20,001	-	-	- 20,000	20,001	1
KAUP THING EHF ORD	1	-	-	-	1	1
MIC FOND MUSEO INTER	1	-	-	-	1	1
QUOTE NEW PALARICCIO	47,740	-	-	78,619	47,740	126,359
CONS KILOMETRO VERDE	5,000	-	-	-	5,000	5,000
CONS ROMAGNA INIZIAT	5,164	-	-	-	5,164	5,164
50N S.R.L.	120,000	-	-	- 119,999	120,000	1
REALHOUSE SRL	518,038	-	-	-	518,038	518,038
STARTUP STYLE RENAISS	300,000	-	-	-	300,000	300,000
SAIRGROUP CHF	1	-	-	-	1	1
TELDAFAX AG EURO	1	-	-	-	1	1
GLITNIR CONCORDATO	16,743	-	-	- 16,742	16,743	1
VISA PRI	1	-	-	-	1	1
AFFITTO FIRENZE SRL	1	-	-	-	1	1
CARICESE SRL	297,979	-	-	691,423	297,979	989,402
SUTOR MANTELLASSI HO	1	-	-	-	1	1
VISA PRI	29,217	-	-	-	29,217	29,217
FRIULIA	4,670,987	-	-	100,745	4,670,987	4,771,733
Post Code PIACENZA	1	427	-	-	428	1
CAL CENTRO AGRO-ALIM	1	- 9,296	-	-	- 9,295	1
AGOSTINOVENTURI/SFP	1	-	-	-	1	1
LUGO IMMOBILIARE/SFP	1	-	-	-	1	1
NUOVA MADONNINA/SFP	1	-	-	-	1	1
FOOLFARM-AZ ORD CL G	1,000,000	-	-	-	1,000,000	1,000,000
SOPRIP	1	1,033	-	-	1,034	1
CAP PAVIA	1	-	-	-	1	1
VOLUNTARY SCHEME	1	-	-	-	1	1

EQUITY INVESTMENTS ASSETS MEASURED AT FAIR VALUE THROUGH EQUITY AND ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	Book value net of revaluations	No. 218 of 30 July 1990	Impairment	OCINR/ FVOBL measurement	Total cost	Net book value as at 31 Dec. 2024
CONSORZIO AGR.PARMA	1	487,535	-	-	487,536	1
FINAPP SRL	500,000	-	-	-	500,000	500,000
VISMARA SPA SFP 2021	1	-	-	-	1	1
FLOWPAY S.R.L.	243,429	-	-	- 187,426	243,429	56,003
ENER2CROWD SRL SB	166,475	-	-	-	166,475	166,475
BLUE ECONOMY ACCELER	322,816	-	-	-	322,816	322,816
CIMOLAI S.P.A.-SFP	-	-	-	1	-	1
SEDA BARCELONA ORD	1	-	-	-	1	1
GLITNIR CONCORDATO	1	-	-	-	1	1
MOONLIGHT CINEMA E T	1	-	-	-	1	1
TOTAL	519,694,113	113,400	- 54,849,350	- 16,024,632	464,958,164	448,820,131

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Crédit Agricole Italia S.p.A.

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On the Business Register of Parma,

Taxpayer Identification Number and VAT Identification Number 02113530345,
Italian Banking Association (ABI) Code 6230.7 On the Italian Register of Banks
at No. 5435. Member of the Italian Interbank Deposit Protection Fund
and of the Italian National Compensation Fund.

Parent Company of the Crédit Agricole Italia Banking Group,
which is on the Italian Register of Banking Groups at entry No. 6230.7

Company is subject to the management and coordination
of Crédit Agricole S.A.