Alba Leasing S.p.A.
Annual Report
2024

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Registered office and head office: Via Sile 18, 20139 Milan
Telephone 02 367161- Fax 02 36716443
Web: www.albaleasing.eu. E-Mail: info@albaleasing.eu
Included in the List of Financial Intermediaries as per article 106 of the Consolidated Banking Act as no. 32
Tax code, VAT number and Milano-Monza-Brianza-Lodi Chamber of Commerce company registration no. 06707270960
Fully paid-up share capital €357,953,058.13
Member of Assilea, the Italian Association of Lease Companies

Corporate bodies

Board of directors

Chairman	Paolo Guzzetti
Managing director	Stefano Rossi
Directors	Giorgio Pellagatti Camilla Cionini Visani Massimo Pasquali Marco Perocchi Davide Vellani

Board of statutory auditors

Chairman	Antonio Mele
Standing statutory auditors	Gabriele Camillo Erba Bruno Garbellini
Alternate statutory auditors	Matteo Tiezzi Mirco Zucca

General management

General manager	Stefano Rossi
Deputy general manager	Stefano Corti

Shareholders

Alba Leasing S.p.A. is owned by:

Banco BPM S.p.A.	39.19%
BPER Banca S.p.A.	33.50%
Banca Popolare di Sondrio S.p.A.	19.26%
Crédit Agricole Italia S.p.A.	8.05%

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Directors’ report

Introduction

As described in detail in the notes, the consolidated financial statements, which include the statement of financial position, income statement and notes, reflect the accounts and operations of Alba Leasing S.p.A. and the assets and liabilities, costs and income of the securitisation vehicles Alba 6 SPV S.r.l., Alba 11 SPV S.r.l., Alba 12 SPV S.r.l., Alba 13 S.r.l. and Alba 14 SPV S.r.l..
During the year, via its SPV Sunny 2 SPV S.r.l., the parent carried out a new securitisation. Since it holds all the notes issued, the transaction qualifies as a self-securitisation which is recognised in accordance with the applicable legislation.

Consequently, given the specific features of the consolidation scope, the facts and events described herein relate to Alba Leasing S.p.A. (the "parent").

Macroeconomic scenario and lease market

The global macroeconomic picture is one of moderate growth at the end of 2024, with significant differences between the major economies and constant challenges related to geopolitical tensions, monetary policies and sectoral dynamics.
As far as the Eurozone is concerned, the growth for 2024, estimated in the third quarter by Prometeia, is 0.7%, higher than the growth for 2023 as a whole, but still modest compared to the other major economies.
The weak German industry, the credit slowdown and limited productivity growth, as well as the prospective uncertainty about geopolitical issues, i.e., the ongoing conflicts and the evolving dynamics of mostly the US and China, actively contributed to this slowdown.
The macroeconomic and environmental dynamics seen, coupled with an initial reduction in inflation, prompted the European Central Bank (ECB), as widely expected, to undertake a number of monetary policy easing interventions, with a series of interest rate cuts, which brought the deposit rate down to 3% at the end of the year. Expectations indicate that this rate will decline further in 2025, based on forecasts of additional adjustments.
In this context, although benefiting from political stability, Italy recorded a lacklustre macroeconomic performance, with an estimated GDP growth of +0.5% for 2024. This underperformance is attributed to lower-than-expected economic activity, exacerbated by structural weaknesses, such as the high level of public debt, which limits the flexibility of fiscal stimulus through public spending.
With respect to the main domestic demand aggregates during the year, despite the resilience of consumption, there was a cyclical downturn in exports and investments. With regard to the latter, although considering the growth of the public component, expected to be sustained by the deployment of the National Recovery and Resilience Plan funds, there was a slowdown in investment in operating assets, due to the difficulties in applying the Transition 5.0 incentive, the still costly bank credit and the struggling manufacturing sector, which has been declining since mid-2022. This reduction in investments in operating assets has created difficulties for operators such as Alba Leasing S.p.A., that have previously made plant and machinery one of the pillars of their business strategy.
The forecast scenario for the entire 2024, as can be seen from the Prometeia table below, shows a clear reduction in the pace of investment growth compared to 2023.

Italy - macroeconomic situation - annual variations

	2023	2024
GDP	0.8	0.5
Imports of goods and services	0.0	(2.4)
Spending of households and non-profit institutions serving households (ISP)	1.0	0.6
Public administration expenditure	1.9	0.5
Investments in machinery, equipment, means of transport	2.3	(2.6)
Investments in construction	15.0	2.6
Exports of goods and services	1.1	(0.2)
Total domestic demand	0.4	(0.2)
Consumer price index	5.7	1.1

Source: Prometeia December 2024 outlook

Considerations about the Italian lease market can also be drawn from Assilea's year-end bulletin. In 2024, 334,500 leases were signed for a total financed amount of €22.2 billion, showing a decrease of 0.9% in value and an increase of 2.1% in number (excluding long-term leases as the parent does not operate in this market segment).
A breakdown of the total shows the performance of each sector by number and value.
The automotive sector, net of long-term leases, shows an increase of 7.3% in value and 3.2% in the number of leases signed in 2024.
The plant and machinery sector declined by 9.5% in value, with a diverging trend between the operating (+14.3%) and finance (-12.9%) lease components. The latter percentage translates into figures the trend of investments in operating assets described above.
The real estate sector saw growth in the number of new leases (+5.3% in value and -5.1% in numbers), bolstered by the increase in volumes for constructed properties (+18.2%), and in particular in the higher value brackets.
The maritime and aviation and railway sector showed a positive trend, ending 2024 with +19.7% in volume and +9.3% in number compared to 2023.
Leases of stand-alone power plants for the production of energy from renewable sources continued to perform badly, with a contraction of 46.3% in value and 4.9% in number.

The market changes in each sector are broken down by number and value in the following table:

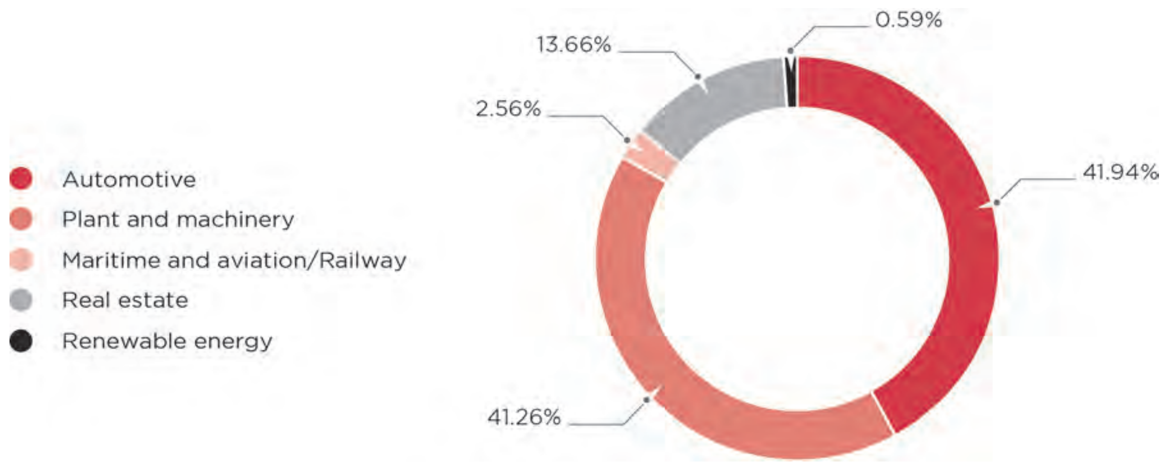
New leases: no. of contracts, amounts in thousands of Euro and percentage variation

Product	No. of contracts				Amounts			
	2024	2023**	Variation	Var%	2024	2023**	Variation	Var%
Automotive*	137,290	133,050	4,240	3.19%	9,313,435	8,681,480	631,955	7.28%
Plant and machinery	193,896	191,025	2,871	1.50%	9,163,444	10,123,746	-960,302	-9.49%
Maritime and aviation/Railway	271	248	23	9.27%	567,668	474,236	93,432	19.70%
Real estate	2,592	2,730	-138	-5.05%	3,032,671	2,879,518	153,153	5.32%
Renewable energy	451	474	-23	-4.85%	131,293	244,499	-113,206	-46.30%
Total	**334,500**	**327,527**	**6,973**	**2.13%**	**22,208,511**	**22,403,479**	**-194,968**	**-0.87%**

Source: Assilea - data processed by Alba Leasing S.p.A..
** Automotive without long-term leases*
*** Data for 2023 have been updated to reflect the latest Assilea revisions*

The lease market mix - by product type - is divided fairly equally among the automotive sector (41.94%) and plant and machinery sector (41.26%), followed by real estate (13.66%). Other products (maritime and aviation, railway and renewable energy) account for a combined total of 3.15%.

New leases in 2024: % by product

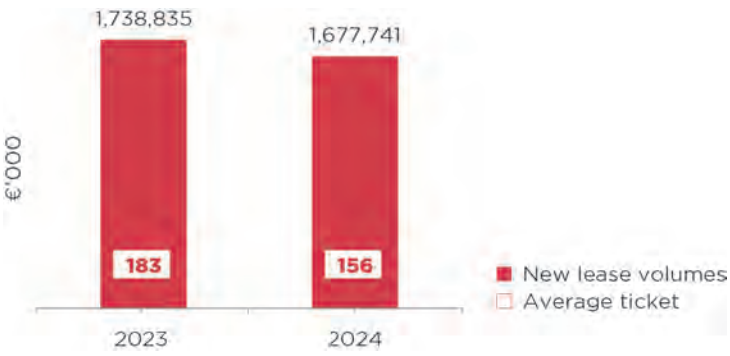


Source: Assilea - data processed by Alba Leasing S.p.A.

Business performance and market positioning

Alba Leasing S.p.A. ended the year with a slight decrease of 3.51% in lease value. New lease volumes in the year came to €1,677.74 million (finance and operating leases) while the number of contracts signed increased by 13.31% to 10,745. This last number makes it possible to state that the strategy of increasing the number of contracts, supported by the creation of a special unit, is beginning to show results.
A breakdown by sector shows a decrease in the real estate sector (-10.18% in value and -4.52% in number) and the plant and machinery sector (14.72% in value) although the latter sector saw an increase in number of 8%, offset by a positive trend in the automotive (+29.76% in value and +23.69% in number) and maritime and aviation/railway (+52.17% in value and +73.53% in number) sectors.

New lease volumes - Average ticket



Source: Alba Leasing

In an economic phase still characterised by great uncertainty and increasingly aggressive competition, the parent managed to maintain new lease levels as planned at the beginning of the year and to hold up compared to the previous year, with a limited setback roughly in line with market trends. This achievement should be read in conjunction with that of the remuneration on new leases: the parent, in fact, recorded spreads in 2024 that were in line with those seen in 2023 and with the expectations of the 2023-2025 business plan.

New leases: no. of contracts, amounts in thousands of Euro and variations

Product	No. of contracts				Amounts			
	2024	2023	Variation	Var. %	2024	2023	Variation	Var. %
Automotive	4,250	3,436	814	23.69%	323,046	248,964	74,082	29.76%
Plant and machinery	5,992	5,548	444	8.00%	703,411	824,794	-121,383	-14.72%
Maritime and aviation/Railway	59	34	25	73.53%	131,582	86,472	45,110	52.17%
Real estate	444	465	-21	-4.52%	519,702	578,605	-58,903	-10.18%
Total	10,745	9,483	1,262	13.31%	1,677,741	1,738,835	-61,094	-3.51%

Source: Alba Leasing

The parent continues to focus on the plant and machinery (41.93% of the total value) and real estate (30.98%) sectors.
The previously-described contraction in its share of the above sectors was offset by the increase of its footprint in the automotive and maritime and aviation/railway sectors.

New leases: breakdown by product (%)

Product	2024	2023	Var. %
Automotive	19.25%	14.32%	4.94%
Plant and machinery	41.93%	47.43%	-5.51%
Maritime and aviation/Railway	7.84%	4.97%	2.87%
Real estate	30.98%	33.28%	-2.30%

Source: Alba Leasing

The affiliated banks' contribution to new leases decreased this year (-5.91%) offset by the greater contribution of the shareholder banks (+6.18%), which also offset the smaller contribution of the other channels (-0.27%).

New leases by sales channel (and % variations)

	2024	2023	Weight variation %	Volume variation %
Shareholder banks	65.74%	59.56%	6.18%	6.50%
Affiliated banks	8.24%	14.14%	-5.91%	-43.80%
Total banks	73.98%	73.70%	0.27%	-3.15%
Other channels (vendors/suppliers/direct sales/ intermediaries/agents)	26.02%	26.30%	-0.27%	-4.52%
Total	**100.00%**	**100.00%**		**-3.51%**

Source: Alba Leasing

In 2024, Alba Leasing S.p.A. was ranked third in the market, with a share of 7.55%, excluding long-term leases. It held on to third place nationally for plant and machinery with a market share of 7.55%, while it continued to lead the real estate and maritime and aviation/railway sector with market shares of 17.14% and 23.18%, respectively.

Classification by product and market share in 2024

New leases	Assilea position	Market share
Automotive	n.a.	n.a.
Plant and machinery	3	7.55%
Maritime and aviation/Railway	1	23.18%
Real estate	1	17.14%
Renewable energy	3	9.36%
Total	**3**	**7.55%**

Source: Assilea - data processed by Alba Leasing S.p.A.

At 31 December 2024, there were 4,993 bank branches that distributed Alba Leasing products, of which 3,402 were shareholder banks' branches and 1,591 other affiliated banks' branches (smaller banks strongly concentrated at local level). With respect to the total number of affiliated banks, 213 are referral banks that are not involved in the placement of the parent's products.
In addition to finance and operating leases, which account for nearly all the parent's business, it also distributes variable-rate loans ("Pagodopo") to Michelin retailers to provide them with the liquidity needed to purchase Michelin tyres. At 31 December 2024, these loans amounted to €48 million, up 18.1% on the previous year end.

Organisational structure

Neither the board of directors nor the board of statutory auditors underwent any changes in 2024.
Other changes to the parent's organisation included some important modifications to the following departments.
The data management unit was merged into the organisational processes and application management unit to ensure a more streamlined and efficient workflow.
During 2024, the legal, compliance and anti-money laundering service began an analysis aimed at reducing indirect controls, in order to improve its oversight of the functioning of organisational processes to ensure regulatory compliance. As a result of this analysis, the supervision of outsourcers, previously handled by the risk and control department, was transferred to the compliance department. The compliance manager took on responsibility for overseeing the risks associated with outsourcing agreements and the related documentation.

Research and development

The parent did not carry out specific R&D activities during the year, given the special nature of its business.

Key events of the year

Solidarity fund

With reference to the provisions made at the end of 2023 for generational handover purposes, the parent signed a new solidarity fund agreement on 14 March 2024. This gives employees the opportunity to join the fund by 30 June 2024 if they have vested the right to retire by 31 December 2028.
Subsequently, on 15 November 2024, in agreement with the company trade union representatives, the company extended the 14 March 2024 agreement to allow the receipt of additional applications to join the solidarity fund for those employees who will vest the right to retire by 30 September 2029.
A total of 17 employees have joined the fund, divided into two tranches, the first by 31 December 2024 and the second by 31 March 2025.

Transfer of non-performing exposures

As a continuation of the non-performing contracts management plan and consistently with that set out in the 2023-2025 business plan, in the second half of 2024, the parent, as originator, completed the transfer of a portfolio of non-performing exposures arising from leases with a total gross carrying amount of roughly €23.6 million for a transfer price of €922 thousand.

Natural disasters

Following the exceptional flooding episodes which heavily affected some regions of Italy during the year, the parent voluntarily agreed to financial support measures for its customers (temporary suspension of the repayment of the entire instalment or just the principal). Section 3 - Events after the reporting date and section 4 - Other aspects of the notes to the consolidated financial statements provide more information about the specific measures.

Funding transactions

Alba Leasing S.p.A. is the only financial intermediary specialising in finance and operating leases that is not part of a banking group. In addition to the obvious and constructive support from its shareholder banks, the parent continues to procure funds on the capital markets thanks to the experience it has gained over the years. This is done through various channels, such as:
1. negotiating new repurchase agreements financing transactions of its assets;
2. performing public and private securitisations;
3. agreeing bilateral operations with major Italian and international financial institutions.

During the year, the parent undertook new funding transactions as provided for in its 2024 business plan in addition to its shareholder loans (as per the funding agreement renewed during the budgeting process). The main fundraising transactions are as follows:

- new securitisation (Alba 14). The vehicle securitised a €833.7 million portfolio of performing loans by issuing senior, mezzanine and junior notes of approximately €841 million (the senior portion amounting to €550.3 million and the mezzanine portion to €175.1 million). The senior notes were placed on the market, given their excellent ratings from the main rating agencies while the mezzanine notes were entirely subscribed by the parent and will be used for repurchase transactions with banks or financial intermediaries;

- new securitisation (Sunny 2). The transaction is partly paid, and with the first transfer, the vehicle securitised a portfolio of performing loans (defined as "big tickets" due to their average amount of about €2.7 million), with a nominal amount of €312 million. To finance the purchase of the portfolio, the SPV issued two classes of securities, senior and junior, which were subscribed by the parent when issued. The initial issuance of the senior bonds was about €249.5 million, but the transaction provides for further portfolio transfers until the target amount of €320 million is reached. In early July, the senior bonds were financed with a repurchase agreement. In September 2024, the first supplementary revolving transfer of loans of €32 million took place (including the repurchase amount), which led to an increase in the senior and junior notes of €18 million and €6 million, respectively; Conversely, the December transfer took place on a revolving basis only, which, therefore, did not change the amount of the notes, for loans of €13.3 million (including their repurchase amount). The last supplementary revolving transfer is scheduled to take place in March 2025;
- financing of the group's notes from securitisations (senior, mezzanine and junior) through repurchase agreements with Italian and foreign financial institutions for approximately €510 million;
- new loans with financial institutions and renewal of existing loans totalling €250 million.

Disputes with the tax authorities

The most salient developments in the parent's dispute with the tax authorities since the 2023 annual report are indicated below.
On 23 December 2024, the large taxpayers office of the Lombardy regional tax department served assessment notice no. TMB064C00045/2024 for the 2018 VAT, assessing higher taxes, fines and interest of €46.3 thousand. The office challenged the misapplication of VAT to leases for MRI machines paid by Vincenzo Muto S.r.l. and Studio Radiologico Cassone Giovanni S.r.l.. Specifically, the parent allegedly applied the subsidised rate of 10% rather than normal rate of 22%.
The parent is assessing the most appropriate steps to be taken with its advisors.

With respect to the dispute with local office Rome 1 - Trastevere of the Provincial I Rome unit, Section 18 of the Rome tax court issued its first level ruling no. 12296/2024, filed on 8 October 2024, partially upholding the joined appeals, declaring that only the registration tax of €261.4 thousand was owed by the appellants jointly and severally, and ordering each party to bear its own costs. The parent is assessing the most appropriate steps to be taken with its advisors and the advisors of those jointly liable.

Other disputes

With regard to the dispute that arose with the Municipality of Rome for IMU (local property tax) and TASI (local tax on indivisible services) from the years 2017 to 2019, the Rome first level court annulled the TASI assessment notices in a ruling filed on 25 September 2024. A date for the hearing for the IMU notices has not yet been set.

On 15 March 2024, the Municipality of Catania notified via certified email assessment notice no. 62711 of 30 December 2023 for the 2018 IMU, assessing higher taxes, fines and interest of €327.1 thousand. The parent immediately noted that the tax assessments relate to buildings that are under finance lease. Specifically, there are four types of property units located in the municipality of Catania for which the parent is not required to pay tax in the years covered by the tax assessments, as Italian law provides that these taxes should be paid by the lessees:
1) units under leases that are still in place;

2) units under leases that are no longer in place as the lessees exercised their purchase options in years subsequent to that covered by the tax assessment;
3) units under leases that are no longer in place due to the lessees' default in years subsequent to that covered by the tax assessment;
4) units under leases transferred to the lessees prior to the year covered by the tax assessment.
Therefore, on 14 May 2024, the parent filed an appeal against this notice. A date for the hearing has not yet been fixed.

Information technology

During 2024, Alba Leasing S.p.A. increased its customer interaction possibilities through the customer reserved area.
The following features have been added to those available to registered customers (more than 90% of active customers):

- exercise of purchase option at the end of the lease - process dedicated to the exercise of the purchase option, for all products under management;
- early exercise of purchase option - complete process from the request for calculation to completion with the transfer of the asset;
- sub-lease - application process to sub-lease and/or grant on a free loan basis leased goods;
- continuous AML (anti-money laundering) updating - process of requesting customers to update both past due documentation and due diligence for AML purposes.

All processes within the customer reserved area are based on customer communication standards that facilitate immediate responses, as well as the uploading and downloading of documents using checklists, which can be customised depending on the type of function requested.
In this way, processes enable the activation of both the back-end functions of the parent's relevant departments (after-sales and loans) and specialised functions of outsourcers (e.g., those related to branded products). In addition, all processes available in the customer reserved area that require document signing support the use of digital signatures.
Specifically, in the second half of 2024, the parent performed activities to transfer some existing application functionalities to the cloud, such as:

- AML monitoring;
- certified email management;
- processing and reclassification of financial statements.

As part of these activities, the parent successfully changed its main IT provider in December 2024, with the application and infrastructure migration to a new data centre and the start-up of services by the new provider.

ESG pathway

The climate and environmental risks project aims to integrate environmental risk into business processes. The main activities completed in 2024 can be summarised as follows:

- extension of the database for the real estate product (energy class) and automotive product (CO2 emissions, excluding AVI);
- definition of monitoring rules integrating climate risk factors;
- climate risk update for new customers, definition of capital absorption (ICAAP - Pillar 2) generated by environmental risk and development of scenarios (Network for Greening the Financial System - NGFS) to assess the impact on leases (strategic risk);

- roll out of three marketing campaigns:
  (i) green vehicles;
  (ii) property renovations;
  (iii) plant and machinery in line with Transition 5.0.

In addition, in 2024, the parent continued a number of virtuous projects as part of its “Alba for Social” programme with the invaluable involvement of its employees. The aim is to return to its surrounding environment and the context in which it operates, albeit in a different form, those resources that it uses to carry on its business.
The projects carried out by the parent covered various areas, some of which had already been the subject of other initiatives performed in past years, while others were rolled out during the year.
Together with various third sector organisations, in the fields of health, wellness, scientific research and reducing inequalities, the parent supported solidarity events aimed at raising funds for cancer research and avoidable blindness. It also contributed to the implementation of programmes on the psychological aspects of oncological diseases, the development of the skills of children and young people with autism spectrum disorders and the upgrading of spaces dedicated to patients with sensory hypersensitivity. It also carried out a drug collection scheme.
Finally, to continue demonstrating its clear support for the fight against violence against women, the parent supported a foundation active in this field by financing both the advice and listening services of the local centre, with the aim of protecting victims of all forms of gender-based violence. It also supported the “Steam” educational empowerment workshop, in order to promote and support the new generations in their journey towards empowerment and development of personal skills.

Other events

Affiliated banks

In 2024, the parent signed a new partnership agreement with Banca Sistema S.p.A. as part of the development of its distributor network.

Vendor solutions unit

This is the unit that was set up and equipped with the appropriate resources to strengthen the parent’s efforts in operating leases and with the aim of boosting the number of small-scale transactions. At year end, the parent had 438 agreements with operating lease suppliers (most of which have already been activated), 123 agreements with Michelin retailers, five with financial agents and three with credit brokers. Compared to the 2023 figure, the growth in the number of agreements signals the parent's intention to pursue a strategy aimed at gaining a unique market position in the smaller-scale sectors as well.

Key performance indicators

		2024	2023
Income statement	Net interest income/ average capital employed	1.92%	1.95%
	Total income / average capital employed	2.11%	2.06%
	Gross operating profit / average capital employed	0.63%	0.39%
	ROE	4.49%	2.66%
Efficiency	Operating costs / Total income	47.72%	53.72%
	Personnel expense / Operating costs	56.87%	57.65%
Productivity	Average number of employees (FTE)	260	261
	Average cost / Average no. of employees (FTE) (€'000)	106.49	119.36
	New leases / Average no. of employees (FTE) (€m)	6.45	6.66
Risk and capital	Cost of risk	0.44%	0.42%
	Cost of risk / Total income	22.05%	21.73%
	RWA (€m)	3,996	3,995
	Total capital ratio	11.45%	10.66%
	Rorac	8.38%	4.79%

Statement of financial position and income statement highlights - consolidated financial statements

The following pages include tables and comments on the statement of financial position and income statement highlights.

Statement of financial position

Assets *(€'000)*	31/12/2024	31/12/2023	Variation
10 Cash and cash equivalents	241,828	224,962	16,866
20 Financial assets at fair value through profit or loss	7	5	2
c) other financial assets mandatorily measured at fair value	7	5	2
40 Financial assets at amortised cost	4,972,301	5,025,926	(53,625)
a) loans and receivables with banks	55	335	(280)
b) loans and receivables with financial companies	75,897	78,314	(2,417)
c) loans and receivables with customers	4,896,349	4,947,277	(50,928)
60 Macro-hedged financial assets (+/-)	414	-	414
80 Property, equipment and investment property	7,494	17,603	(10,109)
90 Intangible assets	1,545	1,930	(385)
100 Tax assets	23,453	34,106	(10,653)
a) current	1,428	2,228	(800)
b) deferred	22,025	31,878	(9,853)
120 Other assets	56,876	45,557	11,319
Total assets	**5,303,918**	**5,350,089**	**(46,171)**

Liabilities and equity *(€'000)*	31/12/2024	31/12/2023	Variation
10 Financial liabilities at amortised cost	4,614,099	4,688,290	(74,191)
a) amounts due	2,954,199	2,757,217	196,982
b) securities issued	1,659,900	1,931,073	(271,173)
40 Hedging derivatives	380	-	380
60 Tax liabilities	817	628	189
a) current	817	628	189
80 Other liabilities	217,480	212,970	4,510
90 Post-employment benefits	1,546	1,741	(195)
100 Provisions for risks and charges:	12,176	9,189	2,988
a) loan commitments and financial guarantees given	8,339	6,404	1,935
c) other provisions	3,837	2,784	1,053
110 Share capital	357,953	357,953	-
140 Share premium	105,000	105,000	-
150 Reserves	(25,470)	(36,946)	11,476
160 Valuation reserves	(161)	(211)	50
170 Profit for the year	20,098	11,476	8,622
Total liabilities and equity	**5,303,918**	**5,350,089**	**(46,171)**

Financial assets at amortised cost of €4,972.3 million at 31 December 2024 are substantially in line with the previous year end balance (€5,025.9 million). Reference should be made to the notes, Section 3 - Risks and related hedging policies for information on the quality of financial assets.

Property, equipment and investment property include the assets withdrawn after the termination of the finance lease and settlement of the loan by the original lessees. They amount to €7.5 million. The decrease of €10.1 million over 31 December 2023 is due to variations in the assets under finance leases withdrawn (€3.4 million) and the right-of-use assets recognised in accordance with IFRS 16, partly due to the early termination of the lease for the Milan office (€6.7 million).

Intangible assets, down €0.4 million on the previous year end, include software licences, mostly related to investments.

Tax assets amount to €23.5 million and principally comprise deferred tax assets of €22 million (down €9.9 million on 31 December 2022) arising on the impairment of loans and receivables and the current IRES/IRAP assets.

Other assets of €56.9 million mainly consist of the VAT asset of €3.3 million, “other” of €39.4 million (including advances to suppliers of €25 million), prepayments and accrued income of €7.4 million, tax assets of €4.6 million and sundry assets of €2.2 million. The €11.3 million increase on the previous year end is mostly due to the larger proportion of “other” (€15.2 million) and the smaller VAT asset and sundry assets (€3.9 million).

Financial liabilities at amortised cost decreased slightly from €4,688.3 million at 31 December 2023 to €4,614.1 million at the reporting date. They include amounts due of €2,954.2 million and securities issued of €1,659.9 million. Amounts due for financing increased over the previous year end, offset by the decrease in the sub-caption securities issued as a result of repurchase agreements issued for the new Sunny 2 securitisation, the senior notes of which were financed with a long repo.
The sub-caption amounts due mainly consists of €2,899.9 million due to banks, €15.5 million due to customers and €38.8 million due to other financial companies for financing received.
The sub-caption securities issued, down 14% on 31 December 2023, comprises the notes issued by the securitisation vehicles for the securisations.

Other liabilities of €217.5 million increased 2.1% on 31 December 2023 (€213 million). They include trade payables of €168.4 million, sundry liabilities of €31.9 million and accrued expenses and deferred income of €17.1 million. The increase of €4.5 million in the caption is mainly due to the increase in trade payables.

Provisions for risks and charges of €12.2 million increased 32.5% on 31 December 2023 due to larger accruals and smaller releases for disputes in which the parent is a defendant and accruals for loan commitments and financial guarantees given.

Equity of €457.4 million comprises:

(€'000)	31/12/2024
110 Share capital	357,953
140 Share premium	105,000
150 Reserves	(25,470)
160 Valuation reserves	(161)
170 Profit for the year	20,098

Income statement

(€'000)	2024	2023	Variation
10 Interest and similar income	299,708	284,278	15,430
including: interest calculated using the effective interest method	284,899	271,756	13,144
20 Interest and similar expense	(206,903)	(189,168)	(17,735)
30 Net interest income	**92,805**	**95,110**	**(2,305)**
40 Fee and commission income	31,795	31,501	294
50 Fee and commission expense	(21,739)	(24,475)	2,736
60 Net fee and commission income	**10,056**	**7,026**	**3,030**
70 Dividends and similar income *	-	-	-
90 Net hedging income	34	-	34
100 Net losses on disposal or repurchase of:	(853)	(1,549)	696
a) financial assets at amortised cost	(853)	(1,549)	696
110 Net gains on other financial assets and liabilities at fair value through profit or loss:	3	-	3
b) other financial assets mandatorily measured at fair value	3	-	3
120 Total income	**102,045**	**100,587**	**1,458**
130 Net impairment losses for credit risk associated with:	(22,503)	(21,860)	(643)
a) financial assets at amortised cost	(22,503)	(21,860)	(643)
140 Net modification gains (losses)	(58)	93	(151)
150 Net financial income	**79,484**	**78,820**	**664**
160 Administrative expenses:	(44,897)	(48,385)	3,488
a) personnel expense	(27,689)	(31,153)	3,464
b) other administrative expenses	(17,208)	(17,232)	24
170 Net accruals to provisions for risks and charges	(3,417)	(5,528)	2,111
a) loan commitments and financial guarantees given	(1,934)	(4,753)	2,819
b) other net accruals	(1,483)	(775)	(708)
180 Depreciation and net impairment losses on property, equipment and investment property	(1,958)	(2,132)	174
190 Amortisation and net impairment losses on intangible assets	(770)	(762)	(8)
200 Other operating expenses, net	(1,067)	(2,756)	1,689
210 Operating costs	**(52,109)**	**(59,563)**	**7,454**
250 Net gains (losses) on sales of investments	3,077	(81)	3,158
260 Pre-tax profit from continuing operations	**30,452**	**19,176**	**11,276**
270 Income taxes	(10,354)	(7,700)	(2,654)
280 Post-tax profit from continuing operations	**20,098**	**11,476**	**8,622**
290 Post-tax profit (loss) from discontinued operations	-	-	-
300 Profit for the year	**20,098**	**11,476**	**8,622**
310 Profit for the year attributable to non-controlling interests	-	-	-
320 Profit for the year attributable to the owners of the parent	20,098	11,476	8,622

** the totals are less than €500 and as the caption is shown in thousands of Euros, it has a nil balance*

Net interest income, including discounting gains and net interest accrued on non-performing exposures (-€1.4 million), decreased by 2.4% or €2.3 million on 2023. The reduction in net interest income is linked to the Euribor's performance (upwards in 2023 and downwards in 2024) as the main index for assets and liabilities. In particular, the rate's performance in 2024 had a negative impact (albeit very limited) on the different indexations of assets (mainly monthly) and liabilities (mainly quarterly).

Net fee and commission income of €10.1 million is €3 million higher than in the previous year. Sales commissions decreased by €2.6 million, while lease management fees and other costs increased by €0.8 million and €0.4 million, respectively.

Net losses on disposal or repurchase of: (a) amount to €0.9 million and include the costs incurred for the loan transfer in the second half of the year as described in more detail in the “Key events of the year” section. In 2023, this caption included costs of €1.5 million incurred in connection with the transfer of loans.

As a result, total income amounts to €102 million, up 1.4% on the previous year.

Net impairment losses amount to €22.5 million, with a cost of risk of 0.44%, up slightly on 2023 (0.42%). Net of the accounting effects of IFRS 9, it shows an increase of €1.7 million.
This increase is in contrast to the performance of defaulting positions, which shrank to particularly low values both during 2024 and at the end of the year. Despite this, the forecasts of a contraction in economic activity and the consequent potential increase in these defaulting positions could worsen the loss forecasts for non-performing exposures. Therefore, the parent has recognised larger than normal impairment losses compared to its usual internal policies in order to pre-empt any adverse future situations.

Administrative expenses amount to €44.9 million, including personnel expense of €27.7 million and other administrative expenses of €17.2 million. They are down €3.5 million (-7.2%) on 2023. This trend reflects management's focus on the cost structure of operating processes.

Personnel expense decreased by 11.1%, or €3.5 million, from €31.2 million in 2023 to €27.7 million in 2024. The reduction is mainly due to termination benefit costs incurred in 2023.

Other administrative expenses were in line with the previous year (-0.1%). The caption includes higher expenses related to the commercial activities of the shareholder banks (€0.9 million) offset by lower building management costs and sundry expenses (about €0.8 million).

Depreciation/amortisation and net impairment losses on property, plant and equipment and intangible assets total €2.7 million and are in line with the previous year.

Net accruals to provisions for risks and charges decreased by €2.1 million over 2023. This decrease reflects the greater accruals made in 2023 for a building under construction (€4.1 million) and in 2024 for litigation (a prudent €0.7 million).

Other operating expense, net (which includes gains and losses on exposures factored without recourse) decreased by €1.7 million. The decrease is due to the higher gains on the sale of assets (€2.5 million) partly offset by higher costs (€1.3 million) for the recovery and management of assets underlying finance leases terminated in advance for breach of contract.

Profit for the year

The pre-tax profit for 2024 is €30.5 million and the profit for the year amounts to €20.1 million.

Risk management

Section 3 - Risks and related hedging policies in Part D of the notes to the consolidated financial statements provides a detailed description of the risks the group is exposed to and its related hedging policies.

Related party transactions

Section 6 - Related party transactions in the notes to the consolidated financial statements provides information about transactions undertaken by the group with related parties.

Main risks and uncertainties

The relevant sections of the notes to the consolidated financial statements provide information about the risks affecting the group's financial solidity, the going concern assumption and financial and operating risks.
The directors deemed it appropriate to use the going concern assumption in preparing these consolidated financial statements as there are no significant uncertainties about the group's ability to continue to operate in the foreseeable future. This is confirmed by its main capital and financial ratios at year end.
It is also true that the current macroeconomic scenarios are still unclear and difficult to predict, as they are impacted by variables such as the duration of the wars in Ukraine and the Middle East, the consequent impact on energy costs and trade and the continuation of inflation, which is still slightly above expectations. In other words, there is a risk - albeit probably insignificant - that the production environment could be affected by a possible worsening of the scenario, and this could lead to an unexpected contraction of new lease volumes, which are strongly correlated to macroeconomic factors.
There is no uncertainty about the group's access to funding, also given that its shareholders are banks which have confirmed their strategic commitment to the group.

Other information

The following should be noted:

- Alba Leasing S.p.A. is not managed and coordinated by another company;
- it does not hold and has not held treasury shares during the year.

Moreover:

Share capital

The parent's fully paid-up and subscribed share capital of €357,953,058.13 comprises 353,450,000 shares without a par value as follows:

Shareholder	Number of shares	Euro	% of share capital
Banco BPM S.p.A.	138,515,000	138,515,000.00	39.19%
BPER Banca S.p.A.	118,397,500	118,397,500.00	33.50%
Banca Popolare di Sondrio S.p.A.	68,087,500	68,087,500.00	19.26%
Crédit Agricole S.p.A.	28,450,000	32,953,058.13	8.05%

Consolidation scope

The consolidated financial statements include the financial statements of the securitisation vehicles Alba 6 SPV S.r.l., Alba 11 SPV S.r.l., Alba 12 SPV S.r.l., Alba 13 SPV S.r.l. and Alba 14 SPV S.r.l..
During the year, via its SPV Sunny 2 SPV S.r.l., the parent carried out a new securitisation. Since it holds all the notes issued, the transaction qualifies as a self-securitisation which is recognised in accordance with the applicable legislation.
Section 5 - Basis of consolidation in Part A - Accounting policies of the notes to the consolidated financial statements provides more information about the consolidation scope.

Outlook

Although GDP grew slightly in 2024, the exceptional events and macroeconomic uncertainties will continue to affect 2025 with an outlook for “zero growth”. While Alba Leasing S.p.A. promptly seized all opportunities that presented themselves in 2024, in 2025, it intends to build on its commercial achievements by adapting its strategies to the external macroeconomic variables while maintaining high service levels for its customers and equally high operational efficiency.

Events after the reporting date

No events occurred between the end of 2024 and the approval date of these consolidated financial statements that would appreciably affect operations or results.

Branches

None.

Proposals to the shareholders

Dear shareholders
We would ask you to acknowledge the consolidated financial statements of the Alba Leasing Group as at and for the year ended 31 December 2024 and this report.

On behalf of the board of directors
Chairman

Sustainability statement

Contents

1. About us

Alba Leasing S.p.A.: identity and business model

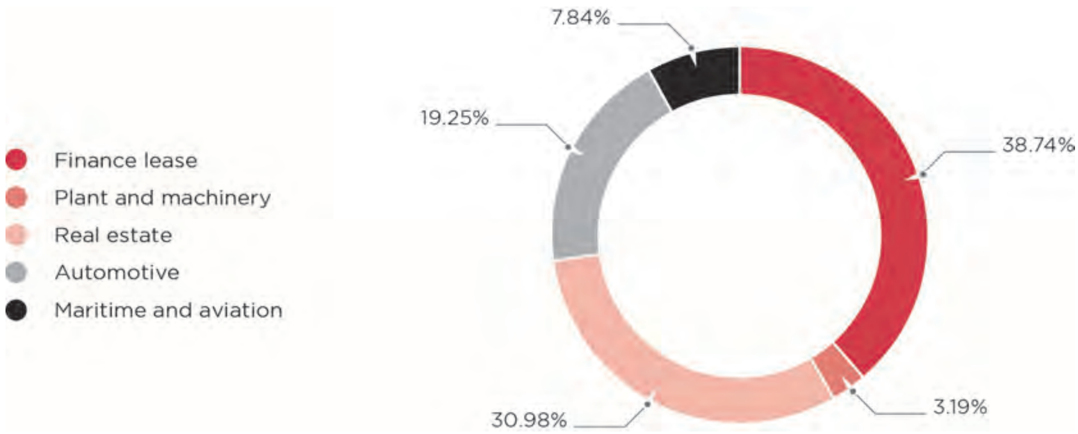
Alba Leasing S.p.A. (“Alba Leasing” or the “parent”) is a leading player in the Italian lease market. Owned by Banco BPM S.p.A. (39.19%), BPER Banca S.p.A. (33.50%), Banca Popolare di Sondrio S.p.A. (19.26%) and Crédit Agricole Italia S.p.A. (8.05%), Alba Leasing has an established base of almost 33,000 customers, mainly SMEs. At 31 December 2024, there were 4,993 bank branches that distributed Alba Leasing products, of which 3,402 were shareholder banks’ branches and 1,591 other affiliated banks’ branches (smaller banks strongly concentrated at local level), ensuring widespread access to tailored lease products.
Specialising in finance leases, Alba Leasing S.p.A. offers a broad and diversified portfolio of products. It has also strengthened its position in operating leases, posting significant growth over the past three years. The figures for new leases confirm plant and machinery leases as the leading product, accounting for 38.74% of plant and machinery finance leases and 3.19% of plant and machinery operating leases respectively. This was followed by real estate with 30.98%, vehicles with 19.25% and aviation and railway with 7.84%.
The current scenario - with rising international tensions, not only in Ukraine and the Middle East as in the past year, and the impact of weather events affecting several Italian regions - has prompted Alba Leasing S.p.A. to adopt a prudent and careful approach to customers with performing exposures, cautiously assessing any risks arising from these situations.
The parent’s products include:

- plant and machinery leases: can be tailored to companies of all sizes in all sectors;
- vehicle leases: for companies and professionals that need vehicles for their operations;
- real estate leases: for commercial, industrial, services and all other production properties;
- maritime and aviation leases: covering the lease of sea vessels by companies and professionals.
- operating leases: for plant and machinery with high technological obsolescence.

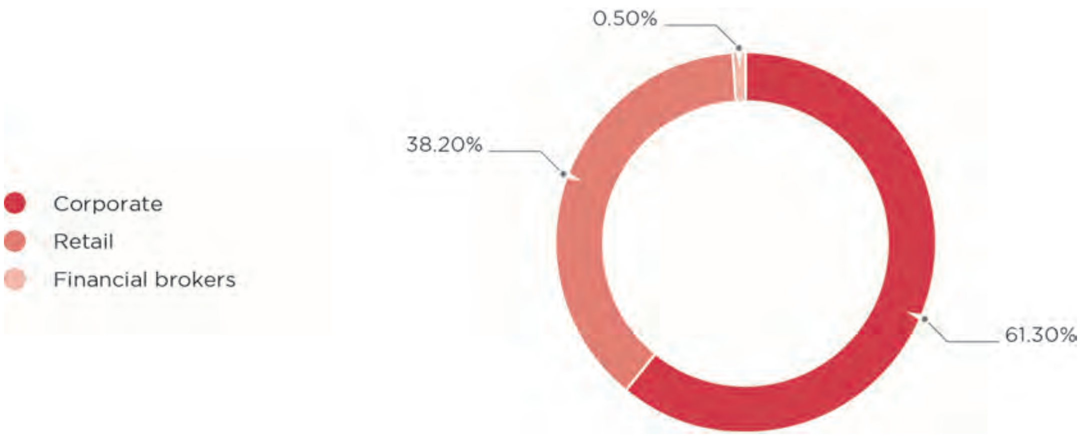
With products that respond to the needs of businesses and a solid strategic vision, Alba Leasing S.p.A. continues to strengthen its position in the sector, hand in hand with the development and growth of the Italian entrepreneurial fabric.

The following charts provide a breakdown of the group's product portfolio.

Product portfolio

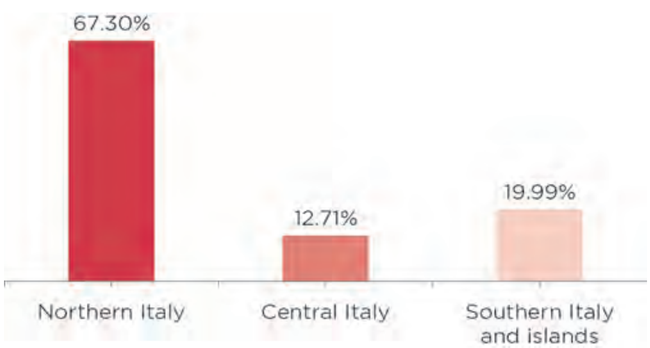


Customers by segment (%)



The above classification was made according to the rules of supervisory reporting (Regulation (EU) no. 575/2013, as subsequently amended).

Product portfolio by geographical segment



Alba Leasing's main stakeholders

Alba Leasing's main stakeholders

The parent's main stakeholders are all those parties that engage with it on a daily basis in the pursuit of common objectives and to create value. Specifically:

- shareholders, with which the parent engages constantly to create sustainable value over the medium to long term;
- employees and sales network, which are directly involved in operations, supporting the group's growth and the achievement of strategic objectives;
- sector associations, which Alba Leasing consults regularly to foster a constructive, innovative approach;
- suppliers and commercial partners, selected for their high quality standards and to offer customers a wide range of competitive alternatives;
- local communities, which sees the parent proactively contributing to the local social and economic fabric;
- customers and company bodies, which are central to the group's operations, comprising the customer base and the governance structures essential to the group's success.

These stakeholders are an integral part of Alba Leasing S.p.A.'s strategic vision, contributing to its commitment to sustainable and responsible growth.

Stakeholder engagement tools

Alba Leasing S.p.A. recognises the strategic importance of actively engaging its stakeholders, integrating this principle into its corporate culture. This approach not only reinforces mutual trust and transparency but also stimulates continuous improvement, leading to shared and sustainable growth. For this reason, Alba Leasing develops channels for continuous dialogue with all stakeholders, investing in dedicated tools to facilitate effective and targeted communication.

In recent years, it has built up its footprint on digital channels, rolling out various tools to communicate with current and potential customers:

- social media, to share and publicise activities, awards and events concerning the group as a whole;
- a call centre, which is a key tool to respond promptly to both established and new customers requesting information;
- a dedicated section on its website, offering direct access to support tools, regulatory updates and answers to frequently asked questions.

In addition, the parent is committed to monitoring customer satisfaction. It interviews the distribution network to assess service quality and identify areas for improvement, pursuing targeted actions to enhance the customer experience.
Engagement with shareholders and with the national and international financial community is another pillar of Alba Leasing's transparency strategy. The parent held numerous in-person and virtual meetings during the year, with management presenting updates on its performance, changes in the market and strategic objectives. It also actively participates in projects organised by Assilea, the Italian sector organisation for finance and operating lease operators in Italy, contributing to the development and promotion of the sector.
This consolidated approach enables Alba Leasing S.p.A. to nurture a constructive relationship with its stakeholders, pursuing every opportunity for dialogue in order to grow together.

Sustainability strategy

Alba Leasing S.p.A. strengthened its commitment to environmental, social and governance (ESG) sustainability in 2024, implementing innovative strategies to promote responsible and inclusive growth. An overview of Alba Leasing's various sustainability initiatives is provided below.

Sustainable and green mobility campaigns

To encourage the use of public transport, Alba Leasing has implemented a sustainable mobility programme for its employees. Consisting of the partial or total reimbursement of public transport fares, the aim is to reduce the use of private vehicles and, consequently, CO_2 emissions.
Meanwhile, the parent has expanded its portfolio of financial products for green mobility, with a focus on electric vehicles and plug-in hybrids. The campaign offers favourable conditions for the purchase of eco-friendly cars, thereby fostering the development of more sustainable transport solutions.
Another campaign is aimed at the energy efficiency of buildings, which includes incremental modules, such as photovoltaic panels, which are an example of a circular economy.

Corporate well-being programmes and generational handover

Alba Leasing S.p.A. has enhanced its corporate well-being policies to improve its employees' quality of life.
Remote working is a pillar of corporate well-being policies and the parent has renewed its commitment to work flexibility, with specific facilities for employees who need to balance work and home life, such as those covered by Law no. 104 or new fathers.
Alba Leasing again offered counselling services this year, providing anonymous, confidential support with a view to ensuring employee well-being. The service fosters cooperation between workers and the parent and provides a safe space to seek advice and support on personal and professional difficulties.
In parallel, the "Lease Gen" programme is designed to nurture the growth of employees under 35. With training courses on soft skills, leadership and technical expertise, Alba

Leasing invests in the new generation of lease professionals, ensuring a solid and innovative future for its business.
To encourage intergenerational balance, the parent has extended the solidarity fund, a tool that allows early retirement for employees nearing the end of their working life, while facilitating the entry of young talent into its workforce.

Social and community commitments

Alba Leasing supported cultural events for charity, such as the Roberto Vecchioni concert for Sightsavers, an international organisation that works to prevent blindness in developing countries.
A valuable initiative was also the creation of the “Dragonfly Space”, an awareness-raising and support project for children, families and female victims of gender-based violence. This initiative is part of a broader social responsibility programme aimed at promoting an inclusive and supportive environment.
Alba Leasing also continued its collaboration with the Banco Farmaceutico in 2024, by being present at participating pharmacies to raise awareness for the collection of medicines for the most vulnerable people.
Finally, Alba Leasing took part in the in the PittaRosso Pink Parade 2024, a solidarity event aimed at raising funds for women’s cancer research, in collaboration with the Umberto Veronesi Foundation.

Innovation and organisational development

To further improve the work environment, Alba Leasing has initiated a major renovation of its Milan office. The aim is to create more welcoming, modern and sustainable areas, in line with the needs of a dynamic company that cares about the well-being of its employees.
On the recruiting front, the parent introduced the “Referral Bonus”, a programme that rewards employees who refer good candidates for new hires. This strategy not only encourages the introduction of new talent, but also enhances the employees’ sense of belonging and engagement in business growth.

Gender equality and inclusion

In line with its commitment to diversity and inclusion, Alba Leasing has joined the ABI (the trade association of Italian banks) campaign against economic violence against women. This initiative aims to raise awareness in the banking and financial sector of the need for concrete tools to support women’s financial independence and combat gender inequalities.

Events, recognitions and certifications

Alba Leasing continues to attend major trade fairs and industry events, with a focus on sustainability. In 2024, it participated in Ecomondo, the leading trade fair for technological and industrial innovation in the environmental field, where it unveiled its green lease solutions, reinforcing its credentials as a key player in the ecological transition.
Thanks to the adoption of advanced ESG standards, Alba Leasing received important accolades during 2024:

- for the third year in a row, Alba Leasing was confirmed as a “Sustainability Leader” by Statista and Il Sole 24 Ore newspaper in recognition of its outstanding ESG performance. The parent stands out among the 240 award-winning Italian companies out of the more than 1,500 analysed, ranking among the 40 small and medium-sized companies that adopt reporting standards comparable to those of large multinationals, ahead of the European Green Deal regulations;
- for the second year running, it was included in the prestigious “Most Climate-Conscious Companies” list compiled by Pianeta 2030, Statista and Corriere della Sera newspaper. This award highlights the parent’s tangible contribution to the fight

against climate change, with its significant reduction in the ratio of CO_2 emissions to turnover.

Some examples of success in 2024

Clean and sustainable energy - Alba Leasing's support for Communità Energetiche S.p.A.

The energy transition is one of the most important challenges for the future and Comunità Energetiche S.p.A. is at the forefront of developing solutions for the production and management of renewable energy. Thanks to the support of Alba Leasing, the company was able to build a ground-mounted photovoltaic system, strengthening its commitment to solar energy generation and the dissemination of sustainable energy consumption models.
The transaction involved the real estate lease of a photovoltaic plant in the municipality of Scurcola Marsicana (AQ) in Abruzzo, with a total capacity of 717 kWp.
The plant has already been connected to the grid and is available to the Marsica renewable energy community (REC) cooperative, which is composed of local SMEs and users. Comunità Energetiche S.p.A. has been instrumental in creating a collaborative ecosystem which deploys energy sharing as a tool for economic growth and innovation, laying the foundations for a future of low environmental impact and high operating efficiency.
Comunità Energetiche S.p.A. is part of the FIEE Group (Fondo Italiano Efficienza Energetica), one of Europe's leading financial operators specialised in investments in the energy transition. Its mission is to help companies use renewable energy as a strategic driver for business growth and competitiveness. Comunità Energetiche S.p.A. installs turnkey systems on unused assets - from warehouse roofs to industrial surfaces - and promotes energy sharing solutions. The company takes care of all stages, from planning to installation and maintenance, removing financial and operational barriers and offering a complete renewable energy supply solution.
Partly thanks to Alba Leasing, Comunità Energetiche S.p.A. can continue to promote the development of innovative and sustainable energy solutions, contributing to the decarbonisation of the production cycle and the reduction of dependence on fossil fuels. A project that looks to the future of energy, with concrete benefits for companies, the local communities and the environment.

Pomilio Blumm Citadel in Pescara

The inauguration of the Pomilio Blumm Citadel in Pescara marked an important step forward in the field of institutional communications. Created also thanks to the support of Alba Leasing S.p.A. and Bper Banca S.p.A., the venue is not only a professional but also a creative and social centre of excellence.
During the inauguration ceremony, the company's chairman, Franco Pomilio, described the vision for the project: to create a work environment that promotes creativity and civic-mindedness, values essential in the realm of institutional communications.
Pomilio Blumm organised the main ministerial meetings of the G7 Italy 2024 starting from the Citadel, which will have a significant impact on the local communities thanks to the development of a training hub in cooperation with Maastricht University, offering growth opportunities for young people and contributing to the region's professional and social development.
With this initiative, Pomilio Blumm reaffirms its commitment to innovation with a space that promotes creativity and collaboration.

Urban regeneration and sustainable development - The redevelopment of the Enel building with Blue SGR

In the context of urban transformation, the "Eblò" project represents a strategic project for the revitalisation of a key area of Turin. Promoted by Blue SGR, manager of the Chirone Fund, the project involves the redevelopment of the Enel building in Corso Regina

Margherita, with the aim of giving the city a modern, flexible and sustainable work environment.
Thanks to a real estate lease agreement with Alba Leasing S.p.A., Blue SGR was able to start work on transforming the building into an innovative hub for start-ups and businesses, creating a focal point for professional collaboration and entrepreneurial growth. The project aims not only to improve the architectural design of the building, but also to enhance the entire northern area of Turin, promoting its economic and social.
The project is part of a broader vision of sustainable urban regeneration, in which the redevelopment of existing buildings represents an effective solution for limiting land consumption, reducing environmental impact and offering new work spaces designed for people's well-being. Alba Leasing supported this transformation, confirming its commitment to financing projects that promote sustainability and improvement of the urban fabric.
Its completion marks a significant step towards a more inclusive and efficient urban model, in which state-of-the-art workspaces become an integral part of an increasingly future-oriented city.

Alba Leasing's sustainability policy

The European Union's growing regulatory and political drive is promoting an acceleration towards sustainable investment through a series of requirements aimed at economic and social actors, including businesses, to encourage sustainable financing. Finance is a key pillar in this scenario, contributing significantly to the growth of ESG investments and ensuring their resilience. The lease sector is a useful tool to encourage a sustainable and circular economic transition by facilitating, as far as possible, access to state-of-the-art assets designed using advanced technologies and efficient resources.
In this context, Alba Leasing is positioned as a strategic partner of the Italian entrepreneurial community, offering solutions aimed at supporting sustainable economic recovery and growth.

Specifically, Alba Leasing has formalised its commitment to ESG principles through a sustainability policy that integrates values aimed at protecting the environment, safety and valuing people and communities. The sustainability policy is structured around four core areas:

- integrity and transparency in business and a culture of sustainability: development that generates sustainable value by promoting innovative and forward-looking strategic choices;
- customer-centricity, innovation and service quality: an active contribution to sustainable change, supporting customer growth over the course of the relationship;
- investment in people and skills for the future: responding to market challenges and growth, creating an inclusive, welcoming and discrimination-free working environment;
- protection of the environment and health and safety: integrating these aspects into its products and services, promoting approaches consistent with energy transition and circular economy models.

On the basis of these pillars, Alba Leasing is committed to promoting sustainable development and being a reliable partner for businesses wishing to innovate and grow with a forward-looking vision.

Alba Leasing's contribution to the UN's SDGs

SUSTAINABLE DEVELOPMENT GOALS

Alba Leasing's business and its sustainable conduct contribute to the achievement of nine of the 17 Sustainable Development Goals (SDGs) set out by the United Nations in the 2030 Agenda.

SDG 3 Good health and well-being

Health and wellbeing are topics that have overturned individual and collective priorities in recent years. The parent has introduced dedicated safeguards and internal procedures and swiftly adopts the most appropriate measures when necessary. Its zero accident objective is a concrete example of its commitment to this goal.

SDG 8 Decent work and economic growth

Alba Leasing ensures professional growth opportunities based on anti-discriminatory, merit-based and acquired skills criteria. It encourages teamwork and collaboration respectful of the dignity and reputation of all its people. The parent also proactively contributes to social-economic development and the growth of SMEs through its products and services.

SDG 9 Industry, innovation and infrastructure

The parent contributes to the innovation of products, services and production processes along its value chain. It is committed to checking its customers' and suppliers' compliance with ESG topics in increasingly granular detail, with a view to improving its value chain.

SDG 4 Quality education

Specialisation and upskilling are essential for business continuity and to be competitive. The parent is committed to developing its human capital through ongoing upskilling and reskilling training sessions.

SDG 13 Climate action

The parent pursues climate change mitigation and emissions reduction goals through direct improvement paths, connected to business activities, and indirect ones.

SDG 5 Gender equality

To be a company that guarantees gender equality and adopts policies for an inclusive and welcoming work environment means working to ensure all our people fully cultivate their talents. Once again in 2024, Alba Leasing elected to become a signee of the "Donne in Banca: valorizzare la diversità di genere" charter promoted by the Italian Banking Association (ABI) to promote the value of gender diversity as a key resource for development, sustainable growth and the creation of value throughout the group. It also signed the memorandum of understanding between the Minister for the Family, Birth Rate and Equal Opportunities and the President of the Italian Banking Association on preventing and combating violence against women and domestic violence.

SDG 7 Ensure access to affordable, reliable, sustainable and modern energy for all

The parent is committed to promoting and using clean energy systems, minimising the use of fossil fuels in its operations and it is no coincidence that the transformation towards a fleet of hybrid and electric vehicles continues. All electricity purchased by Alba Leasing is renewable and its lease products for electric vehicles offer incentivised rates.

SDG 12 Responsible consumption and production

Alba Leasing S.p.A. has long been committed to waste reduction and recycling. In line with previous years, the parent has a campaign to reduce paper consumption, facilitated by digitisation, and offers the possibility for employees to work remotely up to twice a week. The presence of water dispensers on each floor reduces plastic consumption. In addition, by its very nature the parent's business is relatively low-impact in terms of consumption and waste, as it is almost entirely digitised.

SDG 16 Peace, justice and strong institutions

Alba Leasing has obtained anti-corruption and compliance certification and is committed - as stated in its code of ethics - to combating money laundering and corruption of any kind, both internally and in its external relations with suppliers, customers and commercial partners.

2. Corporate governance

Organisational and management model

Alba Leasing's organisational and management model is designed to ensure the sound and prudent management of the parent's business and to ensure stability, sustainability and transparency to generate value through innovation and long-term strategic choices. The model is structured as follows:

- company bodies: the board of directors and the board of statutory auditors are responsible for corporate governance and oversight;
- management bodies: the managing director and general manager have operating and decision-making functions;
- committees: interdisciplinary bodies that support the corporate and management bodies with coordination, planning and control activities;
- organisational structure: designed to carry out the activities consistent with the group's objectives.

Company bodies

Board of directors

Alba Leasing has a traditional corporate governance model with a board of directors elected by the shareholders and entrusted with the its ordinary and extraordinary management, except for those areas reserved by law or the by-laws to the shareholders. The board of directors undergoes self-assessments to ensure its proper working and composition and that it has a balanced mix of expertise and professional backgrounds.
The policy to select the directors is set out in a document which regulates the optimal number of directors and their qualifications. It is prepared and approved by the board of directors in order to illustrate to the shareholders (which will present the lists of candidates for election) its requirements in terms of gender diversity, professional backgrounds and expertise.

Quantitative composition of the board of directors

The number of directors shall be commensurate with the size and complexity of the parent's organisational structure. Its by-laws establish that the board of directors shall have a set number of members, who need not be representatives of the shareholders. Specifically:

- seven members, if the parent has less than five shareholders which are not related to each other and each have a stake of more than 5% in the parent, or
- between eight and ten members, if the parent has more than five shareholders that are unrelated to each other and each have a stake of more than 5% in the parent, without prejudice to the fact that, in this case, an increase in the number of directors shall be proportionate to an increase in the number of shareholders meeting the above requirements;
- the shareholders in their ordinary meeting set the number of board members for the 2023–2025 three-year period at 7 (seven).

At least one quarter of the directors must be independent and at least one third of the directors must be of the less represented gender.

Qualitative composition of the board of directors

In qualitative terms, the directors shall possess expertise and criteria commensurate with the business complexity. This requires that directors:

- have experience in roles of responsibility commensurate with the size and needs of Alba Leasing;
- bring diverse expertise in order to offer complete, balanced contributions;
- devote sufficient time and resources to manage the complexity of their duties.

In addition, the board of directors shall include:

- independent members to ensure impartial oversight and independent judgement;
- non-executive members who effectively counterbalance the executive members, to ensure business management balance.

Professional requirements

To ensure compliance with Bank of Italy guidelines and Ministerial decree no. 169/2020, each director of Alba Leasing states that they have in-depth knowledge, expertise and proven experience, gained through specific engagements in various professional fields. In particular, the expertise may be gained through:

- significant experience in administration, control or management roles in the credit, financial, securities or insurance sectors, where the director has developed an in-depth and practical understanding of the dynamics of the sector;
- administration, supervisory or management duties in listed companies or companies of a similar size and complexity (in terms of turnover, type of business, organisational structure and operations) to that of Alba Leasing;
- consolidated professional experience largely gained in credit, financial, securities or insurance or in related sectors, with a focus on complex activities and services for major customers, requiring expertise and dedication;
- university teaching positions, as first or second level professor in law, economics or other subjects related to Alba Leasing activities, bringing valuable theoretical and practical knowledge to the parent's administration;
- managerial or senior positions with public bodies or public administrations sectors similar to those of Alba Leasing, provided they are of a size and complexity comparable to those of the company, with a view to knowledgeable and expert company administration.

Moreover, again as established by Bank of Italy and Ministerial decree no. 169/2020, each director shall state that they have theoretical knowledge and practical experience in at least one of the following strategic areas: financial markets, banking and financial sector regulation, strategy definition, organisational structures and corporate governance, risk management with expertise in identifying, monitoring and mitigating the various types of risks, internal control systems, banking and financial products and services, accounting and financial reporting, information technology and human resources management.

Diversity

The diversity of Alba Leasing's board of directors is designed to ensure optimal diversification in terms of age, gender and geographical background. Diversity fosters a variety of perspectives and approaches, is valuable in problem analysis and decision-making, while also reducing the risk of merely conforming to internal or external prevailing opinions. Diversification can lead to the greater involvement of each member on matters or decisions more in line with their qualifications, without however compromising the principle of active participation of all members in the work and decisions of the board.

Independence

Alba Leasing deems the presence of independent members in the board, able to express an independent and impartial opinion on management, to be fundamental. Independent directors help oversee the group's operations, protect its interests and prevent conflicts of interest, ensuring that decisions are consistent with the objectives of sound and prudent management. They must comply with the requirements of article 13 of Ministerial decree no. 169/2020 and article 15 of the by-laws. Based on its size and operating complexity, the board should ideally include at least two independent members. In order to prevent conflicts of interest, the parent has introduced a "Conflicts of interest and interlocking policy", which sets out rules to manage the areas where such situations could arise. Directors who find themselves in a conflict of interest situation shall communicate this and shall abstain from taking part in resolutions or decisions about the underlying transaction. In these cases, decisions are taken by the board without participation of the director affected by the conflict of interest.

Non-executive members

The majority of Alba Leasing's directors are non-executive, in that they do not have proxies, including on a de facto basis, and they do not carry out activities related to the parent's direct management. The current board of directors has just one executive member, who is also the managing director.

Limits to the number of positions

Directors are fully aware of their strategic role and related powers and obligations. To perform their duties correctly and effectively, the directors shall ensure they can dedicate sufficient time and resources in line with the complexity and requirements of their positions, particularly those who hold executive positions or are members of the board committees. Directors accept their position when they are confident they can properly and diligently carry out their duties, considering their professional and business commitments and any positions they may hold in other companies listed on regulated markets (including abroad), financial companies, banks, insurance companies or large companies.

Tab 4 Board composition

Breakdown of directors by gender (no.)	2022	2023	2024
Directors	7	7	7
Of which male	6	6	6
Of which female	1	1	1

Breakdown of directors by age bracket (no.)	2022	2023	2024
Under 30 years old	-	-	-
Between 30 and 50 years old	1	-	-
Over 50 years old	6	7	7

Directors' expertise	Banking and financial	Legal, economic and commercial	Governance and risks	Strategy and institutional relations	IT and new technologies
	7/7	7/7	7/7	7/7	6/7

Breakdown of directors by gender (%)	Breakdown of directors by age bracket (%)	Independent directors (%)
Men	>50 years old	Shareholder banks
86%	100%	57%
Females		Independent members
14%		43%

At 31 December 2024, the parent's directors hold an average of two other positions in other companies or bodies.

Board of statutory auditors

Alba Leasing has a board of statutory auditors that oversees compliance with the law, regulations and by-laws, the principles of sound administration, the adequacy of organisational and accounting structures and the effectiveness of the internal control system.
The monitoring activities are bolstered by the presence of a supervisory body as per Legislative decree no. 231/01, which has independent powers to oversee the parent's operations, assisted by the internal audit unit.

Management bodies

The management bodies, i.e., the managing director and the general manager (one individual has covered both of these roles since 28 November 2023) are appointed by the board of directors. The management bodies implement the strategic guidelines and governance policies approved by the body with strategic supervisory functions, via a system of proxies. They report on their exercise of such proxies to the board of directors at least every six months, pursuant to article 2381 of the Italian Civil Code.

Board committees

To optimise decision-making and ensure the supervision of commercial and management processes, Alba Leasing has set up the following board committees:

- the steering committee, which makes proposals to the board of directors on strategic planning, trend analyses and decision-making;
- the internal audit committee, which monitors the parent's risk profile and measures to ensure the completeness, adequacy, functioning and reliability of the internal control system;
- the sustainability committee, which makes proposals and is consulted about ESG topics;
- the credit committee, which approves loans up to the ceilings set by the board of directors;
- the commercial committee, which checks that commercial objectives are reached and evaluates new products or markets;
- the crisis committee (ordinary and emergency management), which is part of the business continuity and emergency management processes;

The internal control committee is comprised of an independent director, the internal audit manager, the chief risk officer and the compliance manager.
The chairperson of the internal risk committee is appointed by the board of directors and must meet the independence requirements. The other committees' members are senior managers.

Remuneration policy

Alba Leasing considers remuneration and incentive policies a fundamental tool for supporting medium- and long-term strategic objectives. The aim is to:

- align remuneration with performance, taking account of risks and capital and liquidity requirements;
- avoid incentives that encourage risky or non-compliant behaviour;
- attract and retain qualified resources, encouraging a performance and merit-based culture.

The variable component of remuneration is linked to long-term strategic goals, with annual planning incorporating qualitative objectives, not just financial or commercial ones. Alba Leasing recognises the importance of remuneration policies that attract qualified professionals, improving competitiveness and strengthening effective governance. The key principles underpinning this are:

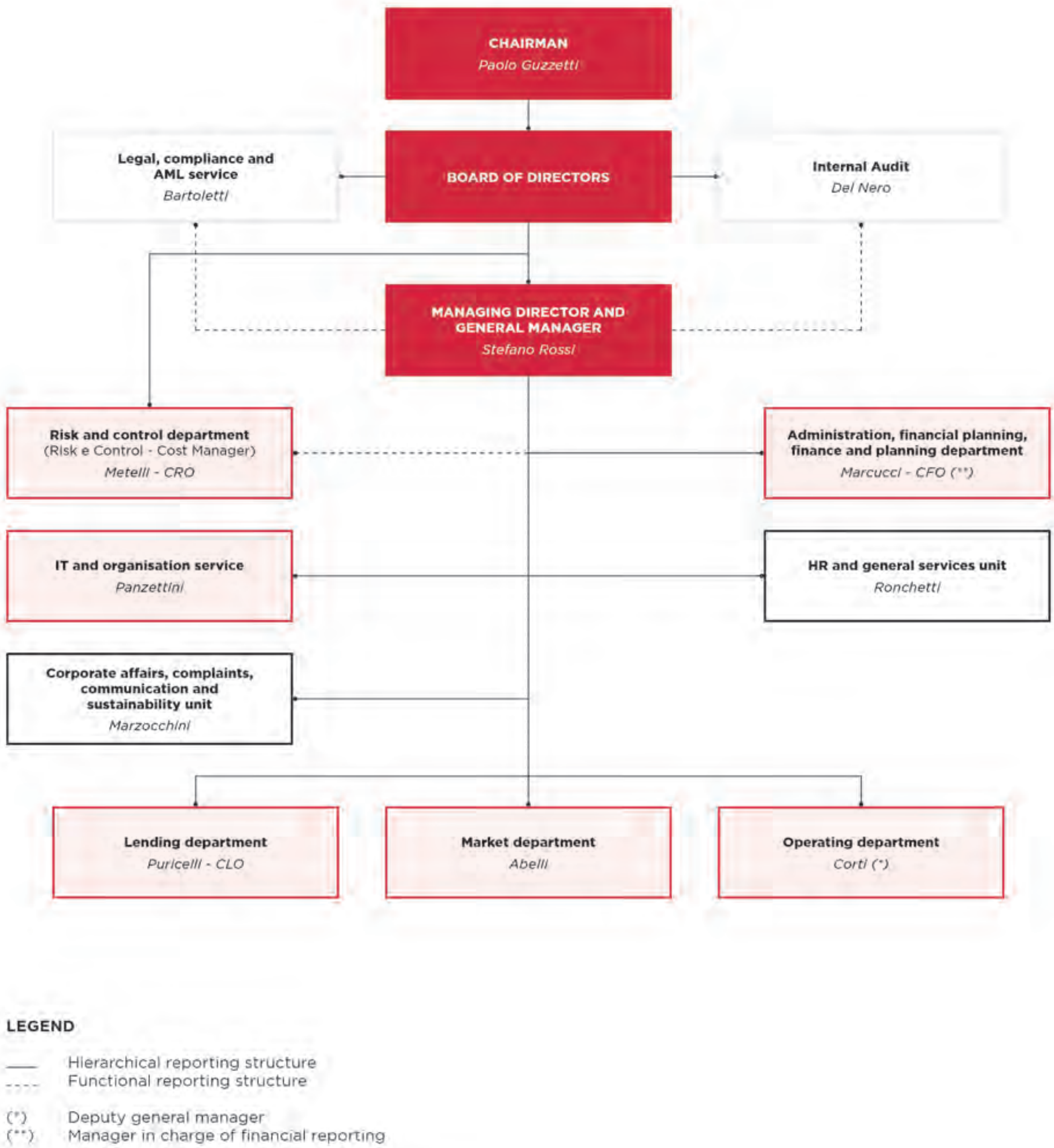
- merit-based promotion;
- equal pay;
- a focus on risks and compliance;
- a prudent approach to HR management.

Alba Leasing aims to promote personal contribution while encouraging teamwork and a sense of belonging. Individual results are correlated with the performance of the organisational unit and the parent as a whole.

Organisational structure

The managing director is appointed by the board of directors. They implement the board decisions, represent the parent within the limitations of the powers allocated threto and draw up the parent's strategy guidelines to be approved by the board of directors and, subsequently, the shareholders. The managing director is responsible for the business plan and budget, as well as the management of the overall business. The general manager is appointed by the board of directors. At the request of the managing director, the general manager implements board resolutions and directives issued by the managing director.

Organisational chart



Sustainability manager

The board of directors has appointed a sustainability manager to continuously monitor the implementation of ESG policies, acting as a liaison between the board of directors and the corporate structure. The sustainability manager coordinates the definition of strategic guidelines and the updating of ESG guidelines and ensures stakeholder engagement on sustainability topics. They also define the parent's sustainability training needs, in conjunction with the other competent functions.
An internal organisational procedure defines the roles and responsibilities to ensure a structured approach to sustainability. The outcomes and impacts of these processes are submitted monthly to the sustainability committee, which periodically reports to the board of directors on progress in the ESG area.

Towards alignment with the CSRD and activities to safeguard sustainability

Alba Leasing has begun the process to comply with the Corporate Sustainability Reporting Directive (CSRD), assessing the adjustments needed to better monitor sustainability activities. The sustainability committee met monthly in 2024, discussing a range of issues, including:

- corporate social responsibility initiatives - "Alba per il Social";
- the three-year car fleet replacement plan;
- assessment for gender equality certification and initiatives to close any gaps;
- climate and environmental risk projects in compliance with Bank of Italy requirements;
- green business initiatives;
- preliminary assessment of donation initiatives;
- preparations to comply with the requirements of the CSRD;
- EIB Green Gateway Advisory Programme;
- reporting on the green profiles of the loans portfolio;
- updating the materiality assessment.

In 2024, the board of directors met 15 times and discussed ESG matters in six meetings, including updating the materiality assessment, approval of the 2023 consolidated non-financial statement and Bank of Italy's climate risk action plan.

Internal control and risk management system

Alba Leasing fosters a corporate culture grounded in risk awareness and management to enable well-informed strategic decisions. The risk management system comprises tools, organisational structures, procedures and rules that reflect the parent's strategic and operating objectives in line with the applicable legislation.
In its risk mapping process, the parent prepares the ICAAP (Internal Capital Adequacy Assessment Process) report in accordance with the supervisory guidelines, assessing capital adequacy in relation to the risks arising from its operations.
The risk mapping process entails:

- assessment of the parent's risk environment and identification of the main types of risk, taxonomy, materiality and monitoring and mitigation measures;
- consider them in relation to the minimum risks that Bank of Italy requires financial institution to consider;
- self-assessment to identify business-specific risks;
- classification between risks measurable and non-measurable (but still assessable) risks.

Interaction between internal control and risk management

The risk control system is a dynamic and interactive process, involving several areas and decision-making bodies:

- the risk management unit annually updates the parent's "risk map", which is approved by the board of directors. Next, the ICAAP report is prepared, which summarises the measurements and considerations of the overall risk profile, including stress tests to verify capital adequacy;
- the board of directors receives periodic updates on individual risks (monthly or quarterly as appropriate) and a six-monthly update of the overall risk profile, formulating, where deemed necessary, recommendations for improving any critical processes and identifying remedial actions;
- since the risk profile is influenced by external events, the self-assessment is carried out regularly (monthly or quarterly measurements). In the event of non-recurring events, the "risk map" may be modified to reflect new risk priorities.

Main risks

Alba Leasing's risk assessment is inherently dynamic, as the risk profile varies in response to external factors. In terms of capital absorption, the parent is clearly exposed to one main variable, namely credit risk. In 2024, the board of directors approved operating limits for interest rate, liquidity and real estate exposure risks.

Integration of ESG and climate change risks

Alba Leasing is assessing ESG risk management, with a focus on risks related to climate change and its potential impacts on the business. This includes the monitoring of industry best practices and dialogue with commercial partners.
During 2024, our impact materiality assessment highlighted the progress we have made towards implementing the GRI Standards updated to 2021. This update dictates our approach to sustainability disclosures and helps us change our analysis to prepare for the introduction of the CSRD. We assessed the impacts, risks and opportunities in relation to environmental, social and governance sustainability matters, considering those aspects deemed relevant under the double materiality principle: impact materiality and financial materiality.
The following material topics emerged:

- Climate change:
  there is a concrete relationship between the adverse weather events and credit risk. Climate risks, which include both physical and transitional risks, may have a significant impact on customers, leading to increased credit risk for the group. Monitoring is in place and related aspects are being investigated;
- Own workforce:
  Alba Leasing pays close attention to relations with and between employees, with particular regard to the corporate well-being system and work flexibility. It is also actively committed to developing the professional profile of its employees in order to mitigate reputational and operational risks;
- Affected communities:
  Alba Leasing is committed to supporting primarily the operations of SMEs through the financing of dedicated leased assets. It offers a range of lease products to meet various different needs and for different customer segments, thus curbing potential operational risk;
- Business conduct:
  Alba Leasing is committed to complying with mandatory rules (laws or regulations) or self-regulations (e.g., the code of ethics) on the processes of reporting unlawful conduct, preventing unfair practices and episodes of corruption and bribery, actively raising awareness among its employees through specific courses.

The safeguards adopted mitigate the reputational and non-compliance risks associated with possible violations or crimes that could damage the parent's reputation or cause it to incur judicial or administrative penalties.
A climate and environmental risk score indicator within the credit risk monitoring process means the parent can focus on and observe a specific customer segment.

Moreover, Alba Leasing has invested significantly in enhancing its ability to assess and predict credit risk in recent years, deploying advanced analysis tools and innovative technologies. The main initiatives implemented include:

- forward-looking and sustainability scoring: risk assessment tools were developed with a leading Italian info provider that include a forward-looking score and a sustainability score for financial transactions. These tools harness machine learning techniques to complement and improve traditional business assessment models, offering more accurate and future-oriented forecasts of the sustainability and credit risk of transactions;
- Borges: a tool to monitor customers' performance. This system allows for continuous monitoring of customer trends, facilitating early detection of risk signals

and thus improving the parent’s ability to make informed decisions regarding customer portfolio management;
- fraud risk score: a fraud risk score was introduced based on a probabilistic model, which assesses the fraud propensity not only of customers but also of suppliers. The model also considers the collusion risk, i.e., the possibility of fraudulent collaboration between customers and suppliers, thus contributing to an even more comprehensive risk management.

These tools represent a major step forward for Alba Leasing, making the credit risk management process more thorough and in line with the challenges and opportunities of the current economic and regulatory environment.

Internal audit activities

Alba Leasing’s internal audit unit plays a crucial role in strengthening risk control, preparing an annual audit plan using a risk-based approach, which focuses on the most material risk areas and aims to ensure continuous and effective monitoring of activities. The unit works closely with all internal units and departments to ensure that the recommended remedial actions are implemented quickly and effectively.
The internal audit unit plays a key role in assessing and promoting the group’s risk and control culture, ensuring the corporate values are appropriately disseminated and encouraging ethical conduct in line with the guidance of the Financial Stability Board (FSB). This focus on corporate culture aims to entrench the importance of risk management as an essential component of governance.
To further improve its effectiveness, the internal audit unit adopts an analysis and monitoring system based on key risk indicators (KRIs). By using the corporate data warehouse as the primary source of data, it can systematically analyse irregular trends and possible violations of procedures. This approach allows timely intervention to correct any problems, thereby enhancing internal control and the overall reliability of business processes.

3. Impact materiality assessment

Alba Leasing's materiality assessment is a crucial annual process for identifying and addressing sustainability matters that shape the trajectory and respond to stakeholder priorities. This assessment deepens the vision of the parent and of the context in which it operates, allowing the strategy to be aligned with sustainable development targets.
The materiality assessment provides a map of key topics, useful not only to interpret the parent's activities but also to support strategic choices, facilitating consistency between growth ambitions and environmental and social responsibility commitments. These topics help summarise the external effects of Alba Leasing S.p.A.'s operations and frame the main areas of impact on the environment, economy and society.
Directive (EU) 2022/2464 (CSRD) strengthens and enhance sustainability reporting requirements, by promoting transparency and sustainability disclosures by organisations.
Alba Leasing, which is among the European companies that are required to draw up a sustainability statement in accordance with CSRD from 2025, has decided to embark on a path towards the new directive[1]. Specifically, pre-empting what will be required in 2025 by the new European Sustainability Reporting Standards (ESRS), the parent has expressed some considerations on financial materiality, integrating those on impact materiality based on the GRI standards.

Methodology - 2024 impact materiality assessment

The impact materiality assessment was conducted on the basis of a specific methodology, split into three distinct steps:

- stakeholder identification and engagement;
- determination of the impact materiality;
- description of the findings and results of the impact materiality assessment.

Details of the above steps are provided below.

Stakeholder identification and engagement

The first step of the materiality assessment is the identification of the relevant stakeholder groups based on the provisions of EFRAG (European Financial Reporting Advisory Group), thereby identifying the individuals or groups whose interests are affected or could be affected - positively or negatively - by Alba Leasing S.p.A.'s activities and its direct and indirect business relationships across its value chain.

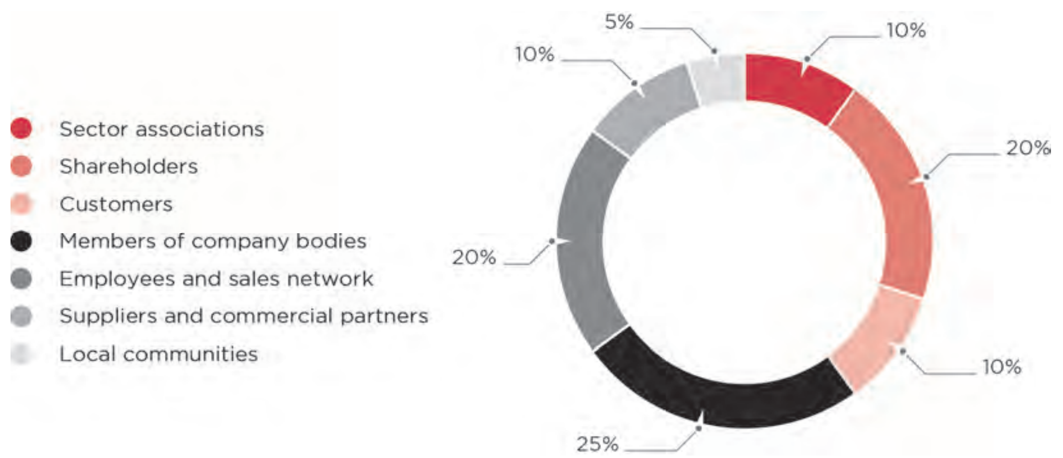
[1] However, it should be pointed out that the European Commission recently presented a proposal for an 'Omnibus' directive, which aims to simplify EU rules on sustainability reporting and due diligence, delivering administrative relief and boosting competitiveness. For Alba Leasing, which falls into CSRD wave 2, i.e., those with more than 250 employees or a turnover of more than €40 million, the conclusion of the legislative process of the "Omnibus" Directive could mean a postponement of the reporting obligations by two years, giving more time to adapt to the new regulations, and changing the content and number of such obligations.

The following table shows the relevant stakeholder groups, who were asked to state the materiality of a list of sustainability impacts of the parent's business, products and value chain.

Stakeholder groups
Trade associations
Shareholders
Customers
Company body members
Employees and the sales network
Suppliers and commercial partners
Local communities

The survey was sent to 368 separate stakeholders, divided into groups. The response rate was 70%, with 258 completing the questionnaire. The affected stakeholders were asked to complete a survey consisting of 32 questions, corresponding to the 32 environmental, social and governance impacts (current/potential, positive/negative) that Alba Leasing has or could have on people and the environment, related to the material sustainability matters. In surveying the stakeholders, the parent took into account both its own operations and its upstream (e.g., suppliers) and downstream (e.g., customers) value chain.
The parent carried out internal assessments, taking into account the characteristics of its business model and the consequent materiality of the stakeholder groups shown below in relation to its own operations. Given the nature of the questions in the questionnaire, greater weight was assigned to stakeholder groups whose interests could be more directly affected by the parent's activities, such as shareholders, employees/sales network and company body members.
The specific weightings (in percentage terms) applied to the responses provided in the survey are shown below for each stakeholder group.

Stakeholder groups



By answering the survey questions, the stakeholders provided feedback on two factors: scale and irremediable character of the impact. The scale of an impact expresses its gravity, while irremediable character, surveyed only for negative impacts, expresses how difficult it would be for Alba Leasing to remediate damage caused by the impact.
Stakeholders had four response options for the scale factor:

- low impact;
- medium impact;
- high impact;
- very high impact.

Only applicable in the case of negative impacts, stakeholders had four response options for the irremediable character factor:

- easily remediated;
- remediable;
- difficult to remediate;
- non remediable.

For impacts not relevant to the respondent, stakeholders could also choose a "Not Applicable" option.
Stakeholders' responses were converted into scores as shown in the following tables:

Scale	Scoring
Low impact	1
Medium impact	2
High impact	3
Very high impact	4

Irremediable character	Scoring
Easily remediated	1
Remediable	2
Difficult to remediate	3
Non remediable	4

For each impact, the scope (how widespread the impacts are) and likelihood (probability impact occurrence) were also assessed, with scores assigned internally by the parent.
The scoring used by Alba Leasing for these two factors is shown below:

Scope (internal assessment)	Scoring
Local	1
Regional	2
National	3
International	4

Likelihood (internal assessment)	Scoring
Unlikely	1
Fairly likely	2
Very likely	3
Current	4

Determination of the impact materiality

To determine impact materiality, the overall score for scale, irremediable character and severity was calculated.
For scale and irremediable character, the overall score was calculated as follows for each of the 32 impacts:

- calculation of the average for stakeholder responses (converted into scores) for each impact;
- calculation of the weighted average for stakeholder responses (converted into scores) for each impact, based on the weighting percentages allocated to each stakeholder group surveyed;
- the weighted averages were summed for each impact, giving a final score for the scale and irremediable character factors.

Severity was determined as the sum of the overall scores for scale, scope and irremediable character for each impact. The formula is shown below:

Severity = scale + scope + irremediable character

After collating all the factors, the final materiality was calculated for each of the 32 impacts using the following formula:
Materiality = severity x likelihood
Based on the professional judgement of the work group, Alba Leasing defined a materiality threshold of >= 5.5. Specifically, an impact was deemed material if its materiality was greater than this threshold.

Findings and results of the 2024 impact materiality assessment

The material impacts relate to the following five separate ESRS, related to sustainability matters relevant to Alba Leasing's business.
The following table details the ESRS and related topics and sub-topics linked to the material impacts based on the calculations described in the previous section:

Topics	Sub-topics
Climate change	Climate change adaptation/Climate change mitigation/Energy
Own workforce	Working conditions/Equal treatment and opportunities for all/Other work-related rights
Affected communities	Communities' economic, social and cultural rights
Business conduct	Corporate culture/Protection of whistle-blowers/Corruption and bribery

The materiality assessment, with its findings and results, was submitted to the sustainability committee, the board of directors and the independent auditors.
Under the "pollution" topic and in relation to the "microplastic" sub-topic, the stakeholder survey identified the "Emission of microplastics as part of the lease of vehicles, tyres and plastics" impact as material. Alba Leasing is currently assessing whether this topic requires a structured process to collect the related quantitative data.

4. Business conduct

Alba Leasing is guided by a governance system based on principles of integrity, transparency and accountability, which are ensured by compliance with the 231 model and the code of ethics. Alba Leasing is committed to ensuring its legitimacy and sustainability in compliance with all applicable external rules and internal regulations. To this end, it is actively committed to promoting proper and ethical behaviour towards all employees and workers, so as to promptly managing the risks associated with non-compliance with regulatory requirements and ethical principles. Management pursues probity and compliance with the law, with a particular focus on anti-money laundering and anti-corruption practices.

Anti-money laundering

Alba Leasing performs anti-money laundering activities through its AML unit. These activities are based on a risk-based approach to ensure the continuous monitoring of high-risk transactions.
The AML unit is mainly responsible for:

- updating the relevant internal regulatory framework;
- working with the various business units to check customers and preventively assess high-risk transactions;
- assessing and reporting suspicious transactions to the Bank of Italy's FIU (Financial Intelligence Unit) and submitting aggregated AML reports (*Segnalazioni Anti-Riciclaggio Aggregate*, S.A.R.A.) to the FIU, including key data such as the means of payment, the customer's address and the relevant sector;
- training staff on AML topics.

In line with the directives and recommendations of regulatory bodies and Bank of Italy, the parent updated its 231 model to comply with Directive (EU) 2018/1673 on combating money laundering. Any changes are approved by the board of directors, which also oversees the activity plan of the AML unit.

Anti-corruption training

Alba Leasing has communicated its anti-corruption policies to all members of the board of directors, the board of statutory auditors, its commercial partners and all personnel. In 2024, all directors and statutory auditors were present at the plenum meetings at which matters related to (i) the AML policy and procedure and (ii) the updating of the 231 model and the code of ethics were discussed.

Training programme

During the year, four training sessions were organised on AML topics, involving the parent's key sectors such as the lending and market departments. The sessions explored aspects which included:

- criteria to identify the beneficial owner;
- money laundering phases and the main predicate crimes;
- the "Quaderni dell'antiriciclaggio" (UIF working papers), and matters related to trustees and nominees.

Finally, a document summarising the AML criteria for the identification of the beneficial owner to all dealers in the Michelin network, ensuring that the regulations are also adhered to by distribution partners.

Employees provided with compliance training by position (%)	2022	2023	2024
Managers	100%	90%	90%
Junior managers	62%	98%	78%
White collars	42%	100%	86%

Following its adoption of the anti-trust compliance programme, Alba Leasing issued an anti-trust policy, which it regularly updates, identifying pertinent situations and behaviour. Furthermore, in line with this programme, it organised its annual training course held by an external expert for its general management unit as well as those employees that are more exposed to anti-trust issues.
The course provided an overview of the general principles governing antitrust law and an interesting deep dive into the innovations introduced by the EU Artificial Intelligence ACT (AI Act) and the related antitrust risks.
The slides used in the training session were then published on the parent intranet, with the aim of promoting widespread knowledge of antitrust issues and to reinforce awareness among all Alba Leasing employees of the antitrust risks associated with their activities.
In 2024, Alba Leasing did not incur fines or other penalties for non-compliance with the environmental regulations.

Tax

Operating mainly in the Italian finance lease sector, Alba Leasing is subject to national taxes, which include IRES (24%), additional IRES (3.5%) and IRAP (5.57%). The parent:

- adopts principles of honesty and integrity in its tax management, aware that tax revenue contributes to a country's economic and social development;
- is committed to complying with tax regulations in both form and substance, maintaining a transparent and cooperative relationship with the tax authorities to ensure their full understanding of its events and transactions;
- considers taxes as an operating cost to be managed in accordance with the law, with the aim of safeguarding its assets and creating sustainable value in the long term.

The parent has internal operating procedures for tax issues and a specialist team that is part of the administration, financial reporting, finance and planning department, which also has a dedicated accounting and tax unit. Given the complexity of tax laws, the parent has put in place internal and external control systems to oversee the activities and to ensure timely compliance with such laws.
The accounting and tax unit is assisted by the parent's consultants, which represent it in tax proceedings and ensures the effective and ongoing management of tax risks, including by liaising with other internal departments. This specialised unit is also involved in the interpretation of tax laws in relation to leases, in line with Assilea's guidelines.
In interactions with the tax authorities, the parent's approach is to foster constructive dialogue to ensure the correct application of taxes, including by the individual lessees.
As an Italian taxpayer, Alba Leasing pays all its tax obligations in Italy, consciously contributing to the country's economic development. More information about revenue and income taxes is available in Part C - Notes to the income statement of the consolidated financial statements.

Value creation

Calculation and distribution of added value		2022	2023	2024
10.	Interest and similar income	136,912	284,278	299,708
20.	Interest and similar expense	-40,279	-189,168	-206,903
40.	Fee and commission income	29,613	31,501	31,795
50.	Fee and commission expense (net of costs for external networks)	-22,841	-24,475	-21,739
70.	Dividends and similar income	-	-	-
80.	Net trading income (expense)	-	-	-
90.	Net hedging income	-	-	34
100.	Net losses on disposal or repurchase of:	-	-	
	a) financial assets at amortised cost	-	-1,549	-852
	b) financial assets at fair value through other comprehensive income	-	-	-
	c) financial liabilities	-	-	-
110.	Net gains on other financial assets and liabilities at fair value through profit or loss	-	-	3
	a) financial assets and liabilities designated at fair value			-
	b) financial assets and liabilities mandatorily measured at fair value	-	-	3
115.	Net gains (losses) on financial assets and liabilities of insurance companies as per IAS 39	-	-	-
130.	Net impairment losses for credit risk associated with:	-31,650	-21,859	-22,503
	a) financial assets at amortised cost	-31,650	-21,859	-22,503
	b) financial assets at fair value through other comprehensive income	-	-	-
135.	Net impairment losses/impairment gains of insurance companies as per IAS 39	-	-	-
140.	Net modification gains (losses)	231	92	-58
160.	Net premiums	-	-	-
170.	Other insurance operating income/expenses	-	-	-
230.	Other operating expenses, net	-6,268	-2,757	-1,068
250.	Net gains (losses) on equity investments (for the “net profits/losses on sales” component)	-	-	-
280.	Net profits (losses) on sales of investments	86	-81	3,077
320.	Post-tax profit from discontinued operations	482	-	-
	A. Total economic value generated	66,286	75,982	81,494
190 b.	Other administrative expenses (net of VAT and donations and the cost of the Interbank Deposit Protection Fund and the Depositors’ Guarantee Fund)	14,840	16,158	16,521
	Economic value distributed to suppliers	14,840	16,158	16,521
190 a.	Personnel expense (including the cost of external networks, such as agents and financial consultants) (-)	30,654	31,153	27,646
	Economic value distributed to employees and other workers	30,654	31,153	27,646
340.	Profit (loss) for the year attributable to non-controlling interests	-	-	-
	Economic value distributed to third parties	-	-	-
	Profit (loss) allocated to shareholders	-	-	-
	Economic value distributed to shareholders	-	-	-
190 b.	Other administrative expenses: indirect taxes and duties (-)	1,064	824	527
190 b.	Other administrative expenses: cost of the Interbank Deposit Protection Fund and the Depositors’ Guarantee Fund (-)	-	-	-
300.	Income taxes (for the part relative to current taxes, changes in current taxes of previous years and the reduction in current taxes for the year)	414	1,228	1,082
	Economic value distributed to the central and peripheral public administration	1,478	2,052	1,609
190 b.	Other administrative expenses: donations	212	246	203
190 b.	Other administrative expenses: environmental projects	-		-
	Profit allocated to charities	4	4	-
	Economic value distributed to the community and the environment	216	250	203
	B. Total economic value distributed	47,188	49,613	45,979

Calculation and distribution of added value	2022	2023	2024
200. Net accruals to provisions for risks and charges	1,091	5,528	3,417
a) loan commitments and financial guarantees given	664	4,753	1,934
b) other net accruals	428	775	1,483
210. Depreciation and net impairment losses on property, equipment and investment property	2,200	2,131	1,958
220. Amortisation and net impairment losses on intangible assets	801	762	770
250. Unrealised gains (losses) on equity investments (impairment losses/impairment gains, other gains and losses)	-	-	-
260. Net fair value gains (losses) on property, equipment and investment property and intangible assets	-	-	-
270. Impairment losses on goodwill	-	-	-
300. Income taxes (for the part relative to changes in deferred tax assets and liabilities)	4,635	6,472	9,272
Profit allocated to reserves	10,371	11,476	20,098
C. Total economic value retained	19,098	26,369	35,369

Whistleblowing mechanisms and whistleblower reporting channels

Whistleblowing in the workplace and related environments refers to the process of reporting unlawful and/or non-compliant conduct by employees, workers and third parties.
The types of reports pursuant to Legislative decree no. 24/2023 are:

- torts, crimes and administrative and/or accounting violations;
- violations of Italian and/or European legislation;
- violations of the 231 model.

Whistleblowing represents an effective method for identifying and addressing problems and critical issues of various kinds internally, as it allows the reporting of misconduct without the risk of retaliation or discrimination, while protecting anonymity.
Alba Leasing has established a whistleblowing procedure to collect reports of unlawful behaviour or violations of the 231 model or the code of ethics.
The system allows reports to be made via three channels:

- internal channel (the preferred mode), with the possibility of reporting via regular or internal mail, via the internet or via voice messaging;
- external channel via the ANAC (National Anti-Corruption Authority);
- public disclosure (Legislative decree no. 24/23 provides for the possibility for the whistleblower to place information about violations in the public domain through the press, electronic media or media capable of reaching a large number of people.

All channels protect the confidentiality of the whistle-blower, the reported person and the content of the report itself, protecting whistle-blowers from retaliation, including through the use of encryption tools.

Respect for human rights

Given the nature of the group's activities, safeguarding human rights is a complex issue relating to protection of privacy, data protection and respect for the individual. This also covers its commercial partners. Specifically, as stated in the code of ethics, the parent's approach is based on:

- the United Nations Universal Declaration of Human Rights;
- the European Convention on Human Rights;
- the ILO Declaration on Fundamental Principles and Rights at Work;
- the OECD's Due Diligence Guidance for Responsible Business Conduct;
- the Charter of Fundamental Rights of the European Union.

Alba Leasing's code of ethics sets out its principles, obligations and responsibilities vis-à-vis its shareholders, employees, other workers, customers, suppliers and public authorities. It

defines acceptable and prohibited conduct in order to guard against liability for the company and ensure compliance with its ethical standards.
The main principles related to the rights of the individual or the workforce include:

- right from the recruitment stage, Alba Leasing ensures equal opportunities without any form of discrimination on the grounds of gender, racial and ethnic origin, language, religion, political opinions, trade union membership or sexual orientation;
- candidate assessment is based exclusively on the professional and criteria and aptitude for the position, fully respecting the candidate's dignity, personality and opinions;
- in both internal and external relations, Alba Leasing does not tolerate any form of harassment, including intimidation, threats, offensive behaviour or abuse of power, such as requests for personal favours that compromise the recipient's peace of mind;
- in business dealings, Alba Leasing S.p.A. refrains from collaborating with parties involved in practices that violate fundamental human rights (e.g., exploitation of minors or promotion of sex tourism) or illegal activities such as drug trafficking, money laundering and terrorism.

Alba Leasing makes whistleblower reporting channels available to all its stakeholders so they can report risky situations or violations of the code of ethics. Reports are treated confidentially, ensuring the protection of the whistle-blower from any form of retaliation.

Cybersecurity and data management and protection mechanisms

The protection of personal data is a key issue for Alba Leasing and falls squarely within the sphere of human rights. The privacy and security of sensitive information that the parent acquires, stores and processes are closely linked to respect for individual rights and the protection of personal freedom.
This commitment is clearly expressed in the parent's code of ethics, which affirms the principle of privacy protection in full compliance with the provisions of Regulation (EU) 2016/679 (the GDPR, General Data Protection Regulation), with respect to personal data acquired and processed as part of its operations.
In accordance with current legislation, Alba Leasing manages the privacy of its employees and customers in a structured manner, ensuring full compliance with the law and proper management of data processing.
Confidentiality is built into all company processes, starting from the design phase of the processes and applications (privacy by design).
As required by the EU's GDPR, Alba Leasing has a privacy officer and a data protection officer.
Considering the digital acceleration of recent years, data security is further enhanced by significant investments in corporate infrastructure to protect systems from cyber attacks, e.g., by encrypting employee devices and taking preventive actions to test the security and reliability of information systems.
In line with the global IT landscape and like similar companies, Alba Leasing was subject to cyberattacks in the form of malicious URLs and spam, which did not lead to any impact for the parent as they were blocked by the perimeter protection systems (52% of incoming messages and 239,638 malicious URLs as of 31 October 2024. It should be noted that due to the migration of IT systems, detection was halted for November and December 2024).
As part of the normal process of adaptation and improvement, the parent constantly evaluates the market and the attacks in order to constantly and continuously upgrade its practices and systems. In this context, dark web monitoring was added to the defence tools in 2025.
Moreover, it should be noted that vulnerability and penetration tests were carried out again this year in order to strengthen the systems, and specific courses were held to update the knowledge of Alba Leasing's staff and raise awareness on delicate issues such as cyber attacks.

Alba Leasing's Incident Management Procedure defines a cybersecurity incident management process consistent with the regulations and industry best practices. The system emphasises efficiency in internal processes and coordination between the different business units in the event of anomalies such as suspicious e-mails, theft or loss of devices (PCs, smartphones), or malfunctions in applications, ensuring quick and timely handling of tickets and restoration of operations.
In addition to mandatory ongoing training in regulatory matters, Alba Leasing has boosted its cybersecurity awareness with cybersecurity training for all personnel. The topics covered were:

- cybersecurity and personal data protection;
- cyber threats: malware, phishing and hacker attacks;
- best practices for password management and account protection;
- remote work and cybersecurity;
- privacy regulations (e.g., the GDPR) and personal data protection;
- tools and techniques for network and device security.

The cybersecurity course was attended by 256 employees.
It should be noted that due to Alba Leasing's ongoing commitment, no breaches of customer privacy were recorded in 2024, nor did any data theft or loss occur.

Digital innovation also involved the streamlining of maintenance processes and improving the scalability and performance of services, with specific applications (Cebi, Hawk and MailDocPro) uploaded to the cloud as part of the "Journey to cloud" project.
Moreover, as part of the continuous improvement process, OneDrive was enabled for all users and the entire PC fleet was replaced in conjunction with the change of outsourcer in 2024, in order to improve work performance and business resilience.

5. Social information

Employees and non-employees

The people of Alba Leasing are the driving force behind our success, which is why we strive every day to ensure a stimulating working environment focused on well-being. As defined in the sustainability policy, our mission is to offer concrete opportunities for professional growth that enhance the skills, talent and sense of belonging of our workers and sales network.
We promote an inclusive environment where health and well-being, both physical and mental, are central to our priorities. People management at Alba Leasing is based on two key pillars:

- enhancement and development of employees and the sales network;
- respect for individual and human rights.

These commitments are our way of investing in the future, creating value and building an increasingly sustainable and people-oriented company.

The workforce

At 31 December 2024, Alba Leasing had 271 employees, in line with the last two years. It is committed to building long-term relationships with them, based on mutual respect and professional growth.
The parent also promotes flexibility, offering part-time work options for those seeking a better work-life balance, thus supporting the well-being and individual needs of its employees.

All employees are covered by collective bargaining agreements

First level collective bargaining - the national collective labour agreement for the credit sector - covers general topics such as remuneration and holidays.
Second level collective bargaining covers specific matters related to:

- bonuses;
- health care;
- accident insurance;
- complementary or supplementary pensions.

These are the result of discussions and specific agreements with trade unions (workers' representatives).

The unionisation rate at Alba Leasing is 48%, reflecting a working environment that is attentive to representation and participation. Currently, 15 employees belong to protected categories and personnel management is based on criteria of merit and professional competence.
Every employee has access to growth and training opportunities, offered in a fair and transparent manner in line with the principles of the parent's code of ethics. Alba Leasing values teamwork and promotes a climate of collaboration, ensuring respect for the dignity and reputation of each individual, to build an inclusive and cohesive working environment.

Table 1 Information on employees

Employees and other workers (no.)	2022	2023	2024
No. of employees at 01/01	285	273	263
Total inbound	**6**	**10**	**19**
Total outbound	**11**	**15**	**11**
Total no. of employees at 31/12	**280**	**268**	**271**
Breakdown of employees by gender			
Male	159	152	153
Female	121	116	118

Breakdown of employees by contract type and gender (no.)	2022	2023	2024
Number of permanent employees	**274**	**264**	**263**
Male	155	150	149
Female	119	114	114
Number of temporary employees	**6**	**4**	**8**
Male	4	2	4
Female	2	2	4
Number of non-guaranteed hours employees	**-**	**-**	**-**
Non-employees	**3**	**2**	**3**
Male	3	-	2
Female	-	2	1
Interns	**3**	**1**	**2**
Male	3	-	1
Female	-	1	1
Temporary workers	**-**	**1**	**1**
Male	-	-	1
Female	-	1	-

Breakdown of employees by region (no.)	2022	2023	2024
Total employees	**280**	**268**	**271**
Northern Italy	252	240	243
Central Italy	15	13	14
Southern Italy and Islands	13	15	14
Number of permanent employees	**274**	**264**	**263**
Northern Italy	246	236	235
Central Italy	15	13	14
Southern Italy and Islands	13	15	14
Number of temporary employees	**6**	**4**	**8**
Northern Italy	6	4	8
Central Italy	-	-	-

Breakdown of employees by contract type, broken down by gender (no.)	2022	2023	2024
Full-time employees	**244**	**237**	**241**
Male	158	151	152
Female	86	86	89
Part-time employees	**36**	**31**	**30**
Male	1	1	1
Female	35	30	29

Breakdown of employees by position and gender (no.)	2022	2023	2024
Managers	**10**	**10**	**10**
Male	10	10	10
Female	-	-	-
Junior managers	**146**	**138**	**141**
Male	102	96	97
Female	44	42	44
White collars	**124**	**120**	**120**
Male	47	46	46
Female	77	74	74

Table 2 Gender pay gap

Gender pay gap Gross annual pay gap * (%)	2022	2023	2024
Managers	n.a.	n.a.	n.a.
Junior managers	84.17	84.98	85.83
White collars	106.6	108	108.23
Total pay gap** (%)	2022	2023	2024
Managers	n.a.	n.a.	n.a.
Junior managers	85.6	85.93	86.27
White collars	106.7	108.2	109.23

** The pay gap was calculated as: average pay level of females/average pay level of males.*
In order to calculate the gross annual pay gap, the parent analysed the remuneration of all its full-time and part-time employees, adjusted using an equivalent full-time remuneration.
*** The gross annual remuneration, bonuses and one-off amounts are included in the calculation of the total pay gaps.*

Table 3 – Age groups

Distribution of employees by age group (no.)	2022	2023	2024
Under 30 years old	12	9	12
30 to 50 years old	104	95	96
Over 50 years old	164	164	163
Breakdown of employees by position and age group (no.)			
Managers	**10**	**10**	**10**
Under 30 years old	-	-	-
30 to 50 years old	-	-	-
Over 50 years old	10	10	10
Junior managers	**146**	**138**	**141**
Under 30 years old	-	-	-
30 to 50 years old	38	33	35
Over 50 years old	108	105	106
White collars	**124**	**120**	**120**
Under 30 years old	12	9	12
30 to 50 years old	66	62	61
Over 50 years old	46	49	47

Inbound employees represent a strategic opportunity for Alba Leasing to integrate new knowledge and skills. The group values the experience and know-how of experienced colleagues, fostering an environment of exchange in which the innovation brought by newcomers is combined with the strength of existing skills.

Alba Leasing has initiated a turnover process aimed at enhancing new generations and cultivating emerging talent. Among its initiatives to retain talented young people, the parent launched a training programme for under 35s to develop technical and managerial skills and to bolster soft skills, thus supporting the professional growth of future company leaders.

Table 4 – Inbound and outbound employees

Inbound (no.)	2022	2023	2024
Total inbound	**6**	**10**	**19**
Inbound by gender (no.)			
Male	4	8	9
Female	2	2	10
Inbound by age group (no.)			
Under 30 years old	6	5	7
30 to 50 years old	-	4	11
Over 50 years old	-	1	1
Inbound by geographical area (no.)			
Northern Italy	6	10	18
Central Italy	-	-	1
Southern Italy and Islands	-	-	-

Outbound (no.)	2022	2023	2024
Total outbound	**11**	**15**	**11**
Outbound by gender (no.)			
Male	8	9	6
Female	3	6	5
Outbound by age group (no.)			
Under 30 years old	-	5	1
30 to 50 years old	3	3	2
Over 50 years old	8	7	8
Outbound by geographical area (no.)			
Northern Italy	11	13	11
Central Italy	-	2	-
Southern Italy and Islands	-	-	-

Inbound as a % of employees	2022	2023	2024
Inbound rate	**2%**	**4%**	**7%**
Male	3%	5%	6%
Female	2%	2%	9%
Under 30 years old	50%	56%	58%
30 to 50 years old	-	4%	12%
Over 50 years old	-	1%	1%
Northern Italy	2%	4%	7%
Central Italy	-	-	7%
Southern Italy and Islands	-	-	-

Employee turnover rate (%)	2022	2023	2024
Employee turnover rate	4%	6%	4%
Male	5%	6%	4%
Female	3%	5%	4%
Under 30 years old	-	56%	8%
30 to 50 years old	3%	3%	2%
Over 50 years old	5%	4%	5%
Northern Italy	4%	5%	5%
Central Italy	3%	15%	-
Southern Italy and Islands	-	-	-

Parental leave

Alba Leasing provides parental leave to its employees in line with the current legislation and 100% of employees returned after taking it. At 12 months after return, only one resource had terminated employment through their voluntary resignation. These indicators reflect a stable corporate environment that is attentive to the needs of returning employees.
The parent encourages an increasingly equal approach to parental leave based on parity between the genders, with a specific commitment to improving maternity and paternity leave conditions. For instance, from this year, new fathers will be able to work remotely for up to 5 days a week for the first four months of their child's life, an initiative that confirms Alba Leasing's focus on inclusive and balanced choices for family well-being.

Table 5 – Parental leave

Parental leave	2022	2023	2024
Employees who had the right to take parental leave (no.)	57	49	47
Male	31	26	25
Female	26	23	22
Employees who took parental leave (no.)	5	3	4
Male	-	-	-
Female	5	3	4
Employees that returned to work in the reporting period after parental leave ended (no.)	5	3	4
Male	-	-	-
Female	5	3	4
Employees who should have returned to work after taking parental leave (no.)	5	3	4
Male	-	-	-
Female	5	3	4
Employees who returned to work after taking parental leave and are still with the parent 12 months after their return (no.)	5	5	2
Male	-	-	-
Female	5	5	2
Return rate after parental leave (%)	100%	100%	100%
Male	n.a.	n.a.	n.a.
Female	100%	100%	100%
Retention rate after parental leave (%)	100%	100%	66.67%
Male	-	-	-
Female	100%	100%	66.67%

Management and professional development of employees and the sales network

Human resources management at Alba Leasing is guided by principles of meritocracy and the enhancement of professional expertise. In line with the code of ethics, the parent offers its employees training and development possibilities accessible to all, without any form of discrimination or favouritism.
Investing in human capital and ongoing training underpin Alba Leasing's excellence and resilience, as they allow proactive adaptation to changing social-economic scenarios and the better management of existing and potential impacts on the parent and the sector.

Transversal training and skills development

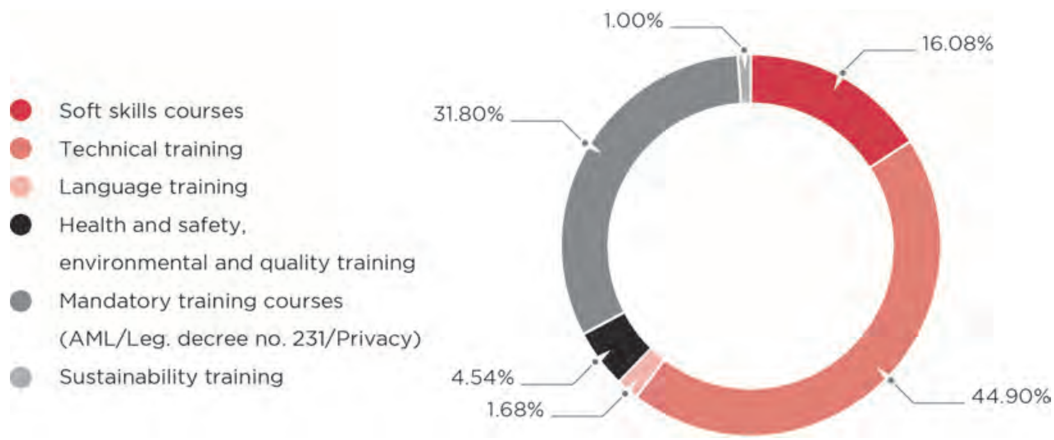
In 2024, Alba Leasing invested in the development of its staff, providing training programmes and pathways to the entire workforce, including the sales network. The aim was to enhance individual and transversal competences, such as soft skills and digital skills, as well as to provide tools for understanding market dynamics and key industry trends.

Training focused on six key areas:

- mandatory training on regulations (AML, Legislative decree no. 231, GDPR);
- health and safety, environment and quality;
- soft skills;
- technical specialised training;
- management training (including language training);
- sustainability.

In 2024, the parent provided a total of almost 7,000 hours of training for an average of 24 hours per employee.

Hours of training



Breakdown of average hours of training by gender (no.)	2022	2023	2024
Male	26	10	23
Female	18	9	26

Breakdown of average hours of training by position (no.)	2022	2023	2024
Managers	3	9	10
Junior managers	23	9	25
White collars	24	11	24

During 2024, Alba Leasing further expanded its training offerings from previous years to include topics of strategic importance such as sustainability, digitalisation and risk management and the total number of training hours provided was higher than in 2023. The new courses offered include:

- cybersecurity and corporate security;
- principles of environmental sustainability and energy efficiency, as part of the partnership with the EIB and the "Green Gateway Workshop" project;
- regulatory integration and updates on DORA regulations, with a focus on digital resilience and ICT contracts;
- AML and compliance: internal training and anti-trust updates;
- digital innovation, with modules on digital mindset, marketing and business change.

Finally, the partnership with Assilea continued for the provision of refresher courses on issues relevant to the lease sector in particular.

Management and enhancement of individuals: focus on young people and women

For Alba Leasing, inbound employees are an important opportunity to enrich and diversify skills within the parent, strengthening the team with new knowledge and ideas. Through a knowledge transfer system, experienced professionals share their know-how with newcomers, building on the innovation and fresh perspectives that each new recruit brings.
Alba Leasing also continues to invest in young talent, selecting recent graduates for internships that combine training and professional practice. In this way, it makes its expertise available to support the growth of future professionals and to scout new talent from leading universities and specialisation centres.

During the year, Alba Leasing continued to promote initiatives that encourage new high school graduates to enter the job market, an opportunity that is still rare in the financial sector. This commitment is exemplified by the internship programme, which was extended to new high school graduates from 2024 and is designed to develop transversal skills across a range of business areas. The current course includes diversified experiences, with a focus on key areas such as accounting and taxation, enriching the interns' training with a comprehensive view of the group. The initiative also marks the start of important new collaborations, such as the one with the Pietro Verri high school in Milan and the agreement with AFOL Metropolitana, the Milan-based publicly-owned employment agency, reinforcing our commitment to creating a concrete link between the education system and the job market.

The employee performance evaluation system

Alba Leasing has a robust performance evaluation system (Performance Management Process - PMP), which facilitates constructive dialogue between employees and managers and offers a structured feedback mechanism. The aim of the PMP is to promote achievement of Alba Leasing's objectives by pinpointing each employee's contribution, their responsibilities and their contribution to the parent's success.
Performance is evaluated on a five-level scale ranging from "unsatisfactory" to "excellent", allowing a precise and transparent measurement of the contribution of each resource. At the end of the process, a customised action plan is developed that may include specific training pathways, job rotation, the assignment of new tasks or targeted coaching to close any gaps and foster professional development.

In February 2025, the PMP had been completed for 71% of the total number of those involved (of which 56% were female and 44% male, with a distribution of 67% white-collar and 33% junior management).
To further support internal growth, Alba Leasing continued to promote internal job postings during the year, a valuable tool for aligning the parent's professional opportunities with the aspirations of internal resources. This approach not only incentivises alternative career paths but also allows development needs to be promptly detected, creating new opportunities for mobility and growth for all employees.

Personnel and HR

Alba Leasing is committed to ensuring a working environment in which internal communication is valued and dialogue between employees and the human resources department is direct and continuous. Each team member can freely express ideas, proposals or feedback, via a dedicated listening channel that includes e-mail contact as well as the possibility of requesting individual interviews, either in person or on the Teams platform.
This approach is communicated as early as the hiring phase, emphasising the importance that the parent attaches to the accessibility of the HR department and accessibility to each employee. Our philosophy aims at inclusive and constant listening, without limitations, to facilitate active and authentic interaction.
In addition, dialogue is enriched by performance interviews, periodic meetings promoted by the parent, which offer each employee a structured space to discuss and define new growth pathways. Moreover, Alba Leasing's performance evaluation system provides a transparent and formalised mechanism for discussion between employees and managers, creating a virtuous feedback and interaction loop that is shared and managed by the HR department, in order to value and respond concretely to the needs of each individual.
This integrated communication and listening system is not just a support, but a pillar of our corporate culture, designed to bring out the potential in each person and maintain an open dialogue, which is essential for our shared development and the well-being of all our team members.

Protection of people's individual rights: focus on preventing accidents in the workplace

Alba Leasing's commitment to protecting the individual rights of its people is an integral part of its culture and is pursued through internal regulations and tools, in compliance with national health and safety legislation. The parent is dedicated to ensuring a safe and healthy working environment for employees, suppliers and visitors, minimising risks through constant monitoring of work conditions and staff health, and ensuring compliance with the normal safety measures prescribed by legislation.
This commitment takes the form of regular medical examinations, detailed safety protocols, risk identification and management, a professional maintenance programme, periodic monitoring and scheduled annual training to raise awareness and train all personnel. The prevention and protection officer (RSPP) is in charge of managing these activities, while the safety officer and the safety managers are responsible for overseeing compliance with company regulations. The safety officer implements the employer's directives, organising the work activity and supervising it via the safety managers. The latter exercise formal and personal power of initiative and supervise compliance with the correct methods to implement the prevention and protection measures in the workplace for workers and supervise and report on the activities carried out by third parties (contractors).
Three workers' safety representatives (RLS) were also appointed to act as health and safety spokespersons for their colleagues.
During the year, 255 hours of compulsory HSE training were provided, with intense training activity involving 44 resources including inbound employees, comprising interns, workers, first aid officers, safety managers, etc.

Health and safety: regulations, initiatives and training

During 2024, Alba Leasing continued to invest in the health and safety of its employees, with actively monitoring as usual to ensure a safe and healthy working environment. Cockroach and rodent monitoring, water potability checks, legionella risk assessment, and an evacuation test at the headquarters were carried out.

The innovative WorkSafety platform developed by the general services office to optimise the management of workplace prevention and protection was also introduced. This platform acts as a digital “container” for the scheduling of staff medical checks-ups and mandatory training, allowing the scheduling to be monitored and regulatory requirements to be fulfilled in a timely manner. WorkSafety also stores the risk assessment document, inspection reports, training certificates and safety-related appointments, providing an overview of building maintenance management, fire tests and fire-fighting equipment. The system also allows the safety managers to officially forward any reports of anomalies they come across as part of their supervisory duties.
Alba Leasing S.p.A. conducted the usual inspections to ensure that every area accessible to staff meets the required safety standards.
In line with Legislative decree no. 81/2008 and the legislation on work-related stress risk, the parent has included the results of the bi-annual test carried out in 2023 in this sustainability statement. The analysis did not reveal any conditions of stress related to the working environment, making a further assessment unnecessary. However, with a view to continuous improvement, monitoring will be conducted again in 2025, as no significant changes in processes and work organisation took place in 2024.
For ease of reference, the risk assessment document is accessible to all employees on the parent’s intranet. During 2024, the health and safety procedure (PRC 33) was updated from the previous version and further supplemented by the supervisory operating procedure.
These initiatives reflect Alba Leasing’s commitment to ensuring a safe working environment that complies with regulations and is attentive to the well-being of every employee.

Table 7 – Accidents

Breakdown of work-related accidents (no.)	2022	2023	2024
Total accidents	1	1	1
Male	-	1	1
Female	1	-	-
Total commuting accidents	-	1	-
Male	-	1	-
Female	1	-	-
Total work-related accidents	1	-	1
Male	-	-	1
Female	1	-	-
Total fatalities	-	-	-
Male	-	-	-
Female	-	-	-
Total severe accidents (for more than 180 days of sick leave)	-	-	-
Male	-	-	-
Female	-	-	-
Total hours of work-related ill-health for illnesses and accidents	8,288	12,042	10,176
Total hours worked	444,914	430,168	423,179
Days lost due to accidents	12	51	4
Recorded near-misses	-	-	-
Sever accident frequency rate (per million hours worked) *	-	-	-
Employee accident frequency rate (per million hours worked) **	2.3	4.7	2.4
Severity rate (per thousand hours worked) ***	-	0.1	-
Work-related ill health of employees (no.)			
Total fatalities caused by work-related ill health	-	-	-
Total recordable cases of work-related ill health	-	-	-

** The severe accident frequency rate is calculated as the total number of severe accidents divided by the total number of hours worked multiplied by 1 million.*
*** The accident frequency rate is calculated as the total number of accidents divided by the total number of hours worked multiplied by 1 million.*
**** The severity rate is calculated as the days lost due to accidents divided by the total number of hours worked multiplied by 1 thousand.*

Corporate well-being systems

Alba Leasing promotes a comprehensive corporate well-being system, accessible to all part-time and full-time employees to offer social-welfare support and flexible work arrangements. Some instruments have been progressively enhanced, providing a range of initiatives and facilities. The main benefits include:

- company meal vouchers, increased to €8 in 2023, extended to all employees, including temporary employees, interns and with a proportional adjustment for part-timers;
- supplementary health insurance for employees and their dependants, with cover for non-hospital services (e.g. diagnostics, specialist examinations, orthodontics);
- 3% contribution to PREVIP's complementary pension plan;
- free in-person or online tax assistance (to prepare the 730 form) to all its employees, including temporary employees;
- remote counselling services by the Officine Psicologiche Association, providing flexible and confidential psychological support to foster a corporate culture of integration and enhancement of human capital;
- agreement with Ennevolte for reduced-price goods and services for employees.

Alba Leasing also provides for an annual bonus for employees, agreed with the trade unions and awarded on the basis of objectives achieved. The company bonus paid in 2024 (related to 2023) saw an increase in minimum bonuses of €100 per employee category. Employees can choose whether to receive this bonus in cash or in well-being services. The well-being benefits can be accessed on the parent's intranet and include services such as:

- reimbursement of children's education costs;
- reimbursement of the cost of babysitters and carers for elderly relatives;
- reimbursement of public transport costs;
- payments into pension funds;
- vouchers for goods and services;
- travel;
- recreational activities and personal care.

In 2024, Alba Leasing continued to finance Prosolidar, supporting social and economic development projects internationally.
The parent pays attention to work-life balance and introduced a new agreement on remote work in March 2024, which allows a maximum of eight remote working days per month (two per week). The agreement provides for additional days for employees under Law no. 104 (an additional four days per month), for pregnant women and new mothers (up to five days per week up to the child's first birthday), and for new fathers (up to the fourth month of the child's life).
Alba Leasing S.p.A. also supports employees in remote working with guidelines for safe use of the home workspace, with specific recommendations on equipment and device security.
Finally, the parent renewed the solidarity fund in 2024, an initiative that facilitates turnover within the company, confirming Alba Leasing's commitment to responding to employees' needs and encouraging sustainable growth for all.

At the time of the renewal of the lease on the Via Sile headquarters in Milan, the parent launched a restyling project for the building to:

- renovate the venue to make it more pleasant;
- phase out the concept of individually assigned workstations;
- create new common areas dedicated to well-being and collaboration (break areas, collaboration areas, meeting rooms).

This will contribute to team building, collaboration between different structures, accessibility of unit managers and their staff, and a true sharing of space, all with a view to greater workplace liveability and personal satisfaction.

Relations with and accountability to customers, the local area and communities

Alba Leasing promotes the growth of Italian SMEs, supporting them in their innovation and sustainable development, well aware of their fundamental importance to the Italian economy. In line with its sustainability policy, approved annually by the board of directors, the parent is committed to acting in a transparent and accountable manner in its relations with customers, ensuring an excellent high quality service and continuous improvement.
The social aspects of the Alba Leasing's business fall into two key areas:

- contribution to the sustainable development and competitiveness of SMEs;
- provision of lease services.

The parent aims to support the Italian manufacturing sector through leases, facilitating access to innovative and advantageous financing instruments to encourage sustainable investment and competitive growth. With this in mind, Alba Leasing ensures the high quality of its credit granting procedures, reducing the risks of illegal practices and credit deterioration. The parent prefers to work with companies oriented towards product and process innovation and that invest in research and development. It imposes restrictions on sectors that do not comply with its code of ethics, such as gaming or arms manufacturing.

A key factor considered during the screening process is the legality rating assigned to the counterparty by the Competition Authority, which assess operators in terms of legality and transparency. This rating, assigned in agreement with the Ministries of the Interior and Justice, is an important parameter in assessing creditworthiness. The credit screening and assessment process includes an automated comparison between information in the parent's data warehouse and up-to-date information from external databases, thereby optimising risk selection and management. The lending process includes the assignment of a governance rating in order to identify any risks linked to the counterparty's governance structure, as well as dedicated assessment process for self-employed people.
Alba Leasing also carries out in-depth technical checks of the leased assets, verifying their compliance and safety, substitutability and re-leasing characteristics in the event of early termination of the contract. It performs a documentary check for plant and machinery, while it checks real estate through an external appraisal and due diligence. In addition, Alba Leasing is committed to verifying the reputation of its suppliers through careful technical analyses.

Lease services

Customer centricity underpins Alba Leasing's sales strategy, combining traditional banking channels with digital marketing and digital leasing channels aimed at a younger, more tech-savvy demographic. After-sale customer care is another key pillar of the parent's strategy. Over the years, Alba Leasing has honed tools to enhance customer centricity, reflected in the range of options available to access customer services, including the call centre, emails and/or the client area of the website. The call centre received over 30,000 calls in 2024, with a fast resolution rate of around 97%.
The client area of the website is an innovative tool that allows customers to independently manage their contracts, with new features under continuous development. In 2024, there were 47,377 log-ins to the client area and the use of "Alby", the virtual assistant of the client area, increased significantly with 8,505 sessions opened.
As part of the continuous improvement process, OneDrive was enabled for all users and the entire PC fleet was replaced in conjunction with the change of outsourcer in 2024, in order to improve performance and business resilience.

Customer satisfaction survey

Customer satisfaction monitoring is a key focus for Alba Leasing, whose annual survey by Cerved Marketing Intelligence confirms a high level of customer satisfaction, further improving the satisfaction index (96.6%).

Complaints management

Complaints management is an important indicator of service quality and can be used to identify areas of improvement. Effective complaints management contributes to maintaining a relationship of trust with the customer, reducing litigation and detecting any problems with its services/products.
The parent's aims are to:

- raise employee awareness to ensure the effective protection of customers' rights;
- streamline complaints management, by defining the interaction between the departments involved, reporting and the role of control functions.

The complaints policy, approved by the board of directors, demonstrates the parent's commitment to effective complaints management and raises awareness of the issue. The policy is updated annually and is available to employees and other workers on the intranet.
Complaints received by post, email, certified email and web form are handled in accordance with the timeframes laid down in the legislation in force from time to time, also bearing in

mind the conflicts of interest policy. Every six months, the compliance department reports to the board of directors on the complaints received and the adequacy of the procedures.
In 2024, the parent received 158 complaints and the percentage of complaints of the leases at 31 December 2024 is 0.26%. More information about this issue is available in the annual report available on the parent’s website.

In managing its relationships, Alba Leasing goes beyond traditional operational activities, adopting a constructive approach based on responsible business policies aimed at long-term customer support. This commitment is particularly significant in the management of problematic loans or exceptional situations. In this regard, the Italian Council of Ministers declared a state of emergency in 2024 following the adverse weather events that occurred in various parts of Italy. For a detailed list, please refer to the notes to the financial statements (Part A - Accounting policies - A1 - General part - Section 3 - Events after the reporting date and Section 4 - Other aspects).

6. Value chain

Alba Leasing's value chain comprises all the activities, resources and relationships associated with the parent's business model and the external context in which it operates, in line with the provisions of Delegated Regulation (EU) 2023/2772. It encompasses the activities, resources and relationships that a company uses and relies on to create its products or services, from production to delivery, consumption and obsolescence.
Alba Leasing's activities, resources and relationships include:

- the parent's internal processes, such as human resources;
- procurement, marketing and distribution channels, such as the purchase of materials and services or the sale and delivery of products and services;
- the financial, geographical, geopolitical and regulatory environment in which the parent operates.

Commercial partners

The ability to generate value for customers depends not only on the quality of Alba Leasing's services, but also on the strength and efficiency of the value chain, which is based on strategic partnerships with key players in the production, service, distribution and financial sectors.

1. Manufacturers

Manufacturers represent a key part of Alba Leasing's value chain, as they provide the goods and equipment underpinning the lease agreements. The parent works with manufacturers operating in key sectors such as:

- automotive;
- industrial equipment;
- energy efficiency technologies;
- electromedical.

In line with market expectations, Alba Leasing works with manufacturers who meet strict quality and sustainability standards. The choice of partners is also guided by ESG criteria, favouring those who promote technological innovation and reduce their environmental impact. This allows the parent to offer customers goods that not only meet their business needs but also contribute to the transition to a low-carbon economy.

2. Service managers: operating excellence and customer support

Service managers are responsible for providing essential services that complete the life cycle of the lease. These include:

- maintenance and repairs;
- insurance;
- logistics.

Alba Leasing is also committed to working with partners who adopt sustainable practices with environmental and social certifications, as well as digital technologies to reduce the carbon footprint while ensuring maximum operating efficiency and customer satisfaction. Partners play a crucial role in ensuring service continuity and quality.

3. Distributors: an efficient, widespread network

Distributors are the direct link with Alba Leasing's end customers. They operate through a widespread network covering the whole of Italy, facilitating access to lease services for companies of all sizes and sectors.
Collaboration with distributors involves:

- ongoing training on products and services;
- promotion of sustainable solutions, such as leases of electric vehicles and energy-efficient equipment;
- digitisation of processes, with the aim of reducing paper use and improving operating efficiency.

Alba Leasing's commercial partners are essential for conveying the value of its products to customers, strengthening market positioning and contributing to sustainable business growth.

4. Financial backers: financial solidity and investment sustainability

Financial backers complete our value chain in terms of commercial partnerships, providing the economic stability needed to sustain operations and develop new lease products.
They include:

- banks;
- public and private entities.

In line with our commitment to sustainability, we collaborate with financial backers who share our ESG values. We prefer to partner with financial institutions engaged in sustainable development projects to encourage the dissemination of environmentally-friendly goods and services.
Partnerships not only ensure capital strength but also allow us to offer customers competitive terms on financial products that promote sustainability.
Securitisations represent an important source of funds for the parent. Reference should be made to "Part D – Other information, Section 2 – Securitisations, unconsolidated structured entities (other than securitisation vehicles) and transfers of assets" of the notes to the consolidated financial statements.

Supply chain management

Like all finance lease brokers, Alba Leasing's ability to directly select the suppliers of the goods to be leased under finance leases is limited, because this decision is usually taken by the customer. Over the years, the parent has developed a list of preferred suppliers, selected on the basis of strategic criteria such as frequency and market standing, product quality, customer satisfaction and, in particular, the credit performance of the related customers.
This list of suppliers covers the main industrial sectors and was conceived to ensure high standards of quality and reliability in leased assets, maintaining a solid relationship of trust with customers and strengthening the commercial networks that support the business.
Alba Leasing works with quality vendors in two main categories:

- affiliated suppliers: authorised to offer and agree contracts directly with their customers, affiliated suppliers currently number 450 in the mechanical, energy efficiency, medical, equipment, distributor and ITC (information technology and telephony) sectors. These exclusive partnerships allow suppliers to take advantage of a privileged channel to promote lease products, including operating lease products;
- white-listed suppliers: all contracted suppliers have passed the parent's qualitative analysis and are therefore all white-listed.

For outsourced suppliers, Alba Leasing applies rigorous selection and monitoring criteria, including professionalism, financial soundness and regulatory compliance, which includes:

- business continuity: documented business continuity solutions and exit strategy plans in line with Alba Leasing's outsourcing policy;
- privacy protection: especially for suppliers in third countries, with acquisition of additional information to ensure full data protection.

In addition, Alba Leasing annually requests up-to-date documentation from its suppliers such as the DURC (tax and wage compliance certificate), sector-specific certifications, operating licences and the latest available financial statements.
The purchase of goods and contract management is simple and autonomous thanks to an online portal that allows digital signatures, document uploads and real-time monitoring of the status of transactions in a fully paperless manner. Protected and secure access is available from the supplier area on the parent's website, with credentials sent directly to the supplier's certified email.

Alba Leasing's value chain may be summarised as follows:

7. Environmental commitment

Alba Leasing is aware of the crucial role companies play in the transition to a sustainable economy and is actively committed to reducing its environmental impact. In a global context of increasing environmental challenges, the parent recognises the need to integrate sustainability principles into its operations and business strategies. This commitment translates into concrete initiatives geared towards climate change mitigation, the promotion of responsible use of resources and the reduction of emissions.
Alba Leasing's vision is to combine support for businesses and individuals through targeted financial solutions, such as the products listed below:

Table 1 – Agreements and subsidised products

Alba Leasing's agreements and subsidised products				
Renewable energy leases	Electrical mobility	Public sector leases	Ministry of Economic Development	Nuova Sabatini (Ter)
For alternative energy generation plants and investments in energy efficiency	Leases for vehicles and services	To acquire plant and machinery, vehicles and real estate by the public administration	Participation in the subsidised loans provided by MISE (Ministry of Economic Development) to upgrade plant, equipment and digital technologies;	Participation in the subsidised loans provided by MISE (Ministry of Economic Development) to upgrade plant, equipment and digital technologies;

In 2024, 30 real estate leases were agreed for buildings with an energy class higher than A, for a total of €88 million, or 33% of the total real estate leased during the same year. Of these, five buildings in energy class A4 were leased, for a total of €54 million.
The following transactions were particularly relevant for ESG aspects:

- €37.9 million for the lease of a building in the highest energy class (A4);
- €10.6 million for the lease of a building in the A1 energy class;
- €15 million for the lease of a socio-healthcare building in the highest energy class (A4).

In addition to these real estate transactions, additional contracts were signed as part of Alba Leasing's growing commitment to sustainability:

- 581 leases for electromedical devices, for a total of €44.9 million;
- 263 leases in the photovoltaic sector, for a total of €27.7 million, including two major transactions worth €1.7 million and €1.4 million;
- one lease in the hydroelectric sector, for €1.3 million;
- nine leases in the railway sector, for nine freight and passenger locomotives, for a total of €23.3 million.

8. Climate challenges and environmental impacts

Climate change has emerged as a major global challenge in recent years, significantly impacting the financial sector. Climate impacts, such as extreme weather events (e.g., rising sea levels) and the transition to a low-carbon economy, are transforming the dynamics of financial markets and related investment strategies.
Today's climate challenges are closely linked to the impacts of paper consumption and use, energy production, management and consumption, GHG generation and emissions, and waste generation and management. These areas are crucial for the future of the planet, but also an opportunity for the financial sector to help accelerate the transition towards a sustainable economy.
This context requires a strong commitment from the financial sector and, since its inception, Alba Leasing has been committed to monitoring and reporting on material and energy consumption, GHG emissions and waste generation, also in light of the constantly-evolving regulatory framework on environmental protection established by EU regulations and national and regional laws in force.
At its Milan and Rome offices, Alba Leasing has always been committed to initiatives to:

- reduce the consumption of materials (dematerialisation);
- reduce electricity consumption;
- reduce emissions of pollutants from business activities;
- reduce consumption by its fleet of vehicles;
- correctly manage waste elimination;
- manage the indirect effects of its buildings and assets.

Consumption of materials

In 2024, Alba Leasing continued its mission to steadily reduce its carbon footprint. Reducing paper use is a strategic priority for many organisations, including the financial sector, as such a change not only contributes to improving environmental sustainability, but also offers operational, financial and reputational benefits. Where possible, the parent is replacing hard copy publications with soft copies. In order to discourage printing and reduce the use of paper and ink, the company also eliminated some of the printers at its main offices.

Materials used by weight or volume *	M.U.	2022	2023	2024**
Paper purchased	boxes of 5 reams	271	233	313
Total paper consumption	kg	3,216	2,969	2,973

** Paper consumption refers to the parent's entire reporting boundary, including, for example, its offices at shareholder banks.*
*** The increase in the paper purchased in 2024 is aimed at financial optimisation and stock efficiency.*

Energy consumption and emissions

Energy consumption	M.U.	2022	2023	2024
Total energy consumption	GJ	7,338.9	6,533.0	7,335.5
from renewable sources	GJ	961.8	732.0	757.7

Breakdown of direct consumption of primary energy by source and type	M.U.	2022	2023	2024
Direct consumption of primary energy from renewable sources	GJ	-	-	-
Direct consumption of primary energy from non-renewable sources	GJ	6,377.1	5,802.0	6,577.8
diesel (fleet of vehicles)	GJ	4,630.8	4,537.0	2,962.9
petrol (fleet of vehicles)	GJ	161.6	153.0	1,641.5
gas to heat offices	GJ	1,584.6	1,112.0	1,973.3
Total direct energy consumption	GJ	6,377.1	5,802.0	6,577.8

Electricity consumption	M.U.	2022	2023	2024
Purchased electricity	GJ	961.8	732.0	757.7
Milan office	GJ	923.1	692.0	733.4
Rome office	GJ	38.7	40.0	24.3
from renewable sources	GJ	961.8	732.0	757.7
renewable sources	%	100.00%	100.00%	100.00%

Emissions	M.U.	2022	2023	2024
Direct CO2 emissions - Scope 1	tCO2	444.01	410.00	453.22
diesel (fleet of vehicles)	tCO2	340.54	334.00	217.81
petrol (fleet of vehicles)	tCO2	11.77	11.00	119.96
natural gas	tCO2	91.78	65.00	115.45
Indirect CO2 emissions - Scope 2 (location-based)	tCO2	67.30	54.00	56.09
Indirect CO2 emissions - Scope 2 (market-based)	tCO2	-	-	-
Milan office	tCO2	-	-	-
Rome office	tCO2	-	-	-
Total CO2 emissions (scope 1 and scope 2) *				
- location-based	tCO2	511.31	464.00	509.00
Total CO2 emissions (scope 1 and scope 2) **				
- market-based	tCO2	444.01	410.00	453.22
Total CO2 emissions - Scope 3 ***	tCO2	21.01	41.00	44.05
Emissions from paper procurement	tCO2	2.96	3.00	2.70
Emissions from business travel	tCO2	18.05	38.00	41.35

** Reference conversion factor: Efficiency and decarbonization indicators in Italy and in the biggest European Countries - ISPRA 386/2023; DEFRA 2023; ISPRA - National Inventory Report 2023.*
*** Reference conversion factor: DEFRA 2023; ISPRA - National Inventory Report 2023.*
**** The parent reports its scope 3 emissions as per the GHG Protocol for the "business travel" and "purchased goods and services" categories. Specifically, it calculated rail travel emissions for the "business travel" category using information on the ecopassenger.org website and emissions from air travel using DEFRA 2023 as the emission factor (air travel emissions in 2024 were also calculated using ecopassenger.org). For 2024, the emissions of three railway lines were not calculated as they are not available on the website.*

GHG emissions intensity and energy intensity	2022	2023	2024
Energy intensity (GJ consumption/employees at 31/12)	26.21	24.00	27.07
GHG emissions intensity (total scope 1 & 2 emissions market-based / employees at 31/12)	1.59	1.53	1.67

Waste management

The waste generated by the parent consists mainly of paper and plastic generated mainly in the ordinary course of business and treated as municipal waste. The amount of wood, iron and steel waste was expected to increase in 2024, due to the renovation of the building at Via Sile 18. Any special waste generated during the year mostly refers to light bulbs, toner cartridges and batteries used as part of the parent's everyday activities.
With regard to both hazardous waste, if any, and non-hazardous waste, the parent relies on qualified operators who operate according to high quality standards, complying with current environmental regulations. These operators promptly report on the type of materials collected and the method of disposal by filling in special forms.
At the Milan offices, Alba Leasing also encourages the reduction of plastic use through the installation of micro-filtered water dispensers connected to the water mains in the break areas. To encourage this initiative, all employees were provided with thermal water bottles in order to reduce the consumption of single-use plastic.
To ensure greater transparency and provide clear data that is not open to interpretation, details of the parent's waste are provided below, which can then be analysed by weight and destination. Furthermore, it should be noted that plastic waste is not weighed and that paper is already reported in the relevant table.

Type of waste	2023	2024	Directed to disposal/diverted from disposal
	Non-hazardous waste (kg)	Non-hazardous waste (kg)	
Mixed waste from demolition activities		510	Recovery
Total weight	**-**	**510**	
Iron and steel		1,470	Recovery
Total weight	**-**	**1,470**	
Bulky waste			Recovery
Total weight	**1,710**		
Wood		1,190	Recovery
Total weight	**-**	**1,190**	
Out of order equipment		395	Recovery
Total weight	**165**	**395**	
Fluorescent tubes containing mercury			
Total weight	**-**	**-**	
Toner cartridges			
Total weight	**-**	**-**	
Total weight	1,875	3,565	
recovery	100%	100%	
hazardous waste	-	-	
non-hazardous waste	100%	100%	

Use of water resources

Alba Leasing provides disclosure on its water consumption. As these figures are also available for 2023, it was possible to make an accurate comparison with the current year. Although consumption was broadly stable compared to the previous year, decreasingly slightly, it is expected that the encouragement of remote working will result in a future decrease. As a financial services company, Alba Leasing's water consumption is mainly related to staff use of bathroom facilities and water dispensers.

Water consumption	
2023	2,103
2024	2,064
Change %	-2%

Safety of buildings and enhancement of the sustainability credentials of company assets

Alba Leasing incorporates environmental protection into its business processes, also considering the indirect environmental impact of its activities. In this context, the parent incorporates sustainability assessments into its lending processes and in the management of its assets, minimising environmental damage and promoting a responsible approach. The parent performs rigorous documentary checks of its plant and machinery to ensure compliance with the ruling environmental and safety regulations.
A distinctive feature is the appraisal model, developed specifically for the real estate and asset valuation segment. This tool, applied to all phases of contract acquisition, transformation and management (including remodelling, exercise of purchase option and termination), allows the quality of real estate to be appraised on the basis of criteria such as location, urban integration, safety and environmental impact. Third party experts manage the model and regularly liaise with the parent, ensuring expertise and compliance.
The recovery of assets due to leases that have been terminated or for which the purchase option has not been exercised involves mapping any related environmental risks as provided for in the relevant legislation in order to take the necessary remedial actions. The parent carries out redevelopment, safety and reclamation activities on returned buildings in order to restore and/or improve their environmental and social impact profiles so as to then remarket them sustainably.
In 2023, Alba Leasing's risk management and lending policies unit worked to improve the appraisal documents and asset valuation methodologies, with the aim of facilitating their remarketing. Specifically:

- internal processes were improved for the better sharing of information between the remarketing and operating technical activities units, although their duties continue to be segregated;
- appraisal tools: the parent has changed the method used to calculate the adjusted market value for real estate that has already been returned or is in the process of being returned and the commercial negotiations have been started, pursuant to current legislation (e.g., Law no. 124 and EBA guidelines).

The environmental management of the recovered assets continued to be a focus. The remediation of three properties with asbestos or other environmental liabilities was successfully completed. Alba Leasing has engaged a third party company as its asbestos officer to manage the assets it still holds which contain minimal asbestos (which is therefore not required to be removed immediately). This company carries out maintenance of these assets and reports thereon annually.
Alba Leasing's real estate portfolio comprises 73 properties, all of which are advertised on the dedicated online portal.
The parent has also taken steps to increase the transparency of the sustainability disclosures for the leased assets.

Specifically, the parent introduced a computerised system for real estate assets for the standardised recording of the energy class of the buildings shown as per the energy performance certificate. This digitalised process makes it possible to analyse and report the information, which was previously only available in paper format.

Information on CO_2 emissions of the leased vehicles was entered into the parent's systems: such data are available for cars but are more difficult to obtain for commercial vehicles, due to limitations in the vehicle's technical documentation.

These initiatives contribute to a more accurate selection of exposures that can be used for EIB loans, which are focused on environmentally-sustainable activities. Alba Leasing thus comfirms its commitment to a business model that integrates asset sustainability, safety and enhancement, benefitting the environment and society.

9. Towards the CSRD

By virtue of the attention and importance it attaches to sustainability matters, Alba Leasing has always been committed to fostering sustainable development in support of the environment and a highly inclusive society.
Considering the impact of its business on the social and environmental context in which it operates, the parent proactively seeks to act to create long-term value for its stakeholders and the broader community, in the knowledge that it can contribute to reducing the impacts of impacts such as climate change and social inequality.
Directive (EU) 2022/2464 (CSRD) aims to improve corporate sustainability reporting, with a focus on significantly reducing climate and environmental risks. For Alba Leasing, it not only represents a duty to fulfil, but a concrete opportunity for business growth. The detailed reporting of activities, performance and targets from an ESG perspective is an opportunity to affirm its reputation in terms of solidity and transparency, a fundamental element to strengthen stakeholder trust, especially at a time when stakeholders and customers are always attentive to companies' commitment to sustainability matters and aspects.
Alba Leasing also views the CSRD as an opportunity to build a more resilient and forward-looking business model by reducing business risks related to environmental and social issues.
For these reasons, Alba Leasing, which is among the European companies that will be required to draw up a sustainability statement in accordance with the CSRD from 2025 (based on the legislation currently applicable), has a project underway to move towards the CSRD[2]. The project aims to address the challenges that the parent will face, such as the retrieval and representation of ESG data, which must be detailed, accurate and ESRS-compliant, and the complexity of the regulations, which require in-depth knowledge and rigorous application.
The main changes introduced by the CSRD are:

- the sustainability statement must be included in a clearly identifiable section of the directors' report and shall be subject to limited assurance. The information must also be digitally readable (XHTML) in accordance with Regulation (EU) 2020/815 (ESEF);
- double materiality assessment, i.e. assessing both the impact of own operations on society and the environment, and the impact of sustainability factors on the parent's financial position and results of operations;
- definition and extension of the reporting boundary to include the upstream and downstream value chain;
- sustainability statements are to be prepared using the European Sustainability Reporting Standards (ESRS), which have specific requirements to foster the interconnection of sustainability reporting and financial reporting;
- companies are required to provide disclosure on the main features of the internal control systems adopted;
- the corporate reporting officer is required to prepare a statement confirming that the sustainability statement has been prepared in compliance with sustainability reporting statements and the specifications adopted as per article 8 of the European taxonomy (Regulation (EU) 2020/852) and subsequent delegated acts.

In the process of moving towards these new reporting requirements, Alba Leasing, with the support of external consultants, has commenced specific projects to address the regulatory complexity and ensure data compliance and accuracy, focussing on the following activities:

- a preliminary gap analysis between the 2023 Consolidated Non-Financial Statement and the CSRD reporting standards (ESRS); preparation of a plan setting out the actions to be taken to close the various information gaps identified;
- definition of the reporting boundary from a CSRD perspective and how it should be presented and included in the sustainability statement;

2 In this regard, please refer to note 1 about the Omnibus package in the "Impact materiality assessment" chapter on page 47.

- analyses to identify the perimeter of suppliers and commercial partners in the upstream and downstream value chain, and the definition of the criteria and thresholds to define the relevant actors;
- impact assessment to assess the materiality of the impacts of the sustainability matters, in line with the CSRD and adopting the ESRS.

In addition to the above activities, Alba Leasing held meetings with consultants to make initial assessments on the approach to be adopted in preparing the European taxonomy disclosure for the financial statements as at and for the year ending 31 December 2025.

All activities and relevant evidence were shared for agreement and approval with the company bodies, such as the sustainability committee and the board of directors, as well as with the independent auditors.

10. Appendix

Methodology for the preparation of the 2024 sustainability statement

This document constitutes the Alba Leasing's 2024 sustainability statement. Although Alba Leasing does not fall within the scope of Directive (EU) 2022/2464 (CSRD), transposed into Italian law by Legislative decree no. 125 of 6 September 2024, it has prepared this statement as a move towards the new directive.

The parent prepares and publishes its sustainability statement once a year in line with the timeframes for the preparation and publication of its annual consolidated financial statements.
In anticipation of what the new European Sustainability Reporting Standards (ESRS) will require for 2025 sustainability statements, Alba Leasing has expressed some considerations on financial materiality in its 2024 sustainability statement, integrating those on impact materiality based on GRI Standards. The group has identified the impacts related to specific sustainability matters to be submitted to internal and external stakeholders in order to determine the material topics. The process and outcomes of the impact assessment were shared and submitted to the relevant company bodies for review.

The sustainability statement's reporting boundary at 31 December 2024 comprises Alba Leasing S.p.A.. Alba 6 SPV S.r.l., Alba 11 SPV S.r.l., Alba 12 SPV S.r.l., Alba 13 SPV S.r.l. and Alba 14 SPV S.r.l., which are consolidated by Alba Leasing, are excluded from the reporting boundary as they are securitisation vehicles, do not have employees and do not have a material environmental, social or governance impact.
The parent's ownership structure has not undergone significant change with respect to the reporting boundary and during the reporting period.

Alba Leasing has prepared this sustainability statement using the "in accordance" option provided by the Global Reporting Initiative Sustainability Reporting Standards published in 2016 by the Global Reporting Initiative and updated in 2021.
Where possible, each indicator is compared with quantitative data for the previous two reporting periods, to allow an assessment of the group's medium-term performance.
The environmental data refer only to the Milan office in Via Sile and the Rome office in Via Bissolati, while the other offices of the shareholder banks are excluded from the reporting boundary. Moreover, the sustainability statement has been prepared in accordance with the following GRI concepts: sustainability, context, completeness, balance, comparability, accuracy, timeliness, clarity and verifiability.

The aim of chapter 10 (Towards the CSRD) of this statement is to illustrate Alba Leasing's path towards aligning with the CSRD. The series of activities carried out have made it possible to address the issues and challenges that the group will face in preparing the 2025 sustainability statement.
(based on currently applicable regulations), such as those related to the collection, reporting and presentation of ESG data, and the significant complexity of sustainability regulations, which require careful, rigorous application.

The parent's main departments and units were involved both in identifying the topics on which to focus the disclosures and in collecting the quantitative and qualitative data necessary to prepare the sustainability statement. The collection and sharing of data and information took place through a centralised process whereby the administration, budget, finance and planning department of Alba Leasing consolidated the data collected.

This statement was approved by the parent's board of directors on 17 March 2025. The parent's independent auditors, KPMG S.p.A., performed a limited assurance engagement on Alba Leasing's 2024 sustainability statement and the related report is included at the end of this statement.

Statement of use	Alba Leasing prepared its statement using the "in accordance" option under the GRI Standards for the period from 1 January to 31 December 2024.
GRI 1 used:	GRI 1: Foundation 2021
Applicable GRI sector standards	n.a.

Material topic	GRI Standard	Indicator	Document page no.	Note / Omissions
	GRI 2: GENERAL DISCLOSURES 2021			
	The organization and its reporting practices			
	2-1	Organizational details	28	
	2-2	Entities included in the organization's sustainability reporting	Methodology	
	2-3	Reporting period, frequency and contact point	Methodology	17 April 2025
	2-4	Restatements of information		No significant data or information have been restated compared to the 2023 report (the consolidated non-financial statement prepared on a voluntary basis)
	2-5	External assurance	245-247	
	Activities and workers			
	2-6	Activities, value chain and other business relationships	70-72	
	2-7	Employees	56-68	
	2-8	Workers who are not employees	57	
	Governance			
	2-9	Governance structure and composition	36-44	
	2-10	Nomination and selection of the highest governance body	36-44	
	2-11	Chair of the highest governance body		The parent's chair is not a member of senior management.
	2-12	Role of the highest governance body in overseeing the management of impacts	41	
	2-13	Delegation of responsibility for managing impacts	41	
	2-14	Role of the highest governance body in sustainability reporting	Methodology	
	2-15	Conflicts of interest	38	
	2-16	Communication of critical concerns	52;63	
	2-17	Collective knowledge of the highest governance body	41	
	2-18	Evaluation of the performance of the highest governance body	36	The performance of the highest governance body is evaluated on a voluntary basis by an external company and does not take place according to a regular schedule. The most recent evaluation was performed in 2021 and it also covered the board of directors' awareness of ESG and sustainability matters.
	2-19	Remuneration policies	40	The directors receive a fixed fee and a variable component, linked to actual participation in board meetings, paid in the form of attendance fees.
	2-20	Process to determine remuneration	40	The board of directors approves the remuneration policy.
	2-21	Annual total compensation ratio		The parent does not report this ratio as it is sensitive data.

Material topic	GRI Standard	Indicator	Document page no.	Note / Omissions
	Strategy, policies and practices			
	2-22	Statement on sustainable development	31	
	2-23	Policy commitments		As stated in the sustainability statement, the parent's commitments are set out in its sustainability policy, available at this link https://www.albaleasing.eu/politica-di-sostenibilita/ and approved annually by the board of directors. With respect to human rights, identification of related topics and how they are managed, including from a prevention viewpoint, are described in the relevant section of the sustainability statement.
	2-24	Embedding policy commitments	49-50;68	To the extent of their mandates, department heads must ensure compliance with the policies issued by the company bodies and general management. Finally, the general manager monitors their complete compliance as they have overall responsibility for the group's operations.
	2-25	Processes to remediate negative impacts	67-68	
	2-26	Mechanisms for seeking advice and raising concerns	52;63	
	2-27	Compliance with laws and regulations	44;61	
	2-28	Membership of associations		ABI, ASSILEA, AIAF, AIFIRM, AIIA, AIGI, AISCA, ASSIOM, A.ASS.OD, FOREX, AOMI, Italian Competition Authority, Banking and Financial Ombudsman, Organismo per la tenuta dell'Albo dei Promotori Finanziari, IVASS, PROMETEIA, PREVIP.
	Stakeholder engagement			
	2-29	Approach to stakeholder engagement	30-31	
	2-30	Collective bargaining agreements	56	
	GRI 3: MATERIAL TOPICS			
	3-1	Process to determine material topics	45-48	
	3-2	List of material topics	48	
	GRI TOPIC STANDARD			
	Corruption and bribery			
Business conduct	3-3	Management of material topics	48-53	
	205-2	Communication and training about anti-corruption policies and procedures	48;60	
	205-3	Confirmed incidents of corruption and actions taken	48	No cases of corruption were identified for 2024.
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	49	
	Other work-related rights			
Own workforce	3-3	Management of material topics	49-54	
	406-1	Incidents of discrimination and corrective actions taken	53	
	Equal treatment and opportunities for all			
Own workforce	3-3	Management of material topics	56-68	
	404-1	Average hours of training per year per employee	61-62	
	404-3	Percentage of employees receiving regular performance and career development reviews	61-63	
	Working conditions			
Own workforce	3-3	Management of material topics	56-68	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	65-66	
	401-3	Parental leave	60	

Material topic	GRI Standard	Indicator	Document page no.	Note / Omissions
	Climate change adaptation /Climate change mitigation/Energy			
Climate change	3-3	Management of material topics	75-80	
	301-1	Materials used by weight or content	75	
	302-1	Energy consumption within the organisation	76	
	302-3	Energy intensity	76	
	305-1	Direct (scope 1) GHG emissions	76	
	305-2	Indirect (scope 2) GHG emissions	76	
	305-3	Other indirect (scope 3) GHG emissions	76	
	305-4	GHG emissions intensity	76	

List of indicators not included in the GRI indicators

Material topic	GRI Standard	Indicator	Document page no.
Affected communities - Communities' economic, social and cultural rights (enabling the business continuity of SMEs through the lease of dedicated assets)	3-3	Management of material topics	66-67
Business conduct - Protection of whistle-blowers (dedicated whistleblower reporting channels to report unlawful conduct and implementation of effective policies to protect whistle-blowers with the aim of preventing fraud and practices).	3-3	Management of material topics	52
Business conduct - Corporate culture (initiatives to build a corporate culture based on transparency and ethics)	3-3	Management of material topics	49-54

Consolidated financial statements

Statement of financial position

(Euro)

Assets	31/12/2024	31/12/2023
10. Cash and cash equivalents	241,828,146	224,962,131
20. Financial assets at fair value through profit or loss	7,409	4,834
c) other financial assets mandatorily measured at fair value	7,409	4,834
40. Financial assets at amortised cost	4,972,300,529	5,025,926,261
a) loans and receivables with banks	54,571	335,424
b) loans and receivables with financial companies	75,897,371	78,313,760
c) loans and receivables with customers	4,896,348,587	4,947,277,077
60. Macro-hedged financial assets (+/-)	413,631	-
80. Property, equipment and investment property	7,494,487	17,603,055
90. Intangible assets	1,544,713	1,930,046
100. Tax assets	23,452,925	34,105,603
a) current	1,427,741	2,227,786
b) deferred	22,025,184	31,877,817
120. Other assets	56,876,251	45,557,438
Total assets	5,303,918,091	5,350,089,368

Liabilities and equity	31/12/2024	31/12/2023
10. Financial liabilities at amortised cost	4,614,099,389	4,688,289,597
a) amounts due	2,954,199,732	2,757,216,773
b) securities issued	1,659,899,657	1,931,072,824
40. Hedging derivatives	380,025	-
60. Tax liabilities	817,132	628,160
a) current	817,132	628,160
80. Other liabilities	217,478,702	212,969,640
90. Post-employment benefits	1,546,028	1,740,776
100. Provisions for risks and charges:	12,175,802	9,188,717
a) loan commitments and financial guarantees given	8,338,561	6,404,412
c) other provisions	3,837,241	2,784,305
110. Share capital	357,953,058	357,953,058
140. Share premium	105,000,000	105,000,000
150. Reserves	(25,469,722)	(36,945,822)
160. Valuation reserves	(160,667)	(210,857)
170. Profit for the year	20,098,344	11,476,099
180. Equity attributable to non-controlling interests	-	-
Total liabilities and equity	5,303,918,091	5,350,089,368

Income statement

(Euro)

	2024	2023
10. Interest and similar income	299,708,260	284,278,468
including: interest calculated using the effective interest method	284,899,431	271,755,872
20. Interest and similar expense	(206,902,665)	(189,168,075)
30. Net interest income	**92,805,595**	**95,110,393**
40. Fee and commission income	31,794,999	31,500,694
50. Fee and commission expense	(21,739,379)	(24,475,113)
60. Net fee and commission income	**10,055,620**	**7,025,581**
70. Dividends and similar income	484	-
90. Net hedging income	33,606	-
100. Net losses on disposal or repurchase of:	(852,539)	(1,548,901)
a) financial assets at amortised cost	(852,539)	(1,548,901)
110. Net gains on other financial assets and liabilities at fair value through profit or loss:	2,575	336
b) other financial assets mandatorily measured at fair value	2,575	336
120. Total income	**102,045,341**	**100,587,409**
130. Net impairment losses for credit risk associated with:	(22,503,214)	(21,859,692)
a) financial assets at amortised cost	(22,503,214)	(21,859,692)
140. Net modification gains (losses)	(58,023)	92,747
150. Net financial income	**79,484,104**	**78,820,464**
160. Administrative expenses:	(44,896,846)	(48,384,667)
a) personnel expense	(27,688,547)	(31,152,987)
b) other administrative expenses	(17,208,299)	(17,231,680)
170. Net accruals to provisions for risks and charges	(3,417,359)	(5,527,685)
a) loan commitments and financial guarantees given	(1,934,149)	(4,752,513)
b) other net accruals	(1,483,210)	(775,172)
180. Depreciation and net impairment losses on property, equipment and investment property	(1,957,557)	(2,131,727)
190. Amortisation and net impairment losses on intangible assets	(769,558)	(762,304)
200. Other operating expenses, net	(1,067,520)	(2,756,450)
210. Operating costs	**(52,108,840)**	**(59,562,833)**
250. Net gains (losses) on sales of investments	3,077,368	(81,482)
260. Pre-tax profit from continuing operations	**30,452,632**	**19,176,149**
270. Income taxes	(10,354,288)	(7,700,050)
280. Post-tax profit from continuing operations	**20,098,344**	**11,476,099**
290. Post-tax profit (loss) from discontinued operations	**-**	**-**
300. Profit for the year	**20,098,344**	**11,476,099**
310. Profit for the year attributable to non-controlling interests	-	-
320. Profit for the year attributable to the owners of the parent	**20,098,344**	**11,476,099**

Statement of comprehensive income

(Euro)

		2024	2023
10.	Profit for the year	20,098,344	11,476,099
	Items, net of tax, that will not be reclassified to profit or loss		
70.	Defined benefit plans	50,190	71,700
170.	Other comprehensive income, net of tax	50,190	71,700
180.	Comprehensive income (captions 10+170)	20,148,534	11,547,799
190.	Comprehensive income attributable to non-controlling interests	-	-
200.	Comprehensive income attributable to the owners of the parent	20,148,534	11,547,799

Statement of changes in equity

2024

(Euro)

	31.12.2023	Change to opening balances	1.1.2024	Allocation of prior year profit		Changes for the year							2024 comprehensive income	Equity attributable to the owners of the parent at 31/12/2024	Equity att. to non-controlling interests at 31/12/2024
							Equity transactions								
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Repurchase of own shares	Extraordinary dividend distribution	Change in equity instruments	Other changes				
Share capital	357,953,058	-	357,953,058	-	-	-	-	-	-	-	-		-	357,953,058	-
Share premium	105,000,000	-	105,000,000	-	-	-	-	-	-	-	-		-	105,000,000	-
Reserves:															
a) income-related	(39,243,527)	-	(39,243,527)	10,902,294	-	-	-	-	-	-	-		-	(28,341,233)	-
b) other	2,297,705	-	2,297,705	573,805	-	-	-	-	-	-	-		-	2,871,510	-
Valuation reserves	(210,857)	-	(210,857)	-	-	-	-	-	-	-	-		50,190	(160,667)	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-		-	-	-
Profit for the year	11,476,099	-	11,476,099	(11,476,099)	-	-	-	-	-	-	-		20,098,344	20,098,344	-
Equity attributable to the owners of the parent	**437,272,478**	**-**	**437,272,478**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**20,148,534**	**457,421,012**	**-**
Equity attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**	**-**

2023

(Euro)

	31.12.2022	Change to opening balances	1.1.2023	Allocation of prior year profit		Changes for the year							2023 comprehensive income	Equity attributable to the owners of the parent at 31/12/2023	Equity att. to non-controlling interests at 31/12/2023
							Equity transactions								
				Reserves	Dividends and other allocations	Changes in reserves	Issue of new shares	Repurchase of own shares	Extraordinary dividend distribution	Change in equity instruments	Other changes				
Share capital	357,953,058	-	357,953,058	-	-	-	-	-	-	-	-	-	357,953,058	-
Share premium	105,000,000	-	105,000,000	-	-	-	-	-	-	-	-	-	105,000,000	-
Reserves:														
a) income-related	(49,096,034)	-	(49,096,034)	9,852,507	-	-	-	-	-	-	-	-	(39,243,527)	-
b) other	1,779,152	-	1,779,152	518,553	-	-	-	-	-	-	-	-	2,297,705	-
Valuation reserves	(282,557)	-	(282,557)	-	-	-	-	-	-	-	-	71,700	(210,857)	-
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	10,371,060	-	10,371,060	(10,371,060)	-	-	-	-	-	-	-	11,476,099	11,476,099	-
Equity attributable to the owners of the parent	**425,724,679**	**-**	**425,724,679**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,547,799**	**437,272,478**	**-**
Equity att. to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Statement of cash flows (indirect method)

(Euro)

A. Operating activities	2024	2023
1. Operations	48,798,797	41,828,871
- profit for the year (+/-)	20,098,344	11,476,099
- net gains/losses on financial assets held for trading and other financial assets/liabilities at fair value through profit or loss (-/+)	2,575	(336)
- net impairment losses for credit risk (+/-)	22,503,214	21,859,692
- amortisation, depreciation and net impairment losses on property, equipment and investment property and intangible assets (+/-)	2,727,115	2,894,031
- net accruals to provisions for risks and charges and other costs/revenue (+/-)	3,417,359	5,527,685
- other adjustments (+/-)	50,190	71,700
2. Cash flows generated by financial assets	26,614,073	70,963,477
- financial assets at amortised cost	27,693,839	45,255,379
- other assets	(1,079,766)	25,708,098
3. Cash flows used for financial liabilities	(64,452,238)	(116,811,663)
- due to banks	277,494,333	86,534,763
- due to financial companies	(60,978,311)	18,483,271
- due to customers	(14,239,472)	(327,903,928)
- securities issued	(271,173,167)	176,007,661
- other liabilities	4,444,379	(69,933,430)
Net cash flows generated by (used in) operating activities	10,960,632	(4,019,315)
B. Investing activities		
1. Cash flows generated by	6,500,000	1,597
- sales of property, equipment and investment property	6,500,000	1,597
2. Cash flows used to acquire	(598,127)	(1,825,810)
- property, equipment and investment property	(213,902)	(833,577)
- intangible assets	(384,225)	(992,233)
Net cash flows generated by (used in) investing activities	5,901,873	(1,824,213)
C. Financing activities		
- issues/purchases of equity instruments	-	(4,498)
Net cash flows used in financing activities	-	(4,498)
Net cash flows for the year	16,862,505	(5,848,026)

RECONCILIATION	2024	2023
Opening cash and cash equivalents	224,962,131	230,810,157
Net cash flows for the year	16,862,505	(5,848,026)
Closing cash and cash equivalents	241,824,636	224,962,131

KEY
(+) generated
(-) used

Disclosure pursuant to IAS 7.44

	31/12/2024	Cash flows	Non-cash changes	31/12/2023
Liabilities arising from financing activities Including current accounts	2,934,998,448	211,479,539	-	2,723,518,909

	31/12/2023	Cash flows	Non-cash changes	31/12/2022
Liabilities arising from financing activities Including current accounts	2,723,518,909	(201,952,857)	-	2,925,471,766

Notes to the consolidated financial statements

Part A - Accounting policies

A.1 - General part

Section 1 - Statement of compliance with the IFRS

In accordance with Legislative decree no. 38 of 28 February 2005, the consolidated financial statements of Alba Leasing S.p.A. (the "parent") as at and for the year ended 31 December 2024 have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and related interpretations of the International Financial Reporting Interpretations Committee (IFRIC), endorsed by the European Commission with Regulation (EC) no. 1606 of 19 July 2002 (the "IFRS").

Despite not being endorsed by the European Commission, the group made reference to the following documents when interpreting and applying the IFRS:

- conceptual framework for financial reporting;
- implementation guidance, Basis for conclusions and all other documents issued by the IASB or the IFRIC that complement the issued standards.

The standards (including the SIC and IFRIC interpretations) applied in the preparation of these consolidated financial statements are those applicable at 31 December 2024.

Reference should be made to Section 2 - Basis of presentation for details of the standards endorsed during 2024 and previous years that will become applicable after the reporting date and their impacts on the group's consolidated financial statements.

Section 2 - Basis of presentation

The consolidated financial statements comprise the statement of financial position, the income statement and the statements of comprehensive income, changes in equity and cash flows and these notes; they are accompanied by the directors' report.

The statement of financial position, the income statement and the statements of comprehensive income and changes in equity have been prepared on the basis of the guidelines laid down in Bank of Italy's measure of 17 November 2022 "The financial statements of IFRS intermediaries other than banks" (the "measure"), pursuant to article 43 of Legislative decree no. 136/2015.

These consolidated financial statements have been prepared also considering Bank of Italy communication of 14 March 2023 updating the measure concerning the impacts of COVID-19 and the economic relief.

Where the disclosure introduced by the new communication was not required by the previous measure, the parent elected not to present any comparative figures.

Unless otherwise required by Bank of Italy's special regulations, the disclosures provided in the notes to the consolidated financial statements have been supplemented to comply with the changes to the Italian Civil Code provisions enacted following the coming into force of the company law reform (Legislative decree no. 6 of 17 January 2003 and delegated measures amending Law no. 366 of 3 October 2001).

Captions with a zero balance in the current and previous years have been omitted.

In accordance with article 5.2 of Legislative decree no. 38 of 28 February 2005, the consolidated financial statements' reporting currency is the Euro and they have been prepared on the basis of the following principles:

Going concern: assets, liabilities and off-statement of financial position transactions are measured assuming their use over a long period of time;

Accruals basis of accounting: regardless of when they are paid/collected, costs and revenue are recognised when they are incurred or earned and under the matching principle;

Consistency of presentation: the presentation and classification of captions are kept constant over time in order to ensure that information is comparable unless changes are required by a standard or interpretation, or would provide more relevant and reliable disclosures. If a presentation or classification policy is changed, the new policy is applied retrospectively where possible; in such cases the nature of and the reason for the change and the captions affected are disclosed;

Materiality and aggregation: all significant aggregations of items with a similar nature or function are reported separately. Items with a different nature or function are presented separately, if material;

Substance over form: transactions and other events are accounted for and presented in accordance with their substance and economic reality and not merely their legal form;

Offsetting: assets and liabilities and income and expenses are not offset against each other, except when offsetting is required or allowed by a standard or interpretation or Bank of Italy's instructions for drafting the financial statements of IFRS intermediaries other than banks;

Comparative information: for each caption of the statement of financial position and income statement, comparative information for at least one preceding reporting period is presented, unless a standard or interpretation allows or requires otherwise. Where necessary, the prior period corresponding figures are adjusted for comparative purposes. When the corresponding figures are not comparable or adjustable or are non-adjustable, this fact is disclosed and suitably commented on in the notes.

Pursuant to the measure, figures in the statement of financial position as at 31 December 2024 and the income statement, the statements of comprehensive income, changes in equity and cash flows for the year then ended are shown in Euro, whereas these notes present figures in thousands of Euro.

New standards and amendments to existing standards endorsed by the European Commission

The accounting policies applied in the preparation of the consolidated financial statements at 31 December 2024 are the same as those adopted for the classification, recognition, measurement and derecognition of assets and liabilities and the recognition of revenue and costs in the consolidated financial statements at 31 December 2023.

The standards, interpretations or amendments thereto issued by the IASB and the IFRIC and endorsed by the European Commission, whose application for the purposes of preparing these consolidated financial statements at 31 December 2024 became mandatory and which have, therefore, modified the accounting policies applied in 2023, are as follows:

Commission Regulation (EU) 2023/2579 of 20 November 2023 - "Lease liability in a sale and leaseback (Amendments to IFRS 16)"
On 22 September 2022, in response to an IFRIC recommendation, the IASB published the amendments to IFRS 16 Leases, which clarifies how an entity shall recognise, measure,

present and disclose information about leases. IFRS 16 already included the information for accounting for a sale and leaseback at the date the transaction occurs. The amendments to IFRS 16 specify how a seller-lessee subsequently measures sale and leaseback transactions.

Commission Regulation (EU) 2023/2822 of 19 December 2023 - "Classification of liabilities as current or non-current and Non-current liabilities with covenants (Amendments to IAS 1)"
On 23 January 2020, the IASB issued "Classification of liabilities as current or non-current (Amendments to IAS 1)". These amendments clarify that the classification of liabilities as current and non-current depends on the rights existing at the end of the reporting period. Its application, initially scheduled for 2022, was firstly postponed to 1 January 2023, with the amendments approved by the IASB on 15 July 2020, and then postponed again to 1 January 2024, with the issue of "Non-current Liabilities with Covenants (Amendments to IAS 1)" on 31 October 2022. The latest amendments clarify that only those covenants with which an entity is required to comply on or before the reporting date may affect the classification of a liability as current or non-current. In addition, the amendments require entities to provide additional information in the notes to help users understand the risk associated with non-current liabilities with covenants that could become repayable within twelve months.

Regulation (EU) 2024/1317 of 15 May 2024 - "Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)"
On 25 May 2023, the IASB published "Supplier finance arrangements", which include amendments to IAS 7 Statement of cash flows and IFRS 7 Financial instruments: Disclosures. These amendments require entities to provide enhanced disclosures about supplier finance arrangements to improve transparency and help users assess their impact on its liabilities, cash flows and liquidity risk. The lack of transparency on the content of these finance arrangements may prevent a proper analysis by an entity's investors. The purpose of the amendments is to supplement the existing disclosure requirements by requiring entities to disclose: the terms and conditions of the supplier finance arrangements, the carrying amount of financial liabilities that are part of these arrangements, breaking out the amounts for which suppliers have already received payment, the range of payment due dates and liquidity risk information.

Regulation (EU) 1211 of 18 May 2023 - "Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12)"
On 15 June 2023, the IASB approved the final amendments to IAS 12 and the targeted disclosure requirements. The amendments ensure that international income tax regulations are consistent with the new global tax provisions, in particular, the global minimum tax system introduced by Pillar Two rules.

Standards and interpretations issued by the IASB and the IFRIC but not yet endorsed

A list of the unendorsed standards and interpretations issued by the IASB and the IFRIC that, despite being of potential interest for the group, are not believed will significantly affect its consolidated financial statements, is set out below for informational purposes:

Amendments to IAS 21 of 15 August 2023
On 15 August 2023, the IASB issued "Lack of exchangeability (Amendments to IAS 21)". The amendments clarify when a currency is exchangeable for another currency and, when it is not, how an entity determines the exchange rate to apply, along with the disclosures required when a currency is not exchangeable.
The amendments apply for annual reporting periods beginning on or after 1 January 2025.

“Amendments to the classification and measurement of financial instruments” (Amendments to IFRS 9 and IFRS 7)
On 30 May 2024, the IASB issued the amendments to IFRS 9, the first application of which is scheduled for 1 January 2026. These amendments arise from the responses to post implementation reviews on certain areas of major concern or doubts triggered by the application of the standard.

IFRS 18 “Presentation and disclosure in financial statements” and IFRS 19 “Subsidiaries without public accountability: Disclosures”
On 9 April 2024, the IASB published a new accounting standard, IFRS 18, which replaces IAS 1. It improves an entity’s financial reporting requiring greater comparability in the statement of profit or loss, performance transparency and useful grouping of information.
Furthermore, on 9 May 2024, the IASB issued IFRS 19 to reduce the cost of financial reporting for subsidiaries without public accountability. IFRS 19 permits reduced disclosure for subsidiaries that use the IFRS for SMEs or national accounting standards, provided that they do not have publicly traded instruments or do not manage fiduciary activities for a wide customer base.
The new standards will become applicable to reporting periods beginning on or after 1 January 2027.

The above amendments and new standards are not expected to affect the group’s consolidated financial statements.

Preparation of consolidated financial statements on a going concern basis

Also having regard to the provisions of the joint Bank of Italy, CONSOB and ISVAP (the Italian Private insurance supervisory authority) Document no. 2 of 6 February 2009 on disclosures about an entity’s ability to continue as a going concern and in accordance with IAS 1 (revised), it is noted that the directors have not identified any uncertainties that may give rise to doubts as to the group’s ability to continue as a going concern in the foreseeable future and have prepared these consolidated financial statements accordingly.
This is confirmed by its main capital and financial ratios at year end. Moreover, there is no uncertainty about the group’s access to funding, also given that its shareholders are banks which have confirmed their strategic commitment to the group.

Use of estimates and assumptions in the preparation of the consolidated financial statements

The preparation of these consolidated financial statements required the use of estimates and assumptions that may significantly affect the reported amounts of assets, liabilities, income and expenses. Estimation involves available information and judgements, which are also based on past experience when formulating reasonable assumptions about an entity’s operations. Actual results may nonetheless differ as estimation is, by its very nature, an uncertain process. Accordingly, future carrying amounts may differ, including significantly, due to a change in judgements.
Examples of the main cases for which management is required to make estimates are as follows:

- testing loans and receivables for impairment;
- measuring the fair value of financial instruments;
- making estimates and assumptions about taxes and the recoverability of deferred tax assets;
- determining provisions for risks and charges;
- measuring certain assets and liabilities and issues related to the agreement on securitised loans described later on.

Section 3 - Events after the reporting date

The draft consolidated financial statements at 31 December 2024 were approved by the board of directors on 17 March 2025 and will be subject to the shareholders' approval at the meeting called for 17 April 2025.

While reference is made to the directors' report for a general discussion of the group's outlook, it is noted that no events have taken place after the reporting date and up to the approval date that would have required an adjustment to these consolidated financial statements.

The following events should be noted:

Urgent measures as a consequence of the exceptional events that occurred in the entire province of Bergamo, the municipalities of Dolzago, Lecco, Missaglia, Molteno and Oggiono (province of Lecco) and the municipalities of Gargnano, Bagolino, Pertica Bassa and Lavenone (province of Brescia) from 8 to 12 September 2024 pursuant to the head of the civil protection department's order no. 1124 of 2 January 2025

The Council of Ministers' resolution of 9 December 2024 declared a state of emergency for 12 months as a consequence of the exceptional events that occurred in the entire province of Bergamo, the municipalities of Dolzago, Lecco, Missaglia, Molteno and Oggiono (province of Lecco) and the municipalities of Gargnano, Bagolino, Pertica Bassa and Lavenone (province of Brescia) from 8 to 12 September 2024.

In implementing this resolution, the head of the civil protection department issued order no. 1124 of 2 January 2025. Article 9 of such order provides that, due to the serious social and economic distress caused by the events referred to above, they constitute force majeure pursuant to article 1218 of the Italian Civil Code. Borrowers of loans relating to the vacated buildings, or to the operation of businesses, including agricultural, carried out in those buildings are entitled to request the credit institutions and banks to suspend the repayment of their loans until the restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (9 December 2025). The request is subject to the presentation of a self-certification of the damage incurred pursuant to Presidential decree no. 445 of 28 December 2000. The parent elected that this also applied to the lease repayments (entire repayment or just the principal amount).

Civil protection urgent measures as a consequence of the exceptional weather events that occurred in the municipalities of Cenadi, Cortale, Curinga, Jacurso, Lamezia Terme, Maida and San Pietro a Maida (province of Catanzaro) and the municipalities of Ferruzzano, Locri and Montebello Jonico and Reggio Calabria (metropolitan city of Reggio Calabria) from 19 to 21 October 2024 pursuant to the head of the civil protection department's order no. 1125 of 3 January 2025

The Council of Ministers' resolution of 9 December 2024 declared a state of emergency for 12 months as a consequence of the exceptional weather events that occurred in the municipalities of Cenadi, Cortale, Curinga, Jacurso, Lamezia Terme, Maida and San Pietro a Maida (province of Catanzaro) and the municipalities of Ferruzzano, Locri and Montebello Jonico and Reggio Calabria (metropolitan city of Reggio Calabria) from 19 to 21 October 2024.

In implementing this resolution, the head of the civil protection department issued order no. 1125 of 3 January 2025. Article 9 of such order provides that, due to the serious social and economic distress caused by the events referred to above, they constitute force majeure pursuant to article 1218 of the Italian Civil Code. Borrowers of loans relating to the vacated buildings, or to the operation of businesses, including agricultural, carried out in those buildings are entitled to request the credit institutions and banks to suspend the repayment of their loans until the restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (9 December 2025). The request is subject to the presentation of a self-certification of the damage incurred pursuant to Presidential decree no. 445 of 28 December 2000. The parent elected that this also applied to the lease repayments (entire repayment or just the principal amount).

Section 4 - Other aspects

Alba 10 SPV
On the interest payment date in April 2024, Alba 10 SPV S.r.l. redeemed its mezzanine notes (C). Considering the above and in order to optimise the parent's benefits, the SPV commenced the procedures contractually provided for to terminate the Alba 10 securitisation. The termination took place in October 2024 by also redeeming the junior notes (J).

Alba 14 SPV
In June 2024, the group structured a new securitisation, Alba 14, by transferring loans to a new SPV.
As part of the securitisation, Alba 14 SPV S.r.l. issued senior notes (A1) of €550.3 million, mezzanine notes (B) of €175.1 million and junior notes (J) of €115.6 million.
At 31 December 2024, the parent holds senior notes (A1) of €24.7 million, mezzanine notes (B) of €175.1 million and junior notes (J) of €115.6 million.

Sunny SPV 2
In May 2024, the group structured a new securitisation, Sunny 2, by transferring loans of a nominal amount of €312 million to Sunny SPV 2 S.r.l..
This vehicle issued senior notes (A1) of €249.5 million and junior notes (J) of €67 million, which the parent fully subscribed.

The vehicle received other two transfers:
- in September 2024, a revolving transfer of €32 million, which led to an increase in the senior (A1) and junior (J) notes by €18 million and €6 million, respectively;
- in December 2024, a revolving transfer of €13.3 million.

At 31 December 2024, the parent holds senior notes (A1) of €267.7 million and junior notes (J) of €73 million.

Since it holds all notes issued, the transaction qualifies as a self-securitisation which is recognised in accordance with the applicable legislation.

Transfer of non-performing exposures
In the second half of 2024, the parent, as originator, completed the transfer of a portfolio of non-performing exposures arising from leases with a total gross carrying amount of roughly €23.6 million for a transfer price of €922 thousand.

Urgent measures as a consequence of the adverse weather events that occurred in the provinces of Florence, Livorno, Pisa, Prato and Pistoia from 2 November 2023 pursuant to the head of the civil protection department's order no. 1037 of 5 November 2023
In implementing this resolution, the head of the civil protection department issued order no. 1037 of 5 November 2023. Article 11 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the provinces of Florence, Livorno, Pisa, Prato and Pistoia, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the buildings destroyed or rendered unusable, even partially, or to the operation of businesses carried out in those buildings, are entitled to request the banks and financial intermediaries to suspend the repayment of their loans (entire repayment or just the principal amount) until the reconstruction and/or restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (28 August 2024). The parent elected that this also applied to the lease repayments.

On 21 October 2024, by resolution of the Council of Ministers, the state of emergency was extended for another 12 months as a consequence of the exceptional weather events that occurred from 2 November 2023 in the provinces of Florence, Livorno, Pisa, Pistoia and Prato and of the further exceptional adverse weather conditions that occurred from 29 October 2023 in the provinces of Massa-Carrara and Lucca.

Urgent measures as a consequence of the adverse weather events that occurred in the provinces of Reggio-Emilia, Modena, Bologna, Piacenza, Ravenna and Parma from 23 October to the first few days of November 2023: suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department's order no. 1070 of 12 February 2024

The Council of Ministers' resolution of 16 January 2024 declared a state of emergency for 12 months as a consequence of the weather events that occurred in the provinces of Reggio-Emilia, Modena, Bologna, Piacenza, Ravenna and Parma from 23 October to the first few days of November 2023.

In implementing this resolution, the head of the civil protection department issued order no. 1070 of 12 February 2024. Article 10 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the provinces of Reggio-Emilia, Modena, Bologna, Piacenza, Ravenna and Parma, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the buildings destroyed or rendered unusable, even partially, or to the operation of businesses carried out in those buildings, are entitled to request the banks and financial intermediaries to suspend the repayment of their loans (entire repayment or just the principal amount) until the reconstruction and/or restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (16 January 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the serious fires and the exceptional heatwave that occurred in the provinces of Catania, Messina, Palermo and Trapani from 23 July 2023 - suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department's order no. 1078 of 13 March 2024

The Council of Ministers' resolution of 26 February 2024 declared a state of emergency for 12 months as a consequence of the serious fires and the exceptional heatwave that occurred in the provinces of Catania, Messina, Palermo and Trapani from 23 July 2023.

In implementing this resolution, the head of the civil protection department issued order no. 1078 of 13 March 2024. Article 5 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the provinces of Catania, Messina, Palermo and Trapani, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the buildings destroyed or rendered unusable, even partially, or to the operation of businesses carried out in those buildings, are entitled to request the banks and financial intermediaries to suspend the repayment of their loans (entire repayment or just the principal amount) until the reconstruction and/or restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (26 February 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the adverse weather events that occurred in the Friuli-Venezia Giulia autonomous region from 24 October to 5 November 2023: suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department's order no. 1079 of 13 March 2024

The Council of Ministers' resolution of 15 January 2024 declared a state of emergency for 12 months as a consequence of the weather events that occurred in the Friuli-Venezia Giulia autonomous region from 24 October to 5 November 2023.

In implementing this resolution, the head of the civil protection department issued order no. 1079 of 13 March 2024. Article 9 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the Friuli-Venezia Giulia autonomous region, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the buildings destroyed or rendered unusable, even partially, or to the operation of businesses carried out in those buildings, are entitled to request the banks and financial intermediaries to suspend the repayment of their loans (entire repayment or just the principal amount) until the reconstruction and/or restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (15 February 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the exceptional adverse weather events that occurred in the metropolitan city of Genoa and the province of La Spezia from 23 October to 6 November 2023: suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department's order no. 1082 of 28 March 2024

The Council of Ministers' resolution of 11 March 2024 declared a state of emergency for 12 months as a consequence of the weather events that occurred in the metropolitan city of Genoa and the province of La Spezia from 30 October to 5 November 2023.
In implementing this resolution, the head of the civil protection department issued order no. 1082 of 28 March 2024. Article 9 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the metropolitan city of Genoa and the province of La Spezia, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the buildings destroyed or rendered unusable, even partially, or to the operation of businesses carried out in those buildings, are entitled to request the banks and financial intermediaries to suspend the repayment of their loans (entire repayment or just the principal amount) until the reconstruction and/or restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (11 March 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the exceptional adverse weather events that occurred in the metropolitan city of Genoa and the provinces of Savona and Imperia from 9 February to 31 March 2024: suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department's order no. 1091 of 22 July 2024

The Council of Ministers' resolution of 3 July 2024 declared a state of emergency for 12 months as a consequence of the weather events that occurred in the metropolitan city of Genoa and the provinces of Savona and Imperia from 9 February to 31 March 2024.
In implementing this resolution, the head of the civil protection department issued order no. 1091 of 22 July 2024. Article 9 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the metropolitan city of Genoa and the provinces of Savona and Imperia, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the vacated buildings or to the operation of businesses, including agricultural, carried out in those buildings, are entitled to request the credit institutions and banks to suspend the repayment of their loans (entire repayment or just the principal amount) until the restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (3 July 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the adverse weather events that occurred in the metropolitan city of Venice and the provinces of Vicenza, Verona, Padua and Treviso, the municipality of Badia Polesine (province of Rovigo) and the area on the left bank of the Adige river, downstream from the municipality of Badia Polesine to the mouth of the river from 15 May to 4 June 2024: suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department's order no. 1093 of 30 July 2024

The Council of Ministers' resolution of 3 July 2024 declared a state of emergency for 12 months as a consequence of the weather events that occurred in the metropolitan city of Venice and the provinces of Vicenza, Verona, Padua and Treviso, the municipality of Badia Polesine (province of Rovigo) and the area on the left bank of the Adige river, downstream from the municipality of Badia Polesine to the mouth of the river from 15 May to 4 June 2024.
In implementing this resolution, the head of the civil protection department issued order no. 1093 of 30 July 2024. Article 9 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having

their registered office and/or place of business in the metropolitan city of Venice and the provinces of Vicenza, Verona, Padua and Treviso, the municipality of Badia Polesine (province of Rovigo) and the area on the left bank of the Adige river, downstream from the municipality of Badia Polesine to the mouth of the river, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the buildings destroyed or rendered unusable, even partially, or to the operation of businesses carried out in those buildings, are entitled to request the banks and financial intermediaries to suspend the repayment of their loans (entire repayment or just the principal amount) until the reconstruction and/or restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (3 July 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the exceptional weather events that occurred in the Valle d'Aosta autonomous region from 29 to 30 June 2024: suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department's order no. 1094 of 1 August 2024

The Council of Ministers' resolution of 22 July 2024 declared a state of emergency for 12 months as a consequence of the weather events that occurred in the Valle d'Aosta autonomous region from 29 to 30 June 2024.
In implementing this resolution, the head of the civil protection department issued order no. 1094 of 1 August 2024. Article 9 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the Valle d'Aosta autonomous region, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the vacated buildings or to the operation of businesses, including agricultural, carried out in those buildings, are entitled to request the credit institutions and banks to suspend the repayment of their loans (entire repayment or just the principal amount) until the restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (22 July 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the exceptional weather events that occurred in the provinces of Bologna, Forlì-Cesena, Modena, Parma, Piacenza and Reggio Emilia from 20 to 29 June 2024: suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department's order no. 1095 of 13 August 2024

The Council of Ministers' resolution of 7 August 2024 declared a state of emergency for 12 months as a consequence of the weather events that occurred in the provinces of Bologna, Forlì-Cesena, Modena, Parma, Piacenza and Reggio Emilia from 20 to 29 June 2024.
In implementing this resolution, the head of the civil protection department issued order no. 1095 of 13 August 2024. Article 8 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the provinces of Bologna, Forlì-Cesena, Modena, Parma, Piacenza and Reggio Emilia, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the vacated buildings or to the operation of businesses, including agricultural, carried out in the land affected by landslides or floods, are entitled to request the credit institutions and banks to suspend the repayment of their loans (entire repayment or just the principal amount) until the restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (7 August 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the exceptional weather events that occurred in the Piedmont region from 29 to 30 June 2024[1]: suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department's order no. 1096 of 21 August 2024

The Council of Ministers' resolution of 7 August 2024 declared a state of emergency for 12 months as a consequence of the exceptional weather events that occurred in the Piedmont region (various areas, as listed in the order) from 29 to 30 June 2024.

In implementing this resolution, the head of the civil protection department issued order no. 1096 of 21 August 2024. Article 9 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the Piedmont region, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the vacated buildings or to the operation of businesses, including agricultural, carried out in those buildings, are entitled to request the credit institutions and banks to suspend the repayment of their loans (entire repayment or just the principal amount) until the restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (22 July 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the exceptional weather events that occurred in the metropolitan city of Milan and the provinces of Cremona and Mantua from 15 to 25 May 2024: suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department's order no. 1097 of 5 September 2024

The Council of Ministers' resolution of 7 August 2024 declared a state of emergency for 12 months as a consequence of the exceptional weather events that occurred in the metropolitan city of Milan and the provinces of Cremona and Mantua from 15 to 25 May 2024.

In implementing this resolution, the head of the civil protection department issued order no. 1097 of 5 September 2024. Article 9 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the metropolitan city of Milan and the provinces of Cremona and Mantua, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the vacated buildings or to the operation of businesses, including agricultural, carried out in those buildings, are entitled to request the credit institutions and banks to suspend the repayment of their loans (entire repayment or just the principal amount) until the restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (7 August 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the exceptional weather events that occurred in the provinces of Reggio Emilia, Modena, Bologna, Ferrara, Ravenna, Forlì Cesena and Rimini from 17 to 20 September 2024: suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department's order no. 1100 of 21 September 2024

The Council of Ministers' resolution of 21 September 2024 declared a state of emergency for 12 months as a consequence of the exceptional weather events that occurred in the provinces of Reggio Emilia, Modena, Bologna, Ferrara, Ravenna, Forlì Cesena and Rimini from 17 to 20 September 2024.

[1] in the municipalities of Balme, Banchette, Bardonecchia, Busano, Cafasse, Cantoira, Canischio, Ceresole Reale, Chialamberto, Coassolo Torinese, Corio, Cuorgnè, Fiorano Canavese, Forno Canavese, Groscavallo, Ingria, Lemie, Levone, Locana, Noasca, Oulx, Pessinetto, Prascorsano, Pratiglione, Pertusio, Ribordone, Rivara, Ronco Canavese, Salassa, Salerano Canavese, Samone, San Colombano Belmonte, San Giorgio Canavese, San Ponso, Sparone, Traves, Usseglio, Val di Chy, Valperga, Valprato Soana, Vidracco, Viù, Vistrorio, the metropolitan city of Turin, the municipalities of Antrona Schieranco, Bannio Anzino, Calasca Castiglione, Ceppo Morelli, Cossogno, Intragna, Macugnaga, Omegna, Premeno, San Bernardino Verbano, Stresa, Trasquera, Vanzone con San Carlo, Varzo, Villadossola (province of Verbano-Cusio-Ossola) and the municipalities of Alagna Valsesia, Alto Sermenza, Campertogno, Carcoforo, Fobello, Mollia, Pila, Piode, Rassa and Rimella, Scopa (province of Vercelli).

In implementing this resolution, the head of the civil protection department issued order no. 1100 of 21 September 2024. Article 8 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the provinces of Reggio Emilia, Modena, Bologna, Ferrara, Ravenna, Forlì Cesena and Rimini, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the vacated buildings or to the operation of businesses, including agricultural, carried out in those buildings, are entitled to request the credit institutions and banks to suspend the repayment of their loans (entire repayment or just the principal amount) until the restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (21 September 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the exceptional weather events that occurred in the Marche region from 18 September 2024: suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department’s order no. 1101 of 24 September 2024

The Council of Ministers’ resolution of 21 September 2024 declared a state of emergency for 12 months as a consequence of the exceptional weather events that occurred in the Marche region from 18 September 2024.

In implementing this resolution, the head of the civil protection department issued order no. 1101 of 24 September 2024. Article 8 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the Marche region, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the vacated buildings or to the operation of businesses, including agricultural, carried out in those buildings or agricultural activities carried out in the land affected by landslides and floods, are entitled to request the credit institutions and banks to suspend the repayment of their loans (entire repayment or just the principal amount) until the restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (21 September 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the exceptional weather events that occurred in the Emilia-Romagna region from 17 October 2024: suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department’s order no. 1109 of 5 November 2024

The Council of Ministers’ resolution of 29 October 2024 declared a state of emergency for 12 months as a consequence of the exceptional weather events that occurred in the Emilia-Romagna region from 17 October 2024.

In implementing this resolution, the head of the civil protection department issued order no. 1109 of 5 November 2024. Article 5 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the Emilia-Romagna region, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the vacated buildings or to the operation of businesses, including agricultural, carried out in those buildings, are entitled to request the credit institutions and banks to suspend the repayment of their loans (entire repayment or just the principal amount) until the restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (29 October 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the exceptional weather events that occurred in the municipalities of Marradi and Palazzolo sul Senio (metropolitan city of Florence) on 18 September 2024 and in the municipalities of Castagneto Carducci, San Vincenzo and Bibbona (province of Livorno) and Montecatini Val di Cecina, Monteverdi Marittimo, Pomarance and Guardistallo (province of Pisa) on 23 September 2024: suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department's order no. 1112 of 22 November 2024

The Council of Ministers' resolution of 29 October 2024 declared a state of emergency for 12 months as a consequence of the exceptional weather events that occurred in the municipalities of Marradi and Palazzolo sul Senio (metropolitan city of Florence) on 18 September 2024 and in the municipalities of Castagneto Carducci, San Vincenzo and Bibbona (province of Livorno) and Montecatini Val di Cecina, Monteverdi Marittimo, Pomarance and Guardistallo (province of Pisa) on 23 September 2024.

In implementing this resolution, the head of the civil protection department issued order no. 1112 of 22 November 2024. Article 11 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the area listed above, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the vacated buildings or to the operation of businesses, including agricultural, carried out in those buildings, are entitled to request the credit institutions and banks to suspend the repayment of their loans (entire repayment or just the principal amount) until the restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (29 October 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the exceptional weather events that occurred in the provinces of Bergamo and Brescia from 9 June to 13 July 2024: suspension of the repayment of mortgage or unsecured loans pursuant to the head of the civil protection department's order no. 1113 of 27 November 2024

The Council of Ministers' resolution of 29 October 2024 declared a state of emergency for 12 months as a consequence of the exceptional weather events that occurred in the provinces of Bergamo and Brescia from 9 June to 13 July 2024.

In implementing this resolution, the head of the civil protection department issued order no. 1113 of 27 November 2024. Article 9 of such order provides that, due to the serious social and economic distress caused by the above event, which affected those resident or having their registered office and/or place of business in the area listed above, said event constitutes force majeure pursuant to article 1218 of the Italian Civil Code and provides that borrowers of mortgage or unsecured loans relating to the vacated buildings or to the operation of businesses, including agricultural, carried out in those buildings, are entitled to request the credit institutions and banks to suspend the repayment of their loans (entire repayment or just the principal amount) until the restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (29 October 2025). The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the exceptional weather events that occurred in the municipalities of Castelfiorentino and Certaldo (metropolitan city of Florence), Campiglia Marittima, Castagneto Carducci, Cecina, Sassetta and Suvereto (province of Livorno), Pomarance and Volterra (province of Pisa) and Chiusdino, Monteriggioni, Siena and Sovicille (province of Siena) from 17 to 18 October 2024 pursuant to the head of the civil protection department's order no. 1115 of 6 December 2024

The Council of Ministers' resolution of 25 November 2024 declared a state of emergency for 12 months as a consequence of the exceptional weather events that occurred in the municipalities of Castelfiorentino and Certaldo (metropolitan city of Florence), Campiglia Marittima, Castagneto Carducci, Cecina, Sassetta and Suvereto (province of Livorno), Pomarance and Volterra (province of Pisa) and Chiusdino, Monteriggioni, Siena and Sovicille (province of Siena) from 17 to 18 October 2024.

In implementing this resolution, the head of the civil protection department issued order no. 1115 of 6 December 2024. Article 3 of such order provides that, due to the serious social and economic distress caused by the above event, which constitutes force majeure pursuant to article 1218 of the Italian Civil Code, borrowers of loans relating to the vacated or uninhabitable buildings or to the operation of businesses, including agricultural, carried out in those buildings or agricultural activities carried out in the land affected by landslides and floods, are entitled to request the credit institutions and banks to suspend the repayment of their loans (entire repayment or just the principal amount) until the restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (25 November 2025), as in the case of agricultural land. The request is subject to the presentation of a self-certification of the damage incurred pursuant to Presidential decree no. 445 of 28 December 2000. The parent elected that this also applied to the lease repayments.

Urgent measures as a consequence of the exceptional weather events that occurred in the municipalities of Ala di Stura, Balme, Balangero, Bussoleno, Cantoira, Cavour, Chialamberto, Chivasso, Cintano, Ciriè, Coazze, Cuorgnè, Feletto, Fenestrelle, Front, Giaglione, Gravere, Grosso, Groscavallo, Inverso Pinasca, Lanzo Torinese, Lemie, Mathi, Mattie, Mompantero, Noasca, Nole, Novalesa, Oulx, Pancalieri, Perosa Argentina, Pinasca, Pinerolo, Pomaretto, Pont Canavese, Porte, Roure, Rubiana, San Carlo Canavese, San Francesco al Campo, San Germano Chisone, San Maurizio Canavese, San Pietro Val Lemina, Usseglio, Vauda Canavese, Venaus, Villanova Canavese and Villar Perosa (metropolitan city of Turin) and Alagna Valsesia, Campertogno, Mollia and Scopa (province of Vercelli) from 4 to 5 September 2024 pursuant to the head of the civil protection department's order no. 1119 of 12 December 2024

The Council of Ministers' resolution of 25 November 2024 declared a state of emergency for 12 months as a consequence of the exceptional weather events that occurred in the municipalities of Ala di Stura, Balme, Balangero, Bussoleno, Cantoira, Cavour, Chialamberto, Chivasso, Cintano, Ciriè, Coazze, Cuorgnè, Feletto, Fenestrelle, Front, Giaglione, Gravere, Grosso, Groscavallo, Inverso Pinasca, Lanzo Torinese, Lemie, Mathi, Mattie, Mompantero, Noasca, Nole, Novalesa, Oulx, Pancalieri, Perosa Argentina, Pinasca, Pinerolo, Pomaretto, Pont Canavese, Porte, Roure, Rubiana, San Carlo Canavese, San Francesco al Campo, San Germano Chisone, San Maurizio Canavese, San Pietro Val Lemina, Usseglio, Vauda Canavese, Venaus, Villanova Canavese and Villar Perosa (metropolitan city of Turin) and Alagna Valsesia, Campertogno, Mollia and Scopa (province of Vercelli) from 4 to 5 September 2024.

In implementing this resolution, the head of the civil protection department issued order no. 1119 of 12 December 2024. Article 9 of such order provides that, due to the serious social and economic distress caused by the above event, which constitutes force majeure pursuant to article 1218 of the Italian Civil Code, borrowers of loans relating to the vacated buildings or to the operation of businesses, including agricultural, carried out in those buildings, are entitled to request the credit institutions and banks to suspend the repayment of their loans (entire repayment or just the principal amount) until the restoration of usability or habitability of their buildings and, in any case, no later than the end of the state of emergency (25 November 2025). The request is subject to the presentation of a self-certification of the damage incurred pursuant to Presidential decree no. 445 of 28 December 2000. The parent elected that this also applied to the lease repayments.

Corporate reporting officer

Since 2018, despite the fact that Law no. 262 of 28 December 2005 applies to listed issuers with Italy as their member state of residence and although it is not a listed issuer under the above law, in line with corporate governance and risk management best practices, Alba Leasing S.p.A. has appointed a corporate reporting officer on a voluntary basis and has assigned to them the duties and responsibilities provided for by the above law starting from the 2018 financial statements. Implementing the above required the introduction of specific projects, which created an important opportunity to improve the efficiency of corporate processes.

Finally, considering the organisational changes made in 2020, the board of directors named a new corporate reporting officer after verifying that they met the specific requirements, given that this manager is part of the parent's senior management.

The corporate reporting officer liaises with the corporate governance department, giving the department the following responsibilities:

- truthfulness of published documents;
- design of specific controls;
- adequate application of controls.

These consolidated financial statements are available in the “Documenti societari” section of the parent’s website (www.albaleasing.eu).

Auditing

The consolidated financial statements at 31 December 2024 have been audited by KPMG S.p.A., with registered office in Via Vittor Pisani 25, Milan, included in the certified auditors’ register held by the Ministry of Economy and Finance, under the engagement for the 2019-2027 statutory audit assigned in accordance with articles 14 and 16 of Legislative decree no. 39/2010.

Section 5 - Basis of consolidation

The consolidated financial statements include the financial statements of the securitisation vehicles Alba 6 SPV S.r.l., Alba 11 SPV S.r.l., Alba 12 SPV S.r.l., Alba 13 SPV S.r.l. and Alba 14 SPV S.r.l..
The consolidation scope is identified in accordance with IFRS 10 Consolidated financial statements, whereby consolidation is based on control, which exists when an investor has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of the investor’s returns (link between power and returns).

Under IFRS 10, an investor has power over an investee when the investor has existing rights that give it the current ability to direct the relevant activities, i.e., the activities that significantly affect the investee’s returns.

Generally, when an entity is directed through the exercise of voting rights, control is derived from the possession of more than half of these rights. In other cases, particularly that of structured entities, assessment of control is more complex and involves greater recourse to judgements, since it requires all the factors and circumstances to be taken into account which may establish whether an investor has control over the entity. A number of elements have to be considered for this purpose, such as, but not limited to, the purpose and design of the entity, any right held under contractual arrangement, any potential voting rights and the nature and dispersion of any rights held by other investors.
Although it does not have any voting rights, after thorough consideration of each securitisation transaction carried out, the parent consolidated its vehicles, including both their own assets and liabilities and the segregated assets attributable to the transactions.

Subsidiaries are consolidated from the date on which Alba Leasing S.p.A. obtains control and cease to be consolidated from when control no longer exists. The existence of control is reassessed should facts and circumstances indicate a change in the underlying conditions.
Considering the particular nature of the parent’s control over the vehicles, their quota capital is shown under caption 80 “Other liabilities” in the statement of financial position.

1. Investments in subsidiaries:

	Operating office	Relationship (1)	Investment		Available votes
			Held by	%	
A. Companies					
A1. Consolidated companies					
Alba 6 SPV S.r.l.	Conegliano (TV)	4			
Alba 11 SPV S.r.l.	Conegliano (TV)	4			
Alba 12 SPV S.r.l.	Conegliano (TV)	4			
Alba 13 SPV S.r.l.	Conegliano (TV)	4			
Alba 14 SPV S.r.l.	Conegliano (TV)	4			

Key:
(1) Type of relationship
4 = Other forms of control

During the year, via its SPV Sunny 2 SPV S.r.l., the parent carried out a new securitisation. Since it holds all the notes issued, the transaction qualifies as a self-securitisation which is recognised in accordance with the applicable legislation.

Reference should be made to "Section 4 - Other Aspects" for information on the termination of the "Alba 10 SPV S.r.l." securitisation and the launch of the new "Alba 14 SPV S.r.l." securitisation and "Sunny SPV 2 S.r.l." self-securitisation.

5. Other information

For more details on securitisations, reference should be made to "Part B – Notes to the statement of financial position – Assets - Section 4 – Financial assets at amortised cost" and "Part D – Other information – Section 2 – Securitisations, unconsolidated structured entities (other than securitisation vehicles) and transfers of assets".
The SPVs' financial statements used for consolidation purposes are those as at and for the year ended 31 December 2024 and are presented in Euro.

A.2 – Accounting policies

The consolidated financial statements at 31 December 2024 have been prepared using the same accounting policies as those adopted in the preparation of the consolidated financial statements of the previous year.

For each caption of the statement of financial position and, where applicable, of the income statement, the following criteria are presented below:
(a) recognition;
(b) classification;
(c) measurement;
(d) derecognition;
(e) recognition of costs and revenue.

ASSETS

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Classification

This category includes financial assets other than those classified under “Financial assets at fair value through other comprehensive income” and “Financial assets at amortised cost”.
It comprises financial assets that are not managed under a business model whose objective is achieved by collecting contractual cash flows (hold to collect model) or a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (hold to collect and sell model), i.e., that do not pass the SPPI test.
The captions comprised in this category are detailed below:

a) Financial assets held for trading: a financial asset (debt instruments, equity instruments, loans and OEIC units) is classified as held for trading if it is managed with the objective of collecting cash flows through its sale since: it is acquired in order to be sold in the short term; it forms part of a portfolio of financial instruments that are managed jointly and for which there is a proven strategy for achieving profits in the short term;
   They also include derivatives with a positive fair value which are not designated as hedging instruments.
   Derivatives include those embedded in complex financial instruments, whose host contract is a financial liability, which have been recognised separately.
   A derivative is a financial instrument or other contract with the following characteristics: its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable (the “underlying”);
b) Financial assets designated at fair value: a financial asset (debt instruments and loans) may be designated at fair value though profit or loss at initial recognition, if doing so enhances its disclosure as it eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) that would otherwise arise from measuring assets or recognising the gains and losses on them on different bases;
c) Other financial assets mandatorily measured at fair value: these assets are a residual category and comprise financial instruments that do not meet the requirements, in terms of business model or cash flow characteristics, for their classification under financial assets at amortised cost or at fair value through other comprehensive income (i.e., they do not pass the SPPI test).

Recognition

Upon initial recognition, financial assets at fair value through profit or loss are recognised at fair value, which is usually equal to the consideration paid, without considering directly attributable transaction costs or revenue, which are recognised in profit or loss.

Recognition of costs and revenue

After initial recognition, these assets continue to be measured at fair value through profit or loss. If the fair value of a derivative becomes negative, it is reclassified under financial liabilities held for trading. The reporting-date market prices are used to determine the fair value of financial instruments listed on active markets. If an active market does not exist, estimation/valuation models that consider all risk factors relating to the instruments and that use data from observable markets, such as methods based on the measurement of listed instruments with similar characteristics, calculation of discounted cash flows, option pricing models and prices registered in recent similar transactions are used.
Trading and fair value gains and losses on financial assets held for trading, including the derivatives related to the financial assets/liabilities designated at fair value, are recognised in caption 80 “Net trading income (loss)” of the income statement. Those on financial

assets designated at fair value and those mandatorily measured at fair value are recognised in caption 110 “Net gains (losses) on other financial assets and liabilities at fair value through profit or loss” of the income statement.

Derecognition

The group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Lastly, the group derecognises a financial asset when it retains the contractual rights to receive the cash flows but it concurrently acquires a contractual obligation to pay those cash flows to a third party without material delay and to the extent of the cash flows collected. Financial assets other than equity instruments may also be derecognised when they are reclassified to financial assets at fair value through other comprehensive income or financial assets at amortised cost.
This reclassification may also occur in the rare circumstance when an entity decides to modify the business model used to manage a financial asset. The transferred asset is measured at its fair value at the reclassification date and the entity shall apply the reclassification prospectively from that date. The effective interest rate is determined on the basis of the fair value of the asset at the reclassification date, which is treated as the date of initial recognition for its assignment to the various risk stages for impairment purposes.

FINANCIAL ASSETS AT AMORTISED COST

Classification

This category includes financial assets (loans and debt instruments) if both of the following conditions are met:

- they are held under a business model whose objective is achieved by collecting contractual cash flows (hold to collect model);
- their contractual cash flows are solely payments of principal and interest on the principal amount outstanding (i.e., they passed the SPPI test).

Specifically, it includes loans granted to customers, financial companies and banks and debt instruments that meet the requirements described above.
It also includes financial assets originated from finance leases recognised using the financial method, including assets waiting to be leased under finance leases, comprising buildings under construction.
Under the applicable standard, a finance lease is a contract that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. The lease is a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset (examples are losses from idle capacity, technological obsolescence, variations in return, expected profitable utilisation during the asset’s useful life or gains from appreciation in value or realisation of residual value).
Financial assets at amortised cost include, in particular, financial assets originated from finance leases recognised using the financial method, including assets waiting to be leased under finance leases, comprising buildings under construction, when the lessor does not retain the related risks (i.e., when the risks are transferred to the lessee).
Finally, this category includes trade receivables from the provision of financial services as defined in the Consolidated Banking Act and in the Consolidated Finance Act.

Recognition

Financial assets are initially recognised at the settlement date (debt instruments) and disbursement date (loans). At initial recognition, financial assets classified in this category

are recognised at fair value, which is normally equal to the consideration paid, including any directly attributable transaction costs and revenue.
Specifically, loans are initially recognised at the disbursement date, based on the financial instrument's fair value, which usually equals the amount disbursed, or the subscription price, including transaction costs or revenue attributable to the individual loan and determinable from the transaction start date, even when they are disbursed subsequently. Costs that fall under the above description but which will be repaid by the debtor are excluded as are internal administrative costs. If the loan agreement signing date does not match the disbursement date, the group recognises a loan commitment that will be reversed when the loan is actually disbursed.

Recognition of costs and revenue

These assets are subsequently measured at amortised cost, which is their initial carrying amount less principal repayments, decreased or increased by amortisation, calculated using the effective interest method, of the difference between the amount disbursed and that repayable at maturity. The effective interest rate is the rate that exactly discounts estimated future cash flows (principal and interest) to the disbursed amount, including directly attributable costs and revenue. The estimated cash flows shall consider all contractual terms that may impact their amount and due dates, but not expected credit losses. This accounting method allows the distribution of the transaction costs and revenue, fees and commissions, premiums or discounts, which are an integral part of the effective interest rate, directly attributable to a financial asset over its expected residual life.
Assets waiting to be leased are measured at cost on the basis of the invoices received from suppliers and/or advances paid out.
At each reporting date, these assets are tested for impairment to identify the expected credit losses ("ECL").
Any impairment losses are recognised in caption 130 "Net impairment losses/gains for credit risk" of the income statement. The impairment model provides for the classification of assets into three different stages based on the debtor's credit rating trend, which provide for a different measurement of expected credit losses:

- Stage 1: this includes performing exposures, whose credit risk has not significantly increased since initial recognition or with a low credit risk at the reporting date. They are tested for impairment on the basis of the 12-month expected credit losses (i.e., expected losses from a default event occurring within one year of the reporting date);
- Stage 2: this includes performing exposures, whose credit risk has increased significantly since initial recognition. They are tested for impairment on the basis of their lifetime expected credit losses;
- Stage 3: non-performing exposures (100% probability of default). they are tested for impairment on the basis of their lifetime expected credit losses.

Expected losses on performing exposures are calculated on a collective basis based on certain/specific risk parameters, i.e., the probability of default (PD), the loss rate in the event of default (LGD) and the exposure value at default (EAD), deriving from internal models that are used to calculate the regulatory credit risk and that are appropriately adjusted to take account of the specific requirements of the IFRS.
With reference to non-performing exposures, i.e., assets for which, in addition to a significant increase in credit risk, objective evidence of impairment has been identified, impairment losses are measured by discounting the expected future cash flows using the original effective interest rate. Impaired assets include exposures classified as bad, unlikely to pay or past due/overdrawn by more than 90 days according to the definitions of the applicable supervisory legislation (Bank of Italy's circular no. 217 "Manual for supervisory reporting for financial intermediaries, payment institutions and electronic money institutions") and referred to in Bank of Italy's circular concerning "The financial statements of IFRS intermediaries other than banks", as they are deemed to be consistent with the impairment rules prescribed by IFRS 9.
The expected cash flows take account of the expected recovery times and net realisable value of guarantees (if any). As regards fixed-rate exposures, the original effective rate

used to discount the expected cash flows, determined as described above, remains unchanged over time, even if there is a change in the contractual rate attributable to the borrower's financial difficulties. As regards variable-rate exposures, the rate used to discount the cash flows is updated in line with indexation parameters (e.g., Euribor), while keeping the original spread unchanged. The original carrying amount of the financial assets is reinstated in subsequent years, as a result of an improvement in the credit quality of the exposure compared to that which led to its previous impairment.
The impairment gain is recognised in profit or loss in the same caption and, in any case, cannot exceed the amortised cost the assets would have had in the absence of impairment losses.
At each reporting date, the loans and debt instruments classified as financial assets at amortised cost or at fair value through comprehensive income - as well as off-statement of financial position items consisting of loan commitments and financial guarantees given - are tested for impairment to estimate the expected credit losses.
Under the ECL model, impairment losses are recognised by making reference not only to any objective evidence of impairment that has been identified at the assessment date, but also on the basis of expected future losses that have not yet occurred.
In particular, the ECL model provides that the above financial instruments shall be classified into three distinct stages, according to their absolute or relative credit risk performance from their initial disbursement, to which different criteria for measuring expected credit losses apply.
Interest for the year on non-performing exposures is calculated using the amortised cost method, i.e., based on their carrying amount calculated using the effective interest rate, net of any expected credit losses. With reference to non-performing exposures that do not bear contractual interest, such interest is equal to the impairment gains arising from discounting the expected cash flows merely as a result of the passage of time.
The impairment losses on each non-performing exposure are calculated as the difference between their recoverable amount and amortised cost. The recoverable amount is the present value of the expected cash flows (principal and interest) from each exposure, calculated on the basis of:

a) the contractual cash flows net of expected credit losses, considering the borrower's ability to meet its debt obligations, the realisable value of the underlying leased assets and any personal guarantees and collateral received;
b) expected recovery time, which also considers ongoing credit recovery actions;
c) the internal rate of return of each exposure.

Specifically:

- The following parameters are used for bad exposures:
  a) the cash flows forecast by the customer relations managers;
  b) the recovery times estimated on the basis of historical/statistical figures and monitored by the customer relations managers;
  c) the discount rates, i.e., the contractual interest rates when the exposure became non-performing.

- The following parameters are used for unlikely to pay exposures:
  a) the cash flows forecast by the customer relations managers;
  b) the recovery times estimated on the basis of historical/statistical figures;
  c) the discount rates, i.e., the contractual interest rates when the exposure became non-performing.

- The following parameters are used for credit-impaired past due exposures:
  a) probability of the past due/overdrawn exposure becoming unlikely to pay/bad, estimated on the basis of historical/statistical figures using the transferor's database, which includes more information than that of the parent;
  b) loss in the case of the counterparty's default (estimated on the basis of historical/statistical figures using the bad exposure database);
  c) the recovery times estimated on the basis of historical/statistical figures;
  d) the discount rates, i.e., the contractual interest rates when the exposure became non-performing.

The above exposures may be classified as forborne, i.e., when the group agrees to modify the contractual terms with borrowers facing or expected to be facing difficulties in satisfying their debt commitments. The key element is the borrower's financial difficulty, regardless of the exposure's classification as non-performing or the counterparty's default. Performing and non-performing exposures which are forborne are classified as performing forborne and non-performing forborne exposures, respectively.

Since 1 January 2021, the parent applies the new European rules for the classification of defaults introduced by the European Banking Authority (EBA) and implemented in Italy by Bank of Italy (reference is made to the "Guidelines on the application of the definition of default under Article 178 of Regulation (EU) no. 575/2013" (EBA/GL/2016/07) and the new "Regulatory technical standards on materiality threshold of credit obligation past due" (EBA/RTS/2016/06), which supplement Commission Delegated Regulation (EU) no. 171/2018 of 19 October 2017.
Exposures are automatically classified as "Non-performing past due" when they breach the materiality thresholds and after more than 90 consecutive days past due, also considering the following thresholds:

- for retail exposures: the absolute threshold cannot be higher than €100 and the relative threshold should be set at the level of 1%;
- for non-retail exposures: the absolute threshold cannot be higher than €500 and the relative threshold should be set at the level of 1%.

The exposure may be reclassified as "performing" when the amount due is paid and at least 90 days have passed without any further arrears.

On 23 September 2022, Bank of Italy published a memorandum clarifying this issue. After having suitably assessed the matter, the parent found itself in compliance with the clarification published.

Derecognition

The group derecognises a financial asset at amortised cost when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Lastly, the group derecognises a financial asset when it retains the contractual rights to receive the cash flows but it concurrently acquires a contractual obligation to pay those cash flows to a third party without material delay and to the extent of the cash flows collected.
Non-performing exposures may be derecognised when they become irrecoverable and the credit collection process has been completed (final derecognition). This entails a reduction in the exposure's nominal amount and gross carrying amount and occurs when the group enters into settlement agreements with the debtor that entail a debt reduction (settlement and write-off agreements) or when specific situations arise, such as, for example:

- a final judgement declaring the extinguishment of a part or the entire financial asset;
- the completion of insolvency or enforcement proceedings against the principal borrower and the guarantors;
- the completion of any possible in-court and out-of-court actions for the collection of the debt.

These specific situations may result in a total or partial derecognition of the exposure but do not necessarily imply a waiver of the legal right to collect the debt. In addition, non-performing financial assets may be derecognised following their write-off, after having acknowledged that there is no reasonable expectation of recovery, although continuing with the actions aimed at their collection.
This write-off is made in the year in which the financial asset becomes no longer recoverable, either in whole or in part - even though the legal case is still ongoing - and

may take place before the legal proceedings brought against the borrower and the guarantors are definitively concluded. It does not imply a waiver of the legal right to recover the financial asset and is carried out when the credit documentation provides reasonable financial information showing that the borrower is unable to repay its debt. In this case, the gross nominal amount of the asset remains unchanged, but the gross carrying amount is reduced by a sum equal to the amount subject to write-off, which may be the entire exposure or to a portion thereof.
The amount written-off may not be reversed as a result of an improvement in the recovery forecasts, but only following actual collections.
Finally, these financial assets may also be derecognised following their reclassification to the “Financial assets at fair value through other comprehensive income” or “Financial assets at fair value through profit or loss” categories.
This reclassification may take place in the very rare circumstance in which an entity decides to change its business model for the management of its financial assets.
The reclassified asset is measured at its fair value at the reclassification date and the entity shall apply the reclassification prospectively from the reclassification date.

HEDGE ACCOUNTING

The parent chose to apply the option provided for in IFRS 9.7.2.21 and, therefore, to continue to fully comply with the hedge accounting requirements of IAS 39, without applying the requirements in the new standard for macro-hedging. In accordance with IFRS 9.7.2.21, instead of applying the requirements of chapter 6 (“Hedge accounting”) of the standard, the parent chose to continue to apply the hedge accounting requirements of IAS 39. In this case, the references in the standard to particular hedge accounting requirements of chapter 6 do not apply and the parent continued to apply the hedge accounting requirements of IAS 39.

Classification

Hedging derivatives are recognised in caption 50 under assets or caption 40 under liabilities depending on whether their fair value is respectively positive or negative at the reporting date. Hedging transactions are aimed at offsetting potential losses on a specific financial instrument or a group of financial instruments, attributable to a particular risk, through the potential gains on a different financial instrument or a group of financial instruments in the event that that particular risk should actually occur. IAS 39 provides for the following types of hedges:

- a fair value hedge, which is a hedge of the exposure to changes in the fair value of a recognised asset or liability that is attributable to a particular risk;
- a cash flow hedge, which is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability;
- a hedge of investments in foreign operations, which is designed to mitigate the foreign currency risk associated with the net investment in a foreign operation.

Recognition

A derivative is designated as a hedging derivative if there is formal designation and documentation of the hedging relationship, which shall be effective since its inception and on an ongoing basis throughout its life. The effectiveness of a hedging relationships depends on the extent to which the changes in fair value or cash flows of the hedging instrument offset those of the hedged item. Therefore, effectiveness is assessed by comparing these changes, taking into account the entity’s risk management objective for undertaking the hedge. A hedging relationship is effective (within a range of 80% -125%) when changes in the fair value (or cash flows) of the hedging instrument almost entirely offset the related changes in the hedged item, for the hedged risk. Effectiveness is assessed quarterly by performing:

- prospective assessments, which justify the application of hedge accounting, as they demonstrate the expected effectiveness;

- retrospective assessments, which show the degree of hedge effectiveness achieved in the period to which they relate.

In other words, they measure how far the actual results have deviated from a perfect hedge. If the assessments do not confirm the effectiveness of the hedging relationship, hedge accounting, as described above, is discontinued and the hedging derivative is reclassified to a financial instrument held for trading.

Measurement

Hedging derivatives are measured at fair value, therefore, in the case of a fair value hedge, the change in the fair value of the hedged item is offset by the change in the fair value of the hedging instrument. This offsetting is achieved by recognising the fair value gain or loss on both the hedged item (to the extent of those relating to the underlying risk) and the hedging instrument in profit or loss (caption 90 Net hedging income (expense)). Any difference due to the partial ineffectiveness of the hedging relationship affects profit or loss. The fair value measurement of hedged fixed-rate leases requires financial consistency between the hedged items and the IRS entered into to hedge them. At each fair value measurement date, the cumulative stock of hedging IRSs and the cumulative stock of hedged loans is then constructed and a first check is made to ensure that there is an initial correspondence between the amortisation pattern of the IRSs and that of the hedged items. The weighted average fixed rate of the hedging IRSs is then calculated, which is the average market rates when the various IRSs were entered into, i.e., the interest rate that the group intended to be hedged at the inception of the hedging relationship. In other words, this rate is the interest portion effectively hedged by the IRS, distinguished from the interest portion that is not hedged and that corresponds to the spread (which reflect the customer risk rather than the interest rate risk). At this stage, the lease repayment plan to be used to measure fair value can be reasonably derived from the actual outstanding principal repayment plan of all hedged leases. It will comprise the principal cash flows of the leases (given by the difference between the outstanding lease payments of a period and those of the previous period under the contractual repayment plan) and the interest cash flows obtained by applying the weighted average interest rate of the hedging IRSs (i.e., the hedged interest portion) to the outstanding lease payments of the period. The lease payments thus obtained are then discounted using same rate curve used to calculate the fair value of the hedging IRSs, lowered by the effective hedging percentage at the measurement date (i.e., the sum of the residual principal for the related days of permanence of the repayment plans of the IRSs' residual notional divided by the outstanding lease payments), so as to obtain the present value of the hedged leases. The outstanding lease payments (also multiplied by the hedging percentage) at the lease measurement date are deducted from this amount. This procedure is used to calculate the fair value at the end of years T and T-1 (present value of lease payments minus outstanding lease payments reduced by the hedging percentage). The difference between these two fair values is the delta fair value of the leases to be compared with the delta fair value of the IRSs.

The delta fair value of the IRSs is calculated using the following methods:

- by discounting future cash flows (net present value - NPV): this method consists of discounting estimated cash flows at a current rate that expresses the risk intrinsic in the measured instrument;
- for IRSs hedging leases that already existed at the end of the previous year, as the difference between the fair value at the reporting date and that at the end of the previous year;
- for IRSs hedging leases entered into during the year, as the fair value of the IRSs at the reporting date; - both market values and intrinsic values of all IRSs are calculated.

PROPERTY, EQUIPMENT AND INVESTMENT PROPERTY

Recognition and derecognition

These assets are recognised at purchase cost including any directly attributable cost of purchasing and preparing the assets for their intended use, increased by any subsequent costs that enhance their value or initial production capacity. They are derecognised when they are disposed of or when no future economic benefits are expected therefrom. They include leasehold improvement costs when they relate to identifiable and separable items of property, plant and equipment.
They also include the underlying assets of finance leases of which the group has regained possession after the termination of the lease, which are recognised as investment property.
The group has recognised the repossessed assets under this category as it believes that the following conditions are met:

a) it is probable that the future economic benefits that are associated with the investment property will flow to the group;
b) the cost of the investment property can be measured reliably.

Under IFRS 16, leases are recognised using the right-of-use model, whereby, at the commencement date, a lessee incurs an obligation for the lease payments due to the lessor for its right to use the underlying asset over the lease term.
When the asset is made available for use to the lessee (commencement date), the lessee recognises a lease liability and a right-of-use asset.

Classification

Property, equipment and investment property include assets used in operations (buildings, technical systems, furniture, furnishings and any type of equipment) for more than one year.
They include:

a) leasehold improvement costs, if they can be separated from the related assets (if these costs do not have an independent useful life and cannot be used separately, but future economic benefits are expected therefrom, they are recognised among "other assets" and depreciated over the shorter of the improvements' useful life and residual lease term);
b) assets withdrawn following termination of the finance lease and of the loan to the original lessee. Upon initial recognition, they are measured at cost, including transaction costs.
   The initial recognition of these assets as items of property, equipment and investment property is their reclassification from caption 40 "Financial assets at amortised cost" to caption 80 "Property, equipment and investment property": the reclassified asset is measured at the carrying amount of the previously-recognised non-performing exposure.

Lastly, the caption includes the right-of-use assets (for lessees) and the underlying assets of operating leases (for lessors).

Measurement

Property and equipment are recognised at cost, less accumulated depreciation and any impairment losses in accordance with IAS 16. Depreciation is recognised over the assets' useful life on a straight-line basis. Should there be objective evidence that an asset may be impaired, its recoverable amount, which is the higher of value in use (i.e., the present value of estimated future cash flows expected to arise from the continuing use of an asset) and fair value less costs to sell, is compared to their carrying amount less accumulated depreciation (impairment test). Any resulting impairment losses are recognised in profit or loss. If the reasons for impairment cease to exist, the impairment losses are reversed up to the carrying amount the assets would have had, less accumulated depreciation, had such impairment losses not been recognised.

After initial recognition, these assets are measured at cost in accordance with IAS 16 Property, plant and equipment. At each reporting date, the group tests the assets for impairment, where possible, by comparing their carrying amount to their fair value. Any resulting impairment losses are recognised in caption 180 "Depreciation and net impairment losses on property, equipment and investment property" of the income statement.
Under IAS 40, after initial recognition, investment property is measured either at fair value or at cost. The group applies the same model to all its investment property. The group elected to use the cost model. Accordingly, after initial recognition, it measures all its assets classified as investment property in accordance with the requirements of IAS 16 at cost, net of accumulated depreciation and any accumulated impairment losses. If, at the reporting date, an asset shows objective evidence of impairment based on an independent expert's appraisal, the group compares its carrying amount to its fair value. Any resulting impairment losses are recognised in caption 180 "Depreciation and net impairment losses on property, equipment and investment property" of the income statement.
Right-of-use assets recognised in accordance with IFRS 16 are measured using the cost model of IAS 16 Property, plant and equipment. They are subsequently depreciated and tested for impairment whenever an indicator of impairment is identified.

Recognition of costs and revenue

Gains and losses are allocated to the relevant income statement captions as follows:

a) scheduled depreciation, impairment losses and reversals of impairment losses are recognised in caption 180 "Depreciation and net impairment losses on property, equipment and investment property";
b) gains and losses on sales are recognised in caption 250 "Net gains (losses) on sales of investments".

The assets are depreciated on the basis of the following annual rates:

- furnishings, depending on their characteristics, at 12% or 15%;
- systems at 15%, telecommunication systems at 20% and anti-intrusion systems at 25%;
- electronic and IT equipment at 20%;
- equipment, depending on its characteristics, at 15% or 20%;
- buildings at 3%.

Low-value assets (i.e., worth less than €516) are fully depreciated when initially recognised.

INTANGIBLE ASSETS

Recognition and derecognition

Intangible assets are recognised at acquisition cost including any directly attributable transaction costs, increased by any subsequent costs that enhance their value or initial production capacity. They are derecognised when they are disposed of or when no future economic benefits are expected therefrom.
Goodwill arising from business combinations is the difference between the purchase cost and the acquisition-date fair value of the acquiree's or acquired business unit's assets and liabilities.
Intangible assets with a finite useful life recognised in accordance with IFRS 3 Business combinations and identified as part of the purchase price allocation are comprised of customer relationships and are amortised on a straight-line basis over their estimated useful life (nine years maximum), while their assumed residual value is nil.

Classification

An intangible asset is an identifiable non-monetary asset without physical substance which is controlled by the group and it is probable that its future economic benefits will flow to the group.

Goodwill is recognised as an asset as it is the price paid by an acquirer for the expected future economic benefits arising from assets that cannot be individually and separately identified. Any negative goodwill is recognised directly in profit or loss.

The caption includes the right-of-use assets (for lessees) and the underlying assets of operating leases (for lessors).

Measurement

Intangible assets with a finite useful life are recognised at cost, less accumulated amortisation and any impairment losses. Amortisation is recognised over the assets' useful life on a straight-line basis.
Should there be objective evidence that an asset may be impaired, its recoverable amount, which is the higher of value in use (i.e., the present value of estimated future cash flows expected to arise from the continuing use of an asset) and fair value less costs to sell, is compared to their carrying amount less accumulated amortisation (impairment test). Any resulting impairment losses are recognised in profit or loss. If the reasons for impairment cease to exist, the impairment losses are reversed up to the carrying amount the assets would have had, less accumulated amortisation, had such impairment losses not been recognised.

Recognition of costs and revenue

Gains and losses are allocated to the relevant income statement captions as follows:

a) scheduled amortisation, impairment losses and reversals of impairment losses are recognised in caption 190 "Amortisation and net impairment losses on intangible assets";
b) gains and losses on sales are recognised in caption 250 "Net gains (losses) on sales of investments".

Intangible assets are comprised of application and proprietary software, which is amortised at 20% and 33.3%, respectively.
Reference should be made to the specific information reported in Section 9 - Intangible assets - Caption 90 for further details.

<u>TAX ASSETS AND LIABILITIES</u>

Recognition, classification, measurement, derecognition and recognition of costs and revenue

Current taxes are calculated using the applicable tax rates and legislation in force from time to time and, if unpaid, are recognised as tax liabilities.
Income taxes are recognised in profit or loss except for those related to captions recognised directly in equity.
Income taxes are provided for based on a prudent estimate of the current and deferred taxes.
Deferred taxes are calculated using the liability method.
Specifically, deferred taxes are determined considering the temporary differences (without time limits) between the carrying amount of assets and liabilities and their tax bases.

Deferred tax assets are recognised when it is probable that they will be recovered, based on the group's ability to steadily generate taxable profits and considering the opportunities

offered by specific applicable tax legislation which may allow their realisation even when an entity does not produce taxable profits.
The recoverability of deferred tax assets on the impairment of loans and receivables has been assessed also considering the changes and opportunities introduced by Law no. 214/2011.
Deferred tax liabilities are calculated as the tax expense arising on all taxable temporary differences existing at the reporting date.
Deferred tax assets and liabilities are monitored on a regular basis. They are recognised using the tax rates enacted or substantively enacted when a deferred tax asset will be realised or a deferred tax liability will be settled, based on the tax rates and legislation established by measures currently in force.

The balancing entry of current and deferred tax assets and liabilities is normally made in profit or loss.

Tax provisions are adjusted for liabilities that may be incurred as a result of tax assessments already served or pending tax disputes.

NON-CURRENT ASSETS HELD FOR SALE AND DISPOSAL GROUPS

Recognition, classification, measurement, derecognition and recognition of costs and revenue

Non-current assets/liabilities or groups of assets/liabilities that are in the process of being disposed of and their sale is highly probable are classified in this caption.

They are measured at the lower of their carrying amount and fair value less costs of disposal. Amortisation and depreciation on any assets reclassified as non-current assets held for sale are discontinued upon their reclassification.
Any profit or loss from discontinued operations is recognised in a separate caption of the income statement, net of taxes. In this case, the corresponding figures presented for comparative purposes are reclassified accordingly.

LIABILITIES

FINANCIAL LIABILITIES AT AMORTISED COST

Classification

Financial liabilities at amortised cost include amounts due and securities issued. They comprise the group's various forms of funding (interbank and with customers) and bonds issued.
They also include lease liabilities when the group is the lessee in a finance lease and repurchase agreements, as well as trade payables from the use of financial services as defined in the Consolidated Banking Act and the Consolidated Finance Act.

Recognition

Financial liabilities are initially recognised upon the collection of funds or settlement of securities issued at their fair value, which usually corresponds to the amount collected or issue price, increased by any transaction costs or revenue directly attributable to the individual funding or issue transaction that will not be repaid to the lending counterparty.
Internal administrative costs are excluded. Repurchase agreements are recognised as funding transactions at the spot price collected.

Recognition of costs and revenue

After initial recognition, financial liabilities, net of any repayments and/or repurchases, are measured at amortised cost using the effective interest rate. When the time value of money is immaterial, the amortised cost model is not applied to current liabilities that are kept at their original fair value and whose costs, if any, are recognised in profit or loss over their contractual term on a straight-line basis.
Lease liabilities are remeasured in the case of a lease modification (e.g., a change in the contract scope), which does not give rise to the recognition of a separate lease.

Derecognition

Financial liabilities are derecognised when they expire or are extinguished. They are also derecognised when previously issued securities are repurchased. The difference between their carrying amount and the amount paid to repurchase them is recognised in profit or loss.

FINANCIAL LIABILITIES HELD FOR TRADING

Recognition and derecognition

The same criteria, appropriately adjusted, as those applicable to financial assets held for trading are applied (see Section 2 – Assets – "Financial assets at fair value through profit or loss").

Classification

Financial liabilities held for trading include non-hedging financial instruments (including derivatives) with a negative fair value.

Measurement

The same criteria, appropriately adjusted, as those applicable to financial assets held for trading are applied (see Section 2 – Assets – "Financial assets at fair value through profit or loss").

Recognition of costs and revenue

The same criteria, appropriately adjusted, as those applicable to financial assets held for trading are applied (see Section 2 – Assets – “Financial assets at fair value through profit or loss”).

POST-EMPLOYMENT BENEFITS

Recognition, classification, measurement, derecognition and recognition of costs and revenue

As a result of the reform introduced by the Legislative decree of 5 December 2005, the Italian post-employment benefits (TFR) vested up until 31 December 2006 are considered defined benefit plans and are therefore determined using the projected unit credit method, whereby future payments are projected using historical series, statistical and probability analyses and demographical trends and discounted using a market rate. This calculation is performed by independent actuaries.

Plan service costs are recognised under personnel expense at the net amount of the benefits paid, past service costs not yet accounted for, accrued interest, expected returns on plan assets and actuarial gains/losses.

Actuarial gains and losses due to changes in previous assumptions, based on actual figures or modified actuarial assumptions, entail the remeasurement of the net liability, are recognised as a balancing entry in an equity reserve and are presented in the statement of comprehensive income.
The benefits accrued after 1 January 2007 are treated as defined contribution plans and are, therefore, recognised immediately in profit or loss.

PROVISIONS FOR RISKS AND CHARGES

Recognition, derecognition and measurement

The amount recognised as a provision is the best estimate of the expenditure required to settle an obligation. The related risks and uncertainties are considered. If the time value of money is material, the provision is discounted using market rates. Accruals to provisions are recognised in profit or loss. The amount of an existing provision is reviewed regularly and adjusted to reflect the current best estimate. When it is no longer probable that the expense will be incurred, the provision is reversed.

Classification

The provisions for risks and charges are recognised when the group has a present obligation arising from a past event, it is probable that an outflow of resources embodying economic benefits is required for its settlement and the amount of the obligation can be reliably estimated.

Recognition of costs and revenue

Accruals to and reversals of provisions for risks and charges are recognised in caption 170 “Net accruals to provisions for risks and charges”, which includes increases in provisions due to discounting and excludes any reclassifications to profit or loss.

The provisions for risks and charges include the following items:

- Loan commitments and financial guarantees given:
  - this provision covers the risk for loan commitments and financial guarantees given which are tested for impairment in accordance with IFRS 9, in line with the

requirements for the financial assets at amortised cost and at fair value through other comprehensive income;
- reference should be made to the section on the measurement of financial assets at amortised cost for further information on the impairment model;

- Pension and similar provisions:
  - these provisions includes accruals for defined benefit plans and pension funds with capital repayment and/or return guarantees given to the beneficiaries. In accordance with IAS 19, the benefits to be paid in future years are calculated by an independent actuary using the projected unit credit method. Any actuarial gains and losses, i.e., the difference between the liability's carrying amount and the present value of the obligations at the reporting date, are recognised directly in equity under the "valuation reserves";
- Other provisions:
  - the other provisions comprise accruals for estimated outflows for legal or constructive obligations arising from past events, which may have a contractual nature.

INCOME STATEMENT

REVENUE AND EXPENSES

Revenue is recognised when received or, in any case, when it is probable that future economic benefits will flow to the group and these benefits can be measured reliably. Specifically:

- interest is recognised on an accruals basis using the contractual interest rate or the effective interest rate when the amortised cost model is applied;
- default interest is recognised on an accruals basis in profit or loss and fully provided for on a prudent basis and it is reclassified to profit or loss only when actually collected.
  revenue from the provision of services is recognised at the fair value of the consideration received when the services are rendered.

Expenses are recognised in profit or loss on an accruals basis when the matching revenue is recognised. If they cannot be matched, they are expensed immediately. Specifically, fee and commission expense is recognised when incurred, as long as their future benefits are believed to be reliable. Fee and commission expense included in the calculation of the effective interest rate under the amortised cost method is excluded as it is recognised as interest expense.

OTHER INFORMATION

FOREIGN CURRENCY TRANSACTIONS

Classification

They comprise all assets and liabilities expressed in a currency other than the Euro.

Recognition and derecognition

These assets and liabilities are initially translated into Euro using the spot exchange rate at the transaction date.

Measurement

At the reporting date, monetary foreign currency assets and liabilities are re-translated at the closing rate.

Recognition of costs and revenue

Exchange gains (losses) on foreign currency transactions are recognised in caption 80 “Net trading income (loss)” of the income statement.

ORIGINATED SECURITISATIONS

The financial assets transferred in securitisations carried out by the group are not derecognised unless all the risks and rewards of ownership are substantially transferred, even when they are formally assigned without recourse to a special purpose vehicle. This is the case, for example, when the parent subscribes junior notes or similar securities, as it bears the risk of first losses and, similarly, benefits from the return on the transaction.
In this case, the exposures underlying the transactions are not derecognised and the overall amount of the notes issued by the SPV, net of the junior notes subscribed by the assignor,

is recognised under liabilities. When self-securitisations are carried out, since the assignor subscribes all classes of securities issued by the SPV, the group does not recognise any notes.
Similar presentation criteria based on the transaction's substance over form apply to revenue and costs.

A.3 - Transfers between portfolios of financial assets

No transfers between financial asset portfolios were made during the year.

A.4 - Fair value

QUALITATIVE DISCLOSURE

IFRS 13 Fair value measurement became effective on 1 January 2013. This standard sets out a framework for measuring fair value previously laid down in various standards. IFRS 13 maintains the concept of fair value substantially unchanged, but provides new guidelines for its application and requires further disclosures in the financial statements.
Fair value is defined 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 in the principal or most advantageous market. For the purposes of fair value measurement, IFRS 13 defines a three-level fair value hierarchy, based on the observability, or otherwise, of market inputs:

1) quoted prices in active markets (level 1):
   measurement is determined on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities;
2) observable market inputs (level 2):
   the financial instrument is measured on the basis of prices observable from quoted prices for similar assets or by means of valuation techniques in which all the significant factors, including credit spreads and liquidity, are taken from inputs observable from the market. In this level, fewer discretionary elements are required in order to measure the instrument since all the inputs used are taken from the market (for the same instrument or similar instruments) and the method of calculation enables quoted prices in active markets to be replicated;
3) unobservable market inputs (level 3):
   the fair value is measured mostly on the basis of significant inputs which are not observable on the market and, therefore, management is required to make estimates and assumptions.

No transfers between financial asset portfolios were made during the year.

The fair value of other financial instruments measured at fair value on a non-recurring basis is measured for the disclosure purposes of IFRS 7. Specifically:

- the fair value of non-current loans is measured according to a risk appetite approach: expected cash flows, suitably adjusted for expected losses (PD and LGD) are discounted using a risk-free market rate, plus a component representing the group's risk appetite (risk premium), in order to consider additional factors to be included in the expected loss. Fair value measured in this way is categorised in level 3 in the fair value hierarchy;
- the carrying amount on initial recognition of other assets and liabilities, particularly those on demand or with a short contractual term, is considered to be a good approximation of fair value. The fair value determined in this manner is conventionally classified at level 3 in the fair value hierarchy;

- the fair value of investment property is the amount regularly appraised by the group.

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

The fair value of financial instruments quoted on active markets is normally the prices observable in the market (quoted prices readily and regularly available in a price list) while the fair value of instruments not quoted on an active market is measured by using prices provided by specialist information providers.
If the above techniques cannot be applied, the group uses estimates and valuation models which refer to data observable in the market, if available. These models are in line with those generally accepted and market practice and are based, for example, on the price of quoted instruments with similar characteristics, including their risk profile, discounted cash flows and option price calculation models, also taking the issuer's credit risk into account. Methods similar to the above are also used for financial instruments for which no observable market inputs are available, or for which such inputs are not reliable.

A.4.2 Measurement processes and sensitivity

No financial assets or liabilities measured at fair value on a recurring basis are categorised in level 3. Therefore, no quantitative sensitivity analyses of fair value were carried out.

A.4.3 Fair value hierarchy

IFRS 13 refers to the concept of a hierarchy of valuation techniques, which was introduced in an amendment to IFRS 7, endorsed with Commission Regulation (EC) no. 1165 of 27 November 2009, requiring an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. This provides the reliability level of the measured fair values according to the level of discretion used by entities, giving the highest priority to the use of observable inputs which mirrors the assumptions that market participants would make in pricing assets and liabilities. The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3 inputs are inputs for the asset or liability that are not based on observable market data. In this case, fair value is measured using valuation techniques consistently based on the adoption of relevant estimates and assumptions by the parent's competent departments

The method is not optional but chosen hierarchically, priority being given to quoted prices in active markets; if these inputs are not available, other methods are adopted which in any case refer to observable inputs; should this not be possible either, valuation techniques which use non-observable inputs are used.

A.4.4 Other disclosures

Nothing to disclose pursuant to IFRS 13.51.93.(i)/96.

QUANTITATIVE DISCLOSURE

A.4.5 Fair value hierarchy

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

(€'000)	31/12/2024			31/12/2023		
	L1	L2	L3	L1	L2	L3
1. Financial assets at fair value through profit or loss	7	-	-	5	-	-
a) financial assets held for trading	-	-	-	-	-	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	7	-	-	5	-	-
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
3. Hedging derivatives	-	-	-	-	-	-
4. Property, equipment and investment property	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	7	-	-	5	-	-
1. Financial liabilities held for trading	-	-	-	-	-	-
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	380	-	-	-	-
Total	-	380	-	-	-	-

Key:

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

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

None during the year.

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

None during the year.

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

(€'000)	31/12/2024				31/12/2023			
	CA	L1	L2	L3	CA	L1	L2	L3
1. Financial assets at amortised cost	4,972,301	4,857	-	5,295,454	5,025,926	4,688	-	5,863,701
2. Investment property	5,993	-	-	11,478	9,465	-	-	19,238
3. Non-current assets held for sale and disposal groups	-	-	-	-	-	-	-	-
Total	4,978,294	4,857	-	5,306,932	5,035,391	4,688	-	5,882,939
1. Financial liabilities at amortised cost	4,614,099	-	-	4,614,099	4,688,290	-	-	4,688,290
2. Liabilities associated with disposal groups	-	-	-	-	-	-	-	-
Total	4,614,099	-	-	4,614,099	4,688,290	-	-	4,688,290

Key:

CA = Carrying amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

Reference should be made to the "Qualitative disclosure" section hereof for more information on the measurement of fair value and the levels of financial assets and liabilities measured at cost whose fair value is required to be disclosed.

A.5 - Day One profit/loss

Not applicable.

Part B - Notes to the statement of financial position

(€'000)

ASSETS

Section 1 - Cash and cash equivalents - Caption 10

Breakdown of caption 10 "Cash and cash equivalents"

(€'000)	31/12/2024	31/12/2023
a) Cash	5	4
b) Current accounts and on-demand deposits with banks	241,823	224,958
Total	241,828	224,962

"Current accounts and on-demand deposits with banks" include €230,530 thousand in the segregated assets of the consolidated vehicles, mostly consisting of the vehicles' cash and cash equivalents.

Accrued interest on deposits amount to €3 thousand.

Section 2 - Financial assets at fair value through profit or loss - Caption 20

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

(€'000)	31/12/2024			31/12/2023		
	L1	L2	L3	L1	L2	L3
1. Debt instruments	-	-	-	-	-	-
1.1 Structured	-	-	-	-	-	-
1.2 Other	-	-	-	-	-	-
2. Equity instruments	7	-	-	5	-	-
3. OEIC units	-	-	-	-	-	-
4. Financing	-	-	-	-	-	-
4.1 Reverse repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total	7	-	-	5	-	-

Key:

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

Under a composition with creditors procedure for unsecured claims, the parent was assigned newly-issued ordinary shares in 2023.

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

(€'000)	31/12/2024	31/12/2023
1. Equity instruments	7	5
including: banks	-	-
including: other financial companies	-	-
including: other non-financial companies	7	5
2. Debt instruments	-	-
a) Public administrations	-	-
b) Banks	-	-
c) Other financial companies	-	-
including: insurance companies	-	-
d) Non-financial companies	-	-
3. OEIC units	-	-
4. Financing	-	-
a) Public administrations	-	-
b) Banks	-	-
c) Other financial companies	-	-
including: insurance companies	-	-
d) Non-financial companies	-	-
e) Households	-	-
Total	7	5

Section 4 - Financial assets at amortised cost - Caption 40

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

(€'000)	31/12/2024						31/12/2023					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stages 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3	Stages 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
1. Term deposits	-	-	-	-	-	-	-	-	-	-	-	-
2. Current accounts	-	-	-	-	-	-	-	-	-	-	-	-
3. Financing	22	-	-	-	-	22	90	-	-	-	-	92
3.1 Reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
3.2 Finance leases	22	-	-	-	-	-	90	-	-	-	-	-
3.3 Factoring	-	-	-	-	-	-	-	-	-	-	-	-
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	-	-	-	-	-	-	-	-	-	-	-	-
3.4 Other financing	-	-	-	-	-	-	-	-	-	-	-	-
4. Debt instruments	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Structured	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-	-	-	-	-	-	-
5. Other assets	33	-	-	-	-	33	245	-	-	-	-	245
Total	55	-	-	-	-	55	335	-	-	-	-	337

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

Financing for finance leases includes "Financial assets transferred and not derecognised" (more information is available at the foot of table 4.3 "Financial assets at amortised cost: breakdown of loans and receivables with customers by product").

The group does not have non-performing exposures with banks.

4.2 Financial assets at amortised cost: breakdown of loans and receivables with financial companies by product

(€'000)	31/12/2024						31/12/2023					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stages 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3	Stages 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
1. Financing	58,034	209	-	-	-	64,881	52,209	362	-	-	-	66,498
1.1 Reverse repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Finance leases	56,909	209	-	-	-	-	51,077	362	-	-	-	-
1.3 Factoring	-	-	-	-	-	-	-	-	-	-	-	-
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Other financing	1,125	-	-	-	-	-	1,132	-	-	-	-	-
2. Debt instruments	16,691	-	-	-	-	16,691	25,142	-	-	-	-	25,142
2.1 Structured	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other	16,691	-	-	-	-	-	25,142	-	-	-	-	-
3. Other assets	963	-	-	-	-	963	601	-	-	-	-	601
Total	**75,688**	**209**	**-**	**-**	**-**	**82,535**	**77,952**	**362**	**-**	**-**	**-**	**92,241**

Key:

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

Financing for finance leases includes "Financial assets transferred and not derecognised" (more information is available at the foot of table 4.3 "Financial assets at amortised cost: breakdown of loans and receivables with customers by product").

"Other financing" comprises finance leases that have not yet been activated.

"Debt instruments" refer to the senior notes held by the parent in relation to the transfer of non-performing loans in 2020 (reference should be made to Section 2 – Securitisations, unconsolidated structured entities (other than securitisation vehicles) and transfers of assets - B. Unconsolidated structured entities (other than securitisation vehicles) for additional information).

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

(€'000)	31/12/2024						31/12/2023					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stages 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3	Stages 1 and 2	Stage 3	Purchased or originated credit-impaired	L1	L2	L3
1. Financing	4,755,676	135,337	-	-	-	5,212,523	4,787,484	154,712	-	-	-	5,770,984
1.1 Finance leases	4,559,470	132,177	-	-	-	-	4,601,065	149,608	-	-	-	-
including: without purchase option	-	-	-	-	-	-	-	-	-	-	-	-
1.2 Factoring	-	-	-	-	-	-	-	-	-	-	-	-
- with recourse	-	-	-	-	-	-	-	-	-	-	-	-
- without recourse	-	-	-	-	-	-	-	-	-	-	-	-
1.3 Consumer credit	-	-	-	-	-	-	-	-	-	-	-	-
1.4 Credit cards	-	-	-	-	-	-	-	-	-	-	-	-
1.5 Loans against pledges	-	-	-	-	-	-	-	-	-	-	-	-
1.6 Financing as part of payment services	-	-	-	-	-	-	-	-	-	-	-	-
1.7 Other financing	196,206	3,160	-	-	-	-	186,419	5,104	-	-	-	-
including: from enforced loan commitments and financial guarantees	-	-	-	-	-	-	-	-	-	-	-	-
2. Debt instruments	4,995	-	-	4,857	-	-	4,991	-	-	4,688	-	-
2.1 Structured	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Other	4,995	-	-	-	-	-	4,991	-	-	-	-	-
3. Other assets	260	81	-	-	-	341	90	-	-	-	-	90
Total	**4,760,931**	**135,418**	**-**	**4,857**	**-**	**5,212,864**	**4,792,565**	**154,712**	**-**	**4,688**	**-**	**5,771,074**

Key:

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

“Other financing” consists of:
as performing:

- finance leases of €177,432 thousand not yet activated;
- mortgage loans of €1,206 thousand;
- unsecured loans of €17,568 thousand;

as non-performing:

- finance leases of €2,929 thousand not yet activated;
- mortgage loans of €231 thousand.

“Debt instruments” include T-bonds (BTP) purchased in March 2021 and maturing in April 2026. They were purchased to comply with current regulations on the maximum amounts of soft loans under the Sabatini Law that can be obtained from Cassa Depositi e Prestiti (“CDP”).
They have been pledged as collateral to CDP against an increase in the group’s available financing.

As required by current regulations, “Other information” on the securitisations is provided below.

Financing for finance leases (tables 4.1, 4.2 and 4.3) includes “Financial assets transferred and not derecognised” of €2,971,445 thousand (including non-performing exposures of €44,382 thousand). The balance also comprises loans and receivables with financial companies of €41,460 thousand (including performing exposures of €41,370 thousand and non-performing exposures of €90 thousand). There are no loans and receivables with banks.
The above balances do not include assets transferred and not derecognised as part of the Sunny 2 self-securitisation (€362,639 thousand).

In June 2024, the group structured the Alba 14 securitisation.
As part of the securitisation, Alba 14 SPV S.r.l. issued senior notes (A1) of €550.3 million, mezzanine notes (B) of €175.1 million and junior notes (J) of €115.6 million.
At 31 December 2024, the parent holds senior notes (A1) of €24.7 million, mezzanine notes (B) of €175.1 million and junior notes (J) of €115.6 million.

Moreover, in May 2024, the group structured a new securitisation, Sunny 2, by transferring loans of a nominal amount of €312 million to Sunny SPV 2 S.r.l..
This vehicle issued senior notes (A1) of €249.5 million and junior notes (J) of €67 million, which the parent fully subscribed.

The vehicle received another two transfers: in September 2024, a revolving transfer of €32 million, with proceeds of €6 million, which led to an increase in the senior (A1) and junior (J) notes by €18 million and €6 million, respectively. In December 2024, a revolving transfer of €13.3 million.

At 31 December 2024, the parent holds senior notes (A1) of €267.7 million and junior notes (J) of €73 million.
Since it holds all notes issued, the transaction qualifies as a self-securitisation which is recognised in accordance with the applicable legislation.

Sunny 2’s main characteristics and information are as follows:

		SUNNY SPV 2 S.r.l.
Type of transaction		Self-securitisation
Originator		Alba Leasing S.p.A.
Issuer		Sunny SPV 2 S.r.l.
Servicer		Alba Leasing S.p.A.
Status of the securitised assets		Performing
Closing date		15/05/2024
Portfolio’s nominal amount*		343,288,689
Portfolio’s transfer price*		311,889,850
Other significant information		Revolving portfolio
Rating agencies		Scope Restricted Subscription Rating
Tranching amount and conditions		
ISIN	IT0005600348	IT0005600355
Type	Senior	Junior
Class	A	J
Rating (at issue)		
Scope Restricted Subscription Rating	n.a.	unrated
Year-end rating		
Scope Restricted Subscription Rating	n.a.	unrated
Listing market	Euronext Access Milan	Unlisted
Issue date	26/06/2024	26/06/2024
Legal maturity	27/12/2045	27/12/2045
Call option	-	-
Interest rate	Euribor 3 m 360 + 200 b.p.	Euribor 3 m 360 + 300 b.p.
Subordination level		Sub A
Nominal amount at issue	267,687,949	73,032,992
Closing amount	267,687,949	73,032,992
Note subscribers	Alba Leasing S.p.A.	Alba Leasing S.p.A.

** The nominal amount and the portfolio’s transfer price refer to the initial transfer*

For additional information on the securitisations, reference should be made to “Part D – Other information, Section 2 – Securitisations, unconsolidated structured entities (other than securitisation vehicles) and transfers of assets”.

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

(€'000)	31/12/2024			31/12/2023		
	Stages 1 and 2	Stage 3	Purchased or originated credit-impaired	Stages 1 and 2	Stage 3	Purchased or originated credit-impaired
1. Debt instruments	4,995	-	-	4,991	-	-
a) Public administrations	4,995	-	-	4,991	-	-
b) Non-financial companies	-	-	-	-	-	-
2. Financing to:	4,755,676	135,337	-	4,787,484	154,712	-
a) Public administrations	13,926	-	-	15,282	-	-
b) Non-financial companies	4,520,271	131,337	-	4,518,759	148,535	-
c) Households	221,479	4,000	-	253,443	6,177	-
3. Other assets	260	81	-	90	-	-
Total	4,760,931	135,418	-	4,792,565	154,712	-

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

(€'000)	Gross amount					Total impairment losses				Partial/total write-offs*
	Stage 1	including: Instruments with a low credit risk	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
Debt instruments	21,686	-	-	-	-	-	-	-	-	-
Financing	4,241,316	3,987,653	625,107	238,147	-	13,812	38,879	102,601	-	1,755
Other assets	1,196	87	62	227	-	1	1	146	-	-
Total at 31/12/2024	**4,264,198**	**3,987,740**	**625,169**	**238,374**	**-**	**13,813**	**38,880**	**102,747**	**-**	**1,755**
Total at 31/12/2023	**4,184,747**	**3,719,646**	**746,507**	**247,088**	**-**	**14,203**	**46,199**	**92,014**	**-**	**2,287**

** Presented for disclosure purposes*

In accordance with Bank of Italy communication of 14 March 2023 - Supplements to the provisions of the measure "The financial statements of IFRS intermediaries other than banks" updating the measure concerning the impacts of COVID-19 and the economic relief, information about state-backed exposures is provided below.
Specifically, the new financing subject to the COVID-19 relief at the reporting date is as follows:

(€'000)	Gross amount				Total impairment losses			
	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired
New financing	10,568	443	42	-	23	7	8	-
Total at 31/12/2024	**10,568**	**443**	**42**	**-**	**23**	**7**	**8**	**-**
Total at 31/12/2023	**11,444**	**6,320**	**-**	**-**	**30**	**156**	**-**	**-**

4.6 Financial assets at amortised cost: secured assets

(€'000)	31/12/2024						31/12/2023					
	Loans and receivables with banks		Loans and receivables with financial companies		Loans and receivables with customers		Loans and receivables with banks		Loans and receivables with financial companies		Loans and receivables with customers	
	ECA	GFV	ECA	GFV	ECA	GFV	ECA	GFV	ECA	GFV	ECA	GFV
1. Performing assets secured by:	22	-	56,909	4,401	4,560,676	1,330,098	90	-	51,077	4,142	4,602,691	1,401,683
- Finance leases	22	-	56,909	4,401	4,558,908	1,328,330	90	-	51,077	4,142	4,601,065	1,400,057
- Factoring	-	-	-	-	-	-	-	-	-	-	-	-
- Mortgages	-	-	-	-	1,768	1,768	-	-	-	-	1,626	1,626
- Liens	-	-	-	-	-	-	-	-	-	-	-	-
- Personal guarantees	-	-	-	-	-	-	-	-	-	-	-	-
- Credit derivatives	-	-	-	-	-	-	-	-	-	-	-	-
2. Non-performing assets secured by:	-	-	209	69	132,408	41,333	-	-	362	54	149,941	32,773
- Finance leases	-	-	209	69	129,517	40,720	-	-	362	54	146,920	32,190
- Factoring	-	-	-	-	-	-	-	-	-	-	-	-
- Mortgages	-	-	-	-	363	363	-	-	-	-	333	333
- Liens	-	-	-	-	2,528	250	-	-	-	-	2,688	250
- Personal guarantees	-	-	-	-	-	-	-	-	-	-	-	-
- Credit derivatives	-	-	-	-	-	-	-	-	-	-	-	-
Total	22	-	57,118	4,470	4,693,084	1,371,431	90	-	51,439	4,196	4,752,632	1,434,456

Key:

ECA = Carrying amount of the exposures
GFV = Fair value of the guarantees

The table shows the guarantees received for the group's financing at their nominal amount and fair value. They include bank sureties, guarantees issued by Medio Credito Centrale (MCC, the above table shows the guarantees issued by MCC defined as Italian SME Guarantee Fund set up by Law no. 662 of 23 December 1996 and the guarantees linked to the "Liquidity" decree, as subsequently amended - Decree law no. 23 of 8 April 2020, converted into law, with amendments, by Law no. 40 of 5 June 2020 - issued by MCC and SACE S.p.A. ("Italy guarantee"), guarantees issued by the European Investment Fund, liens for finance leases and mortgages for loans.

The above table does not comprise the COVID-19-related guarantee issued by MCC pursuant to article 33 of Decree law no. 18 of 17 March 2020 converted into Law no. 27 of 24 April 2020.

Moreover, the table does not include:

- performing exposures for finance leases not yet activated of €178,557 thousand (including €64,876 thousand secured) and non-performing exposures of €2,929 thousand (including €13 thousand secured);
- unsecured financing.

Section 6 - Macro-hedged financial assets - Caption 60

6.1 Macro-hedged financial assets: breakdown by hedged portfolio

(€'000)	31/12/2024	31/12/2023
1. Positive	414	-
1.1 of specific portfolios:	414	-
a) financial assets at amortised cost	414	-
b) financial assets at fair value through other comprehensive income	-	-
1.2 overall	-	-
2. Negative	-	-
2.1 of specific portfolios:	-	-
a) financial assets at amortised cost	-	-
b) financial assets at fair value through other comprehensive income	-	-
2.2 overall	-	-
Total	414	-

Section 8 - Property, equipment and investment property - Caption 80

8.1 Property and equipment: breakdown of assets measured at cost

(€'000)	31/12/2024	31/12/2023
1. Owned assets	98	74
a) land	-	-
b) buildings	-	-
c) furniture	-	-
d) electronic systems	6	12
e) other	92	62
2. Right-of-use assets	1,403	8,064
a) land	-	-
b) buildings	-	-
c) furniture	-	-
d) electronic systems	-	-
e) other	1,403	8,064
Total	1,501	8,138
including: obtained by enforcing the guarantees received	-	-

8.2 Investment property: breakdown of assets measured at cost

(€'000)	31/12/2024				31/12/2023			
	Carrying amount	Fair value			Carrying amount	Fair value		
		L1	L2	L3		L1	L2	L3
1. Owned assets	5,993	-	-	11,478	9,465	-	-	19,238
a) land	-	-	-	-	-	-	-	-
b) buildings	5,993	-	-	11,478	9,465	-	-	19,238
2. Right-of-use assets	-	-	-	-	-	-	-	-
a) land	-	-	-	-	-	-	-	-
b) buildings	-	-	-	-	-	-	-	-
Total	5,993	-	-	11,478	9,465	-	-	19,238
including: obtained by enforcing the guarantees received	-	-	-	-	-	-	-	-

Key:

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

In connection with that reported in previous consolidated financial statements, the decrease is due to the sale of a building arising from a finance lease terminated.

These buildings are classified as investment property in line with the policy described in section "A.2 - Accounting policies".

8.3 Property and equipment: breakdown of revalued assets

None.

8.4 Investment property: breakdown of assets measured at fair value

None.

8.5 Inventories of property, equipment and investment property that fall under the scope of IAS 2: breakdown

None.

8.6 Property and equipment: changes

(€'000)	Land	Buildings	Furniture	Electronic systems	Other	Total
A. Gross opening balance	-	-	-	12	8,126	8,138
A.1 Accumulated depreciation and net impairment losses	-	-	-	-	-	-
A.2 Net opening balance	-	-	-	12	8,126	8,138
B. Increases:	-	-	-	2	1,719	1,721
B.1 Purchases	-	-	-	2	211	213
B.2 Capitalised improvement costs	-	-	-	-	-	-
B.3 Reversals of impairment losses	-	-	-	-	-	-
B.4 Fair value gains recognised in:						
a) equity	-	-	-	-	-	-
b) profit or loss	-	-	-	-	-	-
B.5 Exchange gains	-	-	-	-	-	-
B.6 Transfers from investment property	-	-	-	-	-	-
B.7 Other increases	-	-	-	-	1,508	1,508
C. Decreases	-	-	-	(8)	(8,350)	(8,358)
C.1 Sales	-	-	-	-	(1)	(1)
C.2 Depreciation	-	-	-	(8)	(1,549)	(1,557)
C.3 Impairment losses recognised in:						-
a) equity	-	-	-	-	-	-
b) profit or loss	-	-	-	-	-	-
C.4 Fair value losses recognised in:						-
a) equity	-	-	-	-	-	-
b) profit or loss	-	-	-	-	-	-
C.5 Exchange losses	-	-	-	-	-	-
C.6 Transfers to:						-
a) investment property	-	-	-	-	-	-
b) non-current assets held for sale and disposal groups	-	-	-	-	-	-
C.7 Other decreases	-	-	-	-	(6,800)	(6,800)
D. Net closing balance	-	-	-	6	1,495	1,501
D.1 Accumulated depreciation and net impairment losses	-	-	-	-	-	-
D.2 Gross closing balance	-	-	-	6	1,495	1,501
E. Measurement at cost	-	-	-	6	1,495	1,501

-

8.7 Investment property: changes

(€'000)	Total	
	Land	Buildings
A. Opening balance	-	9,465
B. Increases:	-	3,429
B.1 Purchases	-	-
B.2 Capitalised improvement costs	-	-
B.3 Fair value gains	-	-
B.4 Reversals of impairment losses	-	-
B.5 Exchange gains	-	-
B.6 Transfers from buildings used in operations	-	-
B.7 Other increases	-	3,429
C. Decreases	-	(6,901)
C.1 Sales	-	(6,500)
C.2 Depreciation	-	(401)
C.3 Fair value losses	-	-
C.4 Impairment losses	-	-
C.5 Exchange losses	-	-
C.6 Transfers to:	-	-
a) buildings used in operations	-	-
b) non-current assets held for sale and disposal groups	-	-
C.7 Other decreases	-	-
D. Closing balance	-	5,993
E. Measurement at fair value	-	11,478

8.8 Inventories of property, equipment and investment property that fall under the scope of IAS 2: changes

None.

8.9 Commitments to purchase property, equipment and investment property

None.

Section 9 - Intangible assets - Caption 90

9.1 Intangible assets: breakdown

(€'000)	31/12/2024		31/12/2023	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
1. Goodwill	-	-	-	-
2. Other intangible assets:	1,545	-	1,930	-
including: software	1,545	-	1,930	-
2.1 Owned assets	1,545	-	1,930	-
- internally generated	-	-	-	-
- other	1,545	-	1,930	-
2.2 Right-of-use assets	-	-	-	-
Total 2	1,545	-	1,930	-
3. Assets under finance lease:	-	-	-	-
3.1 Assets for which the purchase option has not been exercised	-	-	-	-
3.2 Assets withdrawn after lease termination	-	-	-	-
3.3 Other assets	-	-	-	-
Total 3	-	-	-	-
Total (1+2+3)	1,545	-	1,930	-

Intangible assets mainly consist of software.

The parent carried out all the checks required by IAS 38 in order to recognise its software under intangible assets.

9.2 Intangible assets: changes

(€'000)	Total
A. Opening balance	1,930
B. Increases:	385
B.1 Purchases	385
B.2 Reversals of impairment losses	-
B.3 Fair value gains recognised in:	-
- equity	-
- profit or loss	-
B.4 Other increases	-
C. Decreases	(770)
C.1 Sales	-
C.2 Amortisation	(770)
C.3 Impairment losses recognised in:	-
- equity	-
- profit or loss	-
C.4 Fair value losses recognised in:	-
- equity	-
- profit or loss	-
C.5 Other decreases	-
D. Closing balance	1,545

9.3 Intangible assets: other disclosures

None.

Section 10 - Tax assets and liabilities - Caption 100 of assets and Caption 60 of liabilities

The average rates used to calculate deferred tax assets and liabilities are 27.5% for IRES (corporate income tax, Law no. 244 of 24 December 2007) and 5.57% for IRAP (regional tax on productive activities, Law no. 98 of 6 July 2006, converted into Law no. 111 of 15 July 2011) purposes.

The Stability Law for 2016 decreased the IRES rate from 27.5% to 24% starting from 1 January 2017. It also introduced an additional IRES tax of 3.5% for banks and financial companies, thus cancelling the effect of the reduction in the rate.

10.1 "Tax assets: current and deferred": breakdown

Breakdown of "Current tax assets"

The group recognised:

- an IRES and additional IRES asset of €527 thousand related to 2023, being the sum of the tax assets and advances paid in the SC/2024 tax return filed in 2024;
- withholdings of €54 thousand on interest on bank current accounts and commissions;
- an IRES liability of €1,037 thousand;
- an IRAP asset of €720 thousand related to 2023 being the sum of the tax assets and advances paid in the IRAP/2024 tax return filed in 2024;
- an IRAP liability of €1,081 thousand.

As the requirements of IAS 12 were met, the group offset the current tax assets and liabilities.

The group also recognised tax assets purchased from financial intermediaries and/or banks. These were originally the tax assets of taxpayers for construction projects, the costs of which were eligible for tax deductions ("superbonus" projects eligible for 110% deductions and other tax deductions arising from renovations) pursuant to Decree law no. 34/2020. The purchased tax assets total €4,452 thousand and will be used to offset tax and social security liabilities.

Breakdown of "Deferred tax assets"

(€'000)		IRES	IRAP	Other	31/12/2024	31/12/2023
A)	Through profit or loss					
	Impairment losses on loans and receivables deductible in future years	11,419	1,214	-	12,633	22,420
	Accruals and impairment losses deductible in future years	5,951	-	-	5,951	6,218
	Fair value gains and losses on financial assets and liabilities deductible in future years	-	-	-	-	-
	Deferred tax assets on intragroup gains eliminated during consolidation	-	-	-	-	-
	Personnel expense and accruals for post-employment benefits deductible in future years	-	-	-	-	-
	Impairment losses on equity investments deductible in future years	-	-	-	-	-
	Depreciation of investment property deductible in future years	-	-	-	-	-
	Other	3,114	327	-	3,441	3,240
Total A		20,484	1,541	-	22,025	31,878
B)	Through equity					
	Other	-	-	-	-	-
Total B		-	-	-	-	-
Total (A+B)		20,484	1,541	-	22,025	31,878

Deferred tax assets arise on costs that can be deducted in periods after that in which they are recognised.

10.2 "Tax liabilities: current and deferred": breakdown

Breakdown of "Current tax liabilities"

Reference should be made to the note in paragraph 10.1 "Tax assets: current and deferred: breakdown".

Breakdown of "Deferred tax liabilities"

Deferred tax liabilities arise on temporary differences between the tax base and carrying amount of assets and liabilities. This caption was nil at 31 December 2024.

10.3 Changes in deferred tax assets (recognised in profit or loss)

(€'000)	2024	2023
1 Opening balance	31,878	38,350
2 Increases	2,612	4,069
2.1 Deferred tax assets recognised in the year	2,612	4,069
a) related to previous years	-	-
b) due to changes in accounting policies	-	-
c) reversals of impairment losses	-	-
d) other	2,612	4,069
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3 Decreases	(12,465)	(10,541)
3.1 Deferred tax assets derecognised in the year	(12,465)	(10,541)
a) reversals	(12,465)	(10,541)
b) impairment due to non-recoverability	-	-
c) due to changes in accounting policies	-	-
d) other	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases	-	-
a) conversion into tax assets, including as per Law no. 214/2011	-	-
b) other	-	-
4 Closing balance	22,025	31,878

10.3.1 Change in deferred tax assets as per Law no. 214/2011 (recognised in profit or loss)

(€'000)	2024	2023
1. Opening balance	28,991	28,991
2. Increases	-	-
3. Decreases	(18,412)	-
3.1 Reversals	(17,115)	-
3.2 Conversion into tax assets	(1,297)	-
a) arising on the loss for the year	-	-
b) arising on tax losses	(1,297)	-
3.3 Other decreases	-	-
4. Closing balance	10,579	28,991

In 2024, the conditions were not met for the effective conversion of the deferred tax assets into tax assets, as the SC/2024 tax return for 2023 showed a tax loss due to the deferred deduction of the impairment of financial assets on which deferred tax assets had been recognised.
After filing the tax return on 31 October 2024, the parent converted the deferred tax assets into tax assets to use for offsetting against tax and social security liabilities for a total of €1,297 thousand.

At the reporting date, the parent has deferred tax assets that cannot be converted of €11,446 thousand (type 2 deferred tax assets). Their initial and subsequent recognition in the consolidated financial statements requires management's judgement about their recovery, which could be adversely affected by circumstances that management is not currently able to foresee, such as changes in the current tax laws, the macroeconomic scenario or the market that would require it to update the assumptions underlying its judgement.
Accordingly, the parent monitors the recoverability of its deferred tax assets that cannot be converted into tax assets on a regular basis.

As it performed the probability test at the reporting date, the group deems that the recoverability assumptions are met and, therefore, it can continue to recognise the deferred tax assets.

10.4 Changes in deferred tax liabilities (recognised in profit or loss)

None.

10.5 Changes in deferred tax assets (recognised in equity)

(€'000)	2024	2023
1 Opening balance	-	22
2 Increases	-	-
2.1 Deferred tax assets recognised in the year	-	-
a) related to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	-	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3 Decreases	-	(22)
3.1 Deferred tax assets derecognised in the year	-	(22)
a) reversals	-	(22)
b) impairment due to non-recoverability	-	-
c) due to changes in accounting policies	-	-
d) other	-	-
3.2 Decrease in tax rates	-	-
3.3 Other decreases	-	-
4 Closing balance	-	-

10.6 Changes in deferred tax liabilities (recognised in equity)

None.

Section 12 - Other assets - Caption 120

12.1 Other assets: breakdown

(€'000)	31/12/2024	31/12/2023
Tax assets (not classifiable in caption 100)	3,286	5,552
Tax assets (purchased)	4,561	6,678
Items in transit	2,286	3,437
Prepayments and accrued income (not classifiable in a specific caption)	7,373	5,745
Other	39,370	24,145
Total	56,876	45,557

"Tax assets (not classifiable in caption 100)" mainly refer to the 2013, 2016, 2017, 2018 and 2020 VAT assets claimed for reimbursement (€3,286 thousand).

In December 2021, tax assets were purchased from financial intermediaries and/or banks. These were originally the tax assets of taxpayers for construction projects, the costs of which were eligible for tax deductions ("superbonus" projects eligible for 110% deductions and other tax deductions arising from renovations) pursuant to Decree law no. 34/2020.

The purchased tax assets total €11,130 thousand and were/will be used to offset tax and social security liabilities of €2,226 thousand in 2022 and the subsequent four years.
After the above-mentioned offsetting, they amount to €4,452 thousand.

“Items in transit” relate to costs that have still to be allocated to the specific captions at year end. The increase is mostly due to leases agreed towards the end of the year.
These items were allocated to the specific captions in the first few months of 2025.

“Prepayments and accrued income (not classifiable in a specific caption)” mostly consist of:

- prepaid insurance premiums of €5,336 thousand on leases;
- prepaid insurance premiums of €4 thousand on loans.

“Other” chiefly includes amounts due from suppliers for advances on leases.

LIABILITIES

Section 1 - Financial liabilities at amortised cost - Caption 10

1.1 Financial liabilities at amortised cost: breakdown by product

(€'000)	31/12/2024			31/12/2023		
	due to banks	due to financial companies	due to customers	due to banks	due to financial companies	due to customers
1. Financing	2,897,327	37,671	-	2,619,972	103,547	-
1.1 Repurchase agreements	512,435	-	-	359,323	-	-
1.2 Other loans and borrowings	2,384,892	37,671	-	2,260,649	103,547	-
2. Lease liabilities	6	-	801	54	-	8,285
3. Other liabilities	2,569	1,122	14,704	2,382	1,518	21,459
Total	2,899,902	38,793	15,505	2,622,408	105,065	29,744
Fair value - level 1	-	-	-	-	-	-
Fair value - level 2	-	-	-	-	-	-
Fair value - level 3	2,899,902	38,793	15,505	2,622,408	105,065	29,744
Total fair value	2,899,902	38,793	15,505	2,622,408	105,065	29,744

The "Other loans and borrowings" line of the "Due to banks" column includes:
- current account facilities of €2,075,860 thousand;
- bank deposits of €79,914 thousand (including accrued expenses of €1,144 thousand);
- current loans of €229,118 thousand;

Due to banks mostly comprises current amount facilities. The majority of the group's liabilities are with the parent's shareholder banks that have communicated their intention of providing it with regular liquidity flows.

The "Other liabilities" line of the "Due to customers" column mainly relates to lease prepayments in connection with the group's leases.

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

(€'000)	Total				Total			
	31/12/2024				31/12/2023			
	CA	Fair value			CA	Fair value		
		L1	L2	L3		L1	L2	L3
1. Securities								
1. bonds:	-	-	-	-	-	-	-	-
1.1 structured	-	-	-	-	-	-	-	-
1.2 other	-	-	-	-	-	-	-	-
2. other securities:	1,659,900	-	-	1,659,900	1,931,073	-	-	1,931,073
2.1 structured	-	-	-	-	-	-	-	-
2.2 other	1,659,900	-	-	1,659,900	1,931,073	-	-	1,931,073
Total	1,659,900	-	-	1,659,900	1,931,073	-	-	1,931,073

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

"Other securities" consist of:

- notes of €353,725 thousand issued as part of the securitisation organised by Alba 6 SPV S.r.l.;
- notes of €37,572 thousand issued as part of the securitisation organised by Alba 11 SPV S.r.l.;
- notes of €266,545 thousand issued as part of the securitisation organised by Alba 12 SPV S.r.l.;
- notes of €531,871 thousand issued as part of the securitisation organised by Alba 13 SPV S.r.l.;
- notes of €470,187 thousand issued as part of the securitisation organised by Alba 14 SPV S.r.l..

1.3 Subordinated liabilities and securities

None.

1.4 Structured liabilities

None.

1.5 Finance lease liabilities

These include the securitisations performed by the parent and recognised in accordance with IFRS 16.

Section 4 - Hedging derivatives – Caption 40

4.1 Hedging derivatives: breakdown by type of hedge and fair value level

(€'000)	NA at 31/12/2024	Fair value at 31/12/2024			NA at 31/12/2023	Fair value at 31/12/2023		
		L1	L2	L3		L1	L2	L3
A. Financial derivatives	97,416	-	380	-	-	-	-	-
1) Fair value	97,416	-	380	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
3) Investments in foreign operations	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	97,416	-	380	-	-	-	-	-

Key:
NA = Notional amount
L1 = Level 1
L2 = Level 2
L3 = Level 3

4.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

(€'000)	Fair value							Cash flows		Investments in foreign operations
	Micro-hedging						Macro-hedging	Micro-hedging	Macro-hedging	
	debt instruments and interest rates	equity instruments and share indexes	currencies and gold	credit	commodities	other				
1. Financial assets at fair value through other comprehensive income	-	-	-	-	X	-	-	-	-	-
2. Financial assets at amortised cost	-	X	-	380	X	X	X	-	X	X
3. Portfolios	X	X	X	X	X	X	-	X	-	X
4. Other	-	-	-	-	-	-	X	-	X	-
Total assets	-	-	-	380	-	-	-	-	-	-
1. Financial liabilities	-	X	-	-	-	-	X	-	X	X
2. Portfolios	X	X	X	X	X	X	-	X	-	X
Total liabilities	-	-	-	-	-	-	-	-	-	-
1. Forecast transactions	X	X	X	X	X	X	X	-	X	X
2. Portfolios of financial assets and liabilities	X	X	X	X	X	X	-	X	-	-

Section 6 - Tax liabilities - Caption 60

See section 10 – “Tax assets and liabilities” under Assets.

Section 8 - Other liabilities - Caption 80

8.1 Other liabilities: breakdown

(€'000)	31/12/2024	31/12/2023
Tax liabilities to be paid on behalf of third parties	6,854	4,953
Amounts due to employees	10,784	16,137
Amounts due to statutory auditors and directors	195	327
Amounts due to social security institutions	1,095	1,153
Trade payables	168,425	156,838
Other items in transit	6,736	5,170
Accrued expenses and deferred income (not classifiable in a specific caption)	17,113	18,346
Other	6,277	10,046
Total	217,479	212,970

“Tax liabilities for amounts to be paid on behalf of third parties” mostly include VAT liabilities settled on 16 January 2025.

“Amounts due to employees” include payables for accrued holidays and other leave of €3,982 thousand. Moreover, the caption includes provisions for the extension of the pension fund for employees who will vest the right to retire by 31 December 2028.

“Amounts due to statutory auditors and directors” refer to the statutory auditors’ fees outstanding at year end.

“Trade payables” mainly relate to leases signed with suppliers.

“Accrued expenses and deferred income (not classifiable in a specific caption)” principally comprise:

- accrued insurance premiums of €7,490 thousand;
- other accrued expenses and deferred income of €9,623 thousand.

Section 9 - Post-employment benefits - Caption 90

9.1 Post-employment benefits: changes

(€'000)	2024	2023
A. Opening balance	1,741	2,052
B. Increases	57	33
B1. Accruals	38	33
B2. Other increases	19	-
C. Decreases	(252)	(344)
C1. Payments	(252)	(322)
C2. Other decreases	-	(22)
D. Closing balance	1,546	1,741

This caption was measured considering the provisions of Law no. 296 of 27 December 2006 (the 2007 Finance Act). Specifically, the calculation was based on the fact that companies with more than 50 employees are required to transfer the entire post-employment benefits of its employees to the special INPS (the Italian social security institution) treasury fund if the employees did not exercise the option to transfer these benefits to supplementary pension funds.

As a result:

- the benefits accruing after 1 January 2007 by employees who opted for the treasury fund and from the month after the option to transfer them to the supplementary pension funds was exercised classify as defined contribution plans and do not require to be calculated by an actuary. This is also true for the benefits of all the employees hired after 31 December 2006, regardless of where they chose to transfer them;
- the benefits vested up to 31 December 2006 continue to be treated as a defined benefit plan as they have fully vested.

Starting from 1 January 2019, the age requirement to become eligible for a pension is 67 years as a result of the mechanism that adjusts the retirement age to changes in life expectancy.
The projection was developed considering the regulations on early pensions whereby workers may be eligible for pensions under the compulsory system after having paid contributions for 42 years and 10 months (men) or 41 years and 10 months (women).

Actuarial assumptions
The group considered the following in its actuarial model:

- legislative parameters: laws and their interpretations;
- demographic factors: the ISTAT (Italian Institute of Statistics) 2020 table for assumptions about death rates and the INPS table for commercial sector employees for disability assumptions (projected to 2010);
- economic parameters: the 2025-2027 macroeconomic projections for the Italian economy prepared by Bank of Italy's staff as part of the Eurosystem coordinated exercise for the inflation rate.
  The projections foresee the following development:

Year	Inflation rate
2025	1.50%
2026	1.50%
2027	2.00%

  After 2027, the group assumed that the inflation rate remained constant at the 2027 rate.
  The legal revaluation of post-employment benefits is based on a mechanism that provides for an annual capitalisation rate equal to 75% of the growth rate plus 1.5%;
- financial parameters: the parameter used is the yields on corporate notes of issuers with an AA rating, denominated in Euro as reported by LSEG – Refinitiv at the reporting date (see the table below). For maturities after the thirtieth year, the group assumed a flat interest rate maturity curve, i.e., with rates all equal to the rate for the thirtieth year.
  The equivalent average interest rate has decreased on the valuation at the previous year end, with that expressed by the curve at 31 December 2023 being 3.10% and the average interest rate at the reporting date coming to 2.97%, down 13 basis points on the previous annual valuation.

Euro-denominated corporate note yields of AA issuers, as reported by LSEG – Refinitiv on 31 December 2024:

Year	AA corp. curve 31/12/2024	Year	AA corp. curve 31/12/2024
1	2.640%	16	3.337%
2	2.607%	17	3.358%
3	2.684%	18	3.380%
4	2.754%	19	3.401%
5	2.821%	20	3.423%
6	2.890%	21	3.423%
7	2.967%	22	3.422%
8	3.038%	23	3.422%
9	3.094%	24	3.421%
10	3.137%	25	3.421%
11	3.173%	26	3.395%
12	3.208%	27	3.369%
13	3.244%	28	3.342%
14	3.279%	29	3.316%
15	3.315%	30	3.290%

9.2 Other information

None.

Section 10 - Provisions for risks and charges - Caption 100

10.1 Provisions for risks and charges: breakdown

(€'000)	31/12/2024	31/12/2023
1. Loan commitments and financial guarantees given	8,339	6,404
2. Other commitments and other guarantees	-	-
3. Pension and similar provisions	-	-
4. Other provisions	3,837	2,785
4.1 legal and tax disputes	2,811	2,074
4.2 personnel expense	-	-
4.3 other	1,026	711
Total	12,176	9,189

The following should be noted with respect to the tax disputes:
1) on 23 October 2018, the large taxpayers office of the Lombardy regional tax department sent VAT assessment notice no. TMB066Z00645 for 2013 assessing higher VAT, fines and interest of €237 thousand as a result of its audit and request for documentation in relation to the parent's 2013, 2016 and 2017 VAT assets claimed for reimbursement. The office challenged the incorrect invoicing for a lease of real estate. Specifically, the parent had received the correct statement of intent and had applied the non-taxable regime to its invoices as per article 8.1.c of Presidential decree no. 633/72. On 17 November 2020, the Lombardy Regional Tax Commission rejected the parent's appeal. The parent subsequently appealed against the Lombardy Regional Tax Commission's decision before the Supreme Court. Having considered the assumptions underlying the tax authorities' claims and in light of the recent change in EU and Italian jurisprudence, under which leases no longer qualify as the provision of services and based on the opinion expressed by the parent's lawyers, the risk of losing the case has been ranked as "probable". However, pending a ruling, the

parent paid the entire assessed amounts. Accordingly, the group did not deem it necessary to make any provision;

2) on 23 September 2024, the large taxpayers office of the Lombardy regional tax department served assessment notice no. TMB064C00045/2024 for the 2018 VAT, assessing higher taxes, fines and interest of €46.3 thousand. The office challenged the misapplication of VAT to two leases for MRI machines. Specifically, the parent allegedly applied the subsidised rate of 10% rather than normal rate of 22%. At the date of preparation of this report, the parent is assessing the most appropriate steps to be taken with its advisors. Accordingly, the group did not deem it necessary to make any provision;

3) on 5 May 2023, the local office Roma 1 - Trastevere of the Provincial I Rome unit of the tax authorities served a payment notice for higher taxes, fines and interest of €555 thousand after completing its inspection of the deed registered online on 27 July 2020, for the sale of a shield TBM. The tax office contested the non-payment of the registration tax on a number of provisions included in the deed related to services with a pecuniary content. Although the tax liability is assigned to the company that bought the asset by contract, all contractual parties are jointly and severally liable to the tax authorities as specifically provided for by law. The amounts were paid provisionally by the buyer, which also appealed against the payment notice. After consulting its advisors, the parent filed an appeal on 4 July 2023 in order to better protect its position and avoid the enforcement of the payment notice against it. A date for the hearing was set on 15 January 2024 and the parent preliminary requested the hearings of the appeals made by it and Rete Ferroviaria Italiana S.p.A. be joined as a streamlined procedure under article 29.2 of Legislative decree no. 546/92. On 17 January 2024, the first level tax court in Rome notified the following order: "The court transmits the acts of the proceedings to the presiding judge in order to verify the existence of the conditions for the joinder of this proceeding (subsequent) with no. 9428/23 (previous) assigned to section 30".

Upon granting the request, the joined appeals were set for hearing on 6 June 2024 and the case was discussed. Section 18 of the Rome tax court issued its first level ruling no. 12296/2024, filed on 8 October 2024, partially upholding the joined appeals, declaring that only the registration tax of €261 thousand was owed by the appellants jointly and severally, and ordering each party to bear its own costs. The parent is assessing the most appropriate steps to be taken with its advisors and the advisors of those jointly liable. Accordingly, the group did not deem it necessary to make any provision;

4) on 12 July 2023, the unit that manages proceedings related to tax revenue, part of the Municipality of Rome's department of economic resources, served assessment notices for TASI (local tax on indivisible services) relating to 2018 and 2019, assessing higher taxes, fines and interest of €25 thousand. Subsequently, on 21 July 2023, the same municipality served assessment notices for IMU (local property tax) relating to 2017, 2018 and 2019, assessing higher taxes, fines and interest of €747 thousand. The tax assessments relate to buildings:

- under leases that are still in place, which the parent is not required to pay tax on in the years covered by the tax assessments, as Italian law provides that these taxes should be paid by the lessees;
- returned to Alba Leasing S.p.A. following termination of the lease for breach of contract, on which the lessor is required to pay tax in the years covered by the tax assessments, but the assessed tax is based on incorrect cadastral notional income.

After having consulted its professional advisors, the parent filed its appeals against the TASI and IMU assessments on 10 and 19 October 2023, respectively. The appeals are currently pending before the first level tax court in Rome.

The parent recognised a provision of €332 thousand to cover the risk arising from the tax dispute with the Municipality of Rome. A date for the hearing of the IMU appeal has not yet been fixed while the parent filed the TASI appeal on 10 October 2023 and discussed it on 23 September 2024, obtaining the annulment of the related assessments;

5) on 15 March 2024, the Municipality of Catania notified via certified email assessment notice no. 62711 of 30 December 2023 for the 2018 IMU, assessing higher taxes, fines and interest of €327 thousand. The parent immediately noted that the tax assessments relate to

buildings that are mostly under lease. Specifically, there are four types of property units located in the municipality of Catania:

- units under leases that are still in place, which the parent is not required to pay tax on in the years covered by the tax assessments, as Italian law provides that these taxes should be paid by the lessees;
- units under leases that are no longer in place as the lessees exercised their purchase options in years subsequent to that covered by the tax assessment, for which the parent is not required to pay tax;
- units under leases that are no longer in place due to the lessees' default in years subsequent to that covered by the tax assessment, for which the parent is not required to pay tax;
- units under leases transferred to the lessees prior to the year covered by the tax assessment, for which the parent is not required to pay tax.

Therefore, on 14 May 2024, the parent filed an appeal against this notice. A date for the hearing has not yet been fixed.

The parent recognised a provision of €332 thousand to cover the risk arising from the IMU dispute with the municipalities of Rome and Catania.

10.2 Provisions for risks and charges: changes

(€'000)	Other commitments and other guarantees	Pension and similar provisions	Other provisions	Total
A. Opening balance	6,404	-	2,785	9,189
B. Increases	6,354	-	1,490	7,844
B.1 Accruals	6,354	-	1,490	7,844
B.2 Discounting	-	-	-	-
B.3 Changes in discount rate	-	-	-	-
B.4 Other increases	-	-	-	-
C. Decreases	(4,419)	-	(438)	(4,857)
C.1 Utilisations	-	-	(438)	(438)
C.2 Changes in discount rate	-	-	-	-
C.3 Other decreases	(4,419)	-	-	(4,419)
D. Closing balance	8,339	-	3,837	12,176

The decreases in "Other commitments and other guarantees" are mainly due to disbursements, while increases refer to new commitments that arose in the year.
Changes in "Other provisions" relate to normal risk management.

10.3 Provisions for credit risk associated with loan commitments and financial guarantees given

(€'000)	Loan commitments and financial guarantees given				
	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired financial assets	Total
1. Loan commitments	614	3,017	4,708	-	8,339
2. Financial guarantees given	-	-	-	-	-
Total	614	3,017	4,708	-	8,339

The stage 3 balance is mainly due to a risk relating to a construction lease with a customer that has solvency issues.

10.4 Provisions for other commitments and other guarantees given

None.

10.5 Defined benefit pension and similar provisions

None.

10.6 Other provisions

None.

Section 11 - Equity - Captions 110, 120, 130, 140, 150, 160 and 170

11.1 Share capital: breakdown

	Amount
1. Share capital	
1.1 Ordinary shares	357,953
1.2 Other shares	-

The parent's fully subscribed and paid-up share capital of €357,953,058.37 comprises 353,450,000 shares without a par value.

11.2 Treasury shares: breakdown

None.

11.3 Equity instruments: breakdown

None.

11.4 Share premium: breakdown

	Amount
Share premium	105,000

On 30 November 2009, in their extraordinary meeting, the shareholders resolved to increase the parent's share capital against payment by a nominal €250,000 thousand with a share premium of €105,000 thousand.

11.5 Other information

Availability and possible distribution of equity captions

	Amount	Possible use	Available portion
Share capital	**357,953**		
Equity-related reserves			
Reserve for treasury shares	-	---	
Share premium	105,000	A,B	-
Income-related reserves			
Legal reserve	2,872	B	
Extraordinary reserve	-		
Losses carried forward	(28,341)	---	
Other reserves	(161)	---	
Profit for the year	**20,098**		
Total	**457,421**		**-**
Residual distributable portion	**-**		

Key:
A: share capital increases
B: to cover losses
C: dividend distribution

In accordance with article 2431 of the Italian Civil Code, the share premium can only be distributed to the shareholders when the legal reserve equals 20% of share capital. As this requirement is not met, it cannot be distributed.

Other information

1. Loan commitments and financial guarantees given (other than those designated at fair value)

(€'000)	Nominal amount of loan commitments and financial guarantees given				Total at 31/12/2024	Total at 31/12/2023
	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired financial assets		
1. Loan commitments	**546,645**	**322,876**	**11,337**	**-**	**880,858**	**744,818**
a) Public administrations	-	-	-	-	-	-
b) Banks	257	-	-	-	257	-
c) Other financial companies	58,449	2,277	-	-	60,726	13,071
d) Non-financial companies	470,855	316,439	11,337	-	798,631	721,897
e) Households	17,084	4,160	-	-	21,244	9,850
2. Financial guarantees given	**-**	**-**	**-**	**-**	**-**	**-**
a) Public administrations	-	-	-	-	-	-
b) Banks	-	-	-	-	-	-
c) Other financial companies	-	-	-	-	-	-
d) Non-financial companies	-	-	-	-	-	-
e) Households	-	-	-	-	-	-

The above table shows both revocable and firm loan commitments.

2. Other commitments and other guarantees given

None.

3. Offset financial assets or assets subject to master netting agreements or similar agreements

None.

4. Offset financial liabilities or liabilities subject to master netting agreements or similar agreements

None.

5. Securities lending

None.

6. Jointly controlled assets

None.

Part C - Notes to the income statement

(€'000)

Section 1 - Interest - Captions 10 and 20

1.1 Interest and similar income: breakdown

(€'000)	Debt instruments	Financing	Other	2024	2023
1. Financial assets at fair value through profit or loss	-	-	-	-	-
1.1. Held for trading	-	-	-	-	-
1.2. Designated at fair value	-	-	-	-	-
1.3. Mandatorily measured at fair value	-	-	-	-	-
2. Financial assets at fair value through other comprehensive income	-	-	X	-	-
3. Financial assets at amortised cost					
3.1 Loans and receivables with banks	-	9,925	X	9,925	9,499
3.2 Loans and receivables with financial companies	946	2,785	X	3,731	4,009
3.3 Loans and receivables with customers	4	283,555	X	283,559	270,058
4. Hedging derivatives	X	X	1,105	1,105	-
5. Other assets	X	X	1,388	1,388	712
6. Financial liabilities	X	X	X	X	X
Total	950	296,265	2,493	299,708	284,278
including: interest income on non-performing financial assets	-	-	-	-	-
including: interest income on leases	X	284,897	X	284,897	271,377

"Financing" mostly consists of:
- interest income of €284,897 thousand on finance leases;
- interest income of €1,086 thousand on mortgage loans and other financing.

"Other" includes interest accrued on VAT assets claimed for reimbursement (€6 thousand) and on purchased tax assets (€181 thousand).

Interest accrued on non-performing exposures amounts to €9,394 thousand (including €1,075 thousand due to discounting).

1.2 Interest and similar income: other information

None.

1.3 Interest and similar expense: breakdown

(€'000)	Financial liabilities	Securities	Other	2024	2023
1. Financial liabilities at amortised cost					
1.1 Due to banks	115,461	X	100	115,561	107,011
1.2 Due to financial companies	4,229	X	75	4,304	4,330
1.3 Due to customers	16	X	21	37	19
1.4 Securities issued	X	86,396	-	86,396	77,672
2. Financial liabilities held for trading	-	-	-	-	-
3. Financial liabilities designated at fair value	-	-	-	-	-
4. Other liabilities	X	X	29	29	136
5. Hedging derivatives	X	X	576	576	-
6. Financial assets	X	X	X	X	X
Total	119,706	86,396	801	206,903	189,168
including: interest expense on lease liabilities	86	X	X	86	179

"Due to banks" mostly comprises:

- interest expense of €82,753 thousand on current accounts;
- interest expense and borrowing costs of €9,373 thousand on loans;
- interest expense of €3,355 thousand on term deposits;
- interest expense of €19,980 thousand on repurchase agreements entered into for the securitisation notes.

"Securities" of €86,396 thousand consist of interest and other financial expense on the group's securitisations.

1.4 Interest and similar expense: other information

None.

Section 2 - Fees and commissions - Captions 40 and 50

2.1 Fee and commission income: breakdown

(€'000)	2024	2023
a) leases	31,696	31,363
b) factoring transactions	-	-
c) consumer credit	-	-
d) financial guarantees given	-	-
e) services:		
- fund management on behalf of third parties	-	-
- forex trading	-	-
- product distribution	-	-
- other	-	-
f) collection and payment services	-	-
g) servicing of securitisations	29	26
h) other fees and commissions	70	112
Total	31,795	31,501

"Leases" mainly comprise:

- commissions of €13,853 thousand on insurance premiums;
- contract management fees of €16,861 thousand.

2.2 Fee and commission expense: breakdown

(€'000)	2024	2023
a) guarantees received	388	544
b) distribution of services by third parties	-	-
c) collection and payment services	342	335
d) other fees and commissions	21,009	23,596
- leases	20,158	23,034
- other	851	562
Total	21,739	24,475

"Other fees and commissions: leases" mostly consist of:

- product distribution costs of €3,707 thousand;
- insurance costs of €7,844 thousand;
- contract management costs of €6,342 thousand.

"Other fees and commissions: other" consist of costs incurred on other financing for the group's securitisations during the year.

Section 3 - Dividends and similar income - Caption 70

3.1 Dividends and similar income: breakdown

Dividends and similar income amount to €484. Since it is below €1,000, the related table required by the applicable regulations has not been presented.

Section 5 - Net hedging income - Caption 90

5.1. Net hedging income: breakdown

(€'000)	2024	2023
A. Income on:		
A.1 Fair value hedging derivatives	-	-
A.2 Fair value hedged assets	414	-
A.3 Fair value hedged liabilities	-	-
A.4 Cash flow hedging derivatives	-	-
A.5 Other	-	-
Total hedging income (A)	414	-
B. Expense on:		
B.1 Fair value hedging derivatives	(380)	-
B.2 Fair value hedged assets	-	-
B.3 Fair value hedged liabilities	-	-
B.4 Cash flow hedging derivatives	-	-
B.5 Other	-	-
Total hedging expense (B)	(380)	-
C. Net hedging income (A - B)	34	-
including: net hedging income (expense) on net positions	-	-

Section 6 - Net losses on disposal or repurchase - Caption 100

6.1 Net losses on disposal/repurchase: breakdown

(€'000)	2024			2023		
	Gains	Losses	Net losses	Gains	Losses	Net losses
A. Financial assets						
1. Financial assets at amortised cost	-	(853)	(853)	-	(1,549)	(1,549)
1.1 Loans and receivables with banks	-	-	-	-	-	-
1.2 Loans and receivables with financial companies	-	-	-	-	-	-
1.3 Loans and receivables with customers	-	(853)	(853)	-	(1,549)	(1,549)
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
2.1 Debt instruments	-	-	-	-	-	-
2.2 Financing	-	-	-	-	-	-
Total assets (A)	-	(853)	(853)	-	(1,549)	(1,549)
B. Financial liabilities at amortised cost						
1. Due to banks	-	-	-	-	-	-
2. Due to financial companies	-	-	-	-	-	-
3. Due to customers	-	-	-	-	-	-
4. Securities issued	-	-	-	-	-	-
Total liabilities (B)	-	-	-	-	-	-

Losses of €853 thousand relate to the transfer of the portfolio of non-performing exposures arising from leases with a gross carrying amount of roughly €23.6 million for a price of €922 thousand in the second half of 2024.

Section 7 - Net gains on other financial assets and liabilities at fair value through profit or loss - Caption 110

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

(€'000)	Unrealised gains (A)	Realised gains (B)	Unrealised losses (C)	Realised losses (D)	Net gains ((A+B)-(C+D))
1. Financial assets	-	3	-	-	3
1.1 Debt instruments	-	-	-	-	-
1.2. Equity instruments	-	3	-	-	3
1.3 OEIC units	-	-	-	-	-
1.4 Financing	-	-	-	-	-
2. Foreign currency financial assets: exchange gains (losses)	X	X	X	X	-
Total	-	3	-	-	3

Section 8 - Net impairment losses for credit risk - Caption 130

8.1 Net impairment losses for credit risk associated with financial assets at amortised cost: breakdown

(€'000)	Impairment losses (1)						Impairment gains (2)				2024	2023
	Stage 1	Stage 2	Stage 3		Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
			Write-offs	Other	Write-offs	Other						
1. Loans and receivables with banks	-	-	(1)	(6)	-	-	-	-	8	-	1	(2)
- leases	-	-	(1)	(6)	-	-	-	-	8	-	1	-
- factoring	-	-	-	-	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-	-	-	-	(2)
2. Loans and receivables with financial companies	(201)	(621)	(312)	(52)	-	-	1,324	273	39	-	450	(1,346)
- leases	(191)	(621)	(312)	(52)	-	-	1,320	273	39	-	456	(1,339)
- factoring	-	-	-	-	-	-	-	-	-	-	-	-
- other	(10)	-	-	-	-	-	4	-	-	-	(6)	(7)
3. Loans and receivables with customers	(39,285)	(58,558)	(1,099)	(86,843)	-	-	54,378	46,445	62,008	-	(22,954)	(20,512)
- leases	(38,502)	(51,854)	(1,099)	(77,151)	-	-	53,653	42,946	54,148	-	(17,859)	(12,568)
- factoring	-	-	-	-	-	-	-	-	-	-	-	-
- consumer credit	-	-	-	-	-	-	-	-	-	-	-	-
- loans against pledges	-	-	-	-	-	-	-	-	-	-	-	-
- other	(783)	(6,704)	-	(9,692)	-	-	725	3,499	7,860	-	(5,095)	(7,944)
Total	**(39,486)**	**(59,179)**	**(1,412)**	**(86,901)**	**-**	**-**	**55,702**	**46,718**	**62,055**	**-**	**(22,503)**	**(21,860)**

The caption shows a cost of risk (including write-offs) of approximately 0.44% and includes net impairment losses of €26.3 million (stage 3) and net impairment gains of €3.8 million (stages 1 and 2).
As shown in table "2. Breakdown of financial assets by portfolio and credit quality (gross and carrying amounts)" in Section 3 - Risks and related hedging policies" of Part D, total non-performing exposures decreased from €247 million at 31 December 2023 to €238 million at the reporting date.
The decrease is mainly due to the transfer of a portfolio of non-performing exposures arising from leases in the second half of 2024. Reference should be made to "Part A – Accounting policies – A.1 General part - Section 4 – Other aspects" for additional details.
Performing exposures increased from €4,889 million at the end of 2023 to €4,931 million at 31 December 2024.

In 2024, the LGD was calculated in accordance with IFRS 9 based on: i) historical losses (the workout) and ii) the forward-looking statistical and macroeconomic component, to ensure the portfolio risk fully considered also external variables. Specifically, the approach used considered the calculation of:

- the nominal loss rates (workout approach) of the non-performing exposures ("LGS", i.e., positions for which the collection procedures have been completed or are still ongoing after more than ten years, including those that have been reclassified as performing) and positions classified as unlikely to pay/past due ("LGI" - loss given impairment). To this end, the group used the data reported to Bank of Italy in the specific supervisory report, calculated according to the method set out in the central bank's circular no. 284 of 18 June 2013 (Instructions for the preparation of reports on losses historically recognised on defaulting positions, as amended);
- the statistical variables, including the danger rate, to supplement, based on the risk trend, the nominal loss rates calculated as per the previous point and reflect the macroeconomic trends over the subsequent three years (forward looking);
- the LGD for each macro-product using that calculated in the previous two points using an ad hoc formula.

Given the continuation of a geopolitical risk and consequent economic slowdown, the group decided to take a prudent approach when estimating credit losses on the performing loans of the most risky customers, by applying overlays, such as:

i) geopolitical risk watch list, in order to determine a forced reclassification of exposures from stage 1 to stage 2, based on the following variables: (i) industry risk, (ii) customers' internal performance ratings and (iii) customers' forward-looking risk;
ii) add-ons applied to exposures deemed riskier (based on performance ratings and forward-looking assessments). For these customers, it adjusted impairment estimates by applying overlays that were set using the appropriate methods.

No impairment gains or losses for credit risk were recognised on "Cash and cash equivalents" based on the necessary assessments.

8.2 Net impairment losses for credit risk associated with financial assets at fair value through other comprehensive income: breakdown

None.

Section 9 - Net modification losses - Caption 140

9.1 Net modification losses: breakdown

(€'000)	2024	2023
Net modification gains (losses)	(58)	93
Total	(58)	93

Where cash flows are remodulated or changed as a result of a customer's difficulty in maintaining its creditworthiness (based on an assessment by the competent group units), the gross carrying amount of the financial asset is modified through profit or loss.

Section 10 - Administrative expenses - Caption 160

10.1 Personnel expense: breakdown

(€'000)	2024	2023
1. Employees	26,969	25,733
a) wages and salaries	18,609	17,912
b) social security charges	5,481	5,184
c) post-employment benefits	101	97
d) pension costs	-	-
e) accrual for post-employment benefits	49	70
f) provision for pensions and similar obligations:	-	-
- defined contribution plans	-	-
- defined benefit plans	-	-
g) payments to external supplementary pension funds:	1,554	1,385
- defined contribution plans	1,554	1,385
- defined benefit plans	-	-
h) other employee benefits	1,175	1,085
2. Other personnel	156	95
3. Directors and statutory auditors	632	664
4. Retired personnel	(68)	4,661
5. Cost recoveries for personnel seconded to other companies	-	-
6. Cost reimbursements for personnel seconded to the parent	-	-
Total	27,689	31,153

"Other personnel" refers to consultants.

The caption "Directors and statutory auditors" includes:
- the directors' fees of €311 thousand;
- the statutory auditors' fees of €190 thousand;
- D&O liability insurance policies for the directors and statutory auditors of €131 thousand.

Law decree no. 34/2019, converted into Law no. 58 of 28 June 2019, amended the disclosure requirements for recipients of public funds (Transparency of public aid) and the related disciplinary measures.
The Fondo Banche Assicurazioni (the Italian Bilateral Fund for Lifelong Learning in Banking and Insurance) did not reimburse any costs to the group in the year.

10.2 Average number of employees by category

	2024	2023
Employees	260	261
a) managers	10	10
b) junior managers	138	139
c) other employees	112	112
Other personnel	-	-
Total	260	261

10.3 Other administrative expenses: breakdown

(€'000)	2024	2023
a) building management costs:	843	1,007
- premises leases and maintenance	644	828
- cleaning costs	145	128
- utilities	54	51
b) indirect taxes and duties	527	824
c) postal, telephone, printing and other office costs	282	285
d) maintenance and costs for furniture, equipment and systems	1,438	1,325
e) professional and consultancy services	2,912	3,022
f) third party services	7,729	7,594
g) advertising, entertainment and gifts	1,279	436
h) insurance premiums	220	213
i) transport, hires and travel	759	794
l) other costs	1,219	1,732
Total	17,208	17,232

Section 11 - Net accruals to provisions for risks and charges - Caption 170

11.1 Net accruals for credit risk associated with loan commitments and financial guarantees given: breakdown

(€'000)	Accruals	Reversals	2024	2023
1. Loan commitments	(6,353)	4,419	(1,934)	(4,753)
2. Financial guarantees given	-	-	-	-
Total	(6,353)	4,419	(1,934)	(4,753)

11.2 Net accruals for other commitments and other guarantees given: breakdown

None.

11.3 Net accruals to other provisions for risks and charges: breakdown

(€'000)	Accruals	Reclassifications	2024	2023
1. Pension fund	-	X	-	-
2. Other provisions	(1,483)	-	(1,483)	(775)
a) legal disputes	(1,147)	-	(1,147)	(1,143)
b) personnel expense	-	-	-	-
c) other	(336)	-	(336)	368
Total	(1,483)	-	(1,483)	(775)

Section 12 - Depreciation and net impairment losses on property, equipment and investment property - Caption 180

12.1 Depreciation and net impairment losses on property, equipment and investment property: breakdown

(€'000)	Depreciation (a)	Impairment losses (b)	Reversals of impairment losses (c)	Carrying amount (a+b-c)
A. Property, equipment and investment property				
A.1 Used in operations	(1,557)	-	-	(1,557)
- Owned assets	(188)	-	-	(188)
- Right-of-use assets	(1,369)	-	-	(1,369)
A.2 Investment property	(401)	-	-	(401)
- Owned assets	(401)	-	-	(401)
- Right-of-use assets	-	-	-	-
A.3 Inventories	X	-	-	-
Total	(1,958)	-	-	(1,958)

Section 13 - Amortisation and net impairment losses on intangible assets - Caption 190

13.1 Amortisation and net impairment losses on intangible assets: breakdown

(€'000)	Amortisation (a)	Impairment losses (b)	Reversals of impairment losses (c)	Carrying amount (a+b-c)
1. Intangible assets other than goodwill	(769)	-	-	(769)
including: software	(769)	-	-	(769)
1.1 Owned assets	(769)	-	-	(769)
1.2. Right-of-use assets	-	-	-	-
2. Assets under finance lease	-	-	-	-
3. Assets under operating lease	-	-	-	-
Total	(769)	-	-	(769)

Section 14 - Other operating expenses, net - Caption 200

14.1 Other operating expense: breakdown

(€'000)	2024	2023
a) amortisation and depreciation of leasehold improvements	-	-
b) other	(7,782)	(7,688)
Total	(7,782)	(7,688)

14.2 Other operating income: breakdown

(€'000)	2024	2023
a) reimbursement of income taxes	44	48
b) recovery of expenses	570	548
c) other	6,100	3,876
Total	6,714	4,472

Section 18 - Net gains (losses) on sales of investments - Caption 250

18.1 Net gains on sales of investments: breakdown

(€'000)	2024	2023
A. Property	3,071	(81)
- Gains on sales	3,071	-
- Losses on sales	-	(81)
B. Other assets	6	-
- Gains on sales	9	-
- Losses on sales	(3)	-
Net gains (losses)	3,077	(81)

The caption mainly consists of gains and losses on the sale of assets that had been subject to finance leases.

Section 19 - Income taxes - Caption 270

19.1 Income taxes: breakdown

(€'000)		2024	2023
1.	Current taxes (-)	(1,082)	(713)
2.	Change in current taxes of previous years (+ / -)	-	(515)
3.	Decrease in current taxes for the year (+)	-	-
3.bis	Decrease in current taxes for the year due to tax assets as per Law no. 214/2011 (+)	(1,297)	-
4.	Change in deferred tax assets (+ / -)	(7,975)	(6,472)
5.	Change in deferred tax liabilities (+ / -)	-	-
6.	Income taxes (-) (-1 +/-2 +3 +3bis +/-4 +/-5)	(10,354)	(7,700)

The income taxes are an estimate of the tax expense for the year calculated using the ruling tax regulations.

19.2 Reconciliation between the theoretical and effective tax expense

The table provides a reconciliation between theoretical and effective tax rates and the income tax expense for the year.

(€'000)	Tax base	IRES	Tax base	IRAP
PRE-TAX PROFIT	30,453			
Theoretical tax expense		8,375		
Theoretical tax rate		27.50%		
OPERATING PROFIT			31,879	
Theoretical tax expense				1,776
Theoretical tax rate				5.57%
Taxable temporary differences				
Deductible temporary differences	9,437	2,595	(3)	-
Reversal of prior year temporary differences:				
Cancellation of taxable temporary differences				
Cancellation of deductible temporary differences	(39,115)	(10,757)	(14,615)	(815)
Permanent differences	(775)	(213)	2,184	121
IRES TAX BASE	-			
Effective IRES		-		
Effective tax rate		0.00%		
IRAP TAX BASE			19,445	
Effective IRAP				1,082
Effective tax rate				3.39%

Section 21 - Income statement: other information

21.1 Breakdown of interest income and fee and commission income

		Interest income			Fee and commission income			2024	2024
		Banks	Financial companies	Customers	Banks	Financial companies	Customers		
1.	Finance leases	3	2,785	282,109	2	755	30,939	316,593	302,740
	- real estate	-	2,656	122,057	-	123	5,849	130,685	120,024
	- chattels	1	129	149,889	-	113	24,940	175,072	175,356
	- plant and machinery	2	-	10,036	2	519	150	10,709	7,341
	- intangible assets	-	-	127	-	-	-	127	20
2.	Factoring	-	-	-	-	-	-	-	-
	- of existing loans and receivables	-	-	-	-	-	-	-	-
	- of future loans and receivables	-	-	-	-	-	-	-	-
	- of loans and receivables to which title has been acquired	-	-	-	-	-	-	-	-
	- of loans and receivables acquired at a price below	-	-	-	-	-	-	-	-
	their original amount	-	-	-	-	-	-	-	-
	- of other loans	-	-	-	-	-	-	-	-
3.	Consumer credit	-	-	-	-	-	-	-	-
	- personal loans	-	-	-	-	-	-	-	-
	- special purpose loans	-	-	-	-	-	-	-	-
	- salary-backed loans	-	-	-	-	-	-	-	-
4.	Loans against pledges	-	-	-	-	-	-	-	-
5.	Financial guarantees and loan commitments	-	-	-	-	-	-	-	-
	- commercial	-	-	-	-	-	-	-	-
	- financial	-	-	-	-	-	-	-	-
	Total	3	2,785	282,109	2	755	30,939	316,593	302,740

21.2 Other information

None.

Part D - Other information

Section 1 - The group's operations

A. Leases (lessor)

Qualitative disclosure

The lease contracts agreed by the parent provide for the transfer of the risks incidental to ownership of the leased asset to the lessee and, therefore, it manages the credit risk. Section 3.1 - Credit risk of this Part D provides more information in this respect.
With respect to the agreed leases, the underlying assets are all insured and the risk of the leased assets is therefore transferred to the insurance company.

A.1 – Information on the statement of financial position and income statement

Reference should be made to Part B (Notes to the statement of financial position - Section 4 - Financial assets at amortised cost) and Part C (Notes to the income statement - Section 1 - Interest - Caption 10) of these consolidated financial statements for information about net investments in the lease.

A.2 – Finance leases

A.2.1 - Maturity analysis of lease payments receivable and non-performing exposures. Reconciliation of lease payments receivable with net investment in the lease recognised under assets

The net investment in the lease is equal to the lease payments receivable (principal and interest) plus any unguaranteed residual value accruing to the lessor.

(€'000)	2024			2023		
	Lease payments receivable		Total	Lease payments receivable		Total
	Non-performing exposures	Performing exposures		Non-performing exposures	Performing exposures	
Up to 1 year	10,451	1,303,866	1,314,317	10,889	1,311,021	1,321,910
From 1 to 2 years	7,709	1,057,275	1,064,984	10,265	1,109,511	1,119,776
From 2 to 3 years	6,193	806,735	812,928	11,814	856,530	868,344
From 3 to 4 years	12,464	560,527	572,991	7,444	608,648	616,092
From 4 to 5 years	12,975	356,338	369,313	11,178	375,633	386,811
After 5 years	42,278	836,433	878,711	57,658	827,055	884,713
Total	**92,070**	**4,921,174**	**5,013,244**	**109,248**	**5,088,398**	**5,197,646**
Reconciliation						
Unearned financial income (-)	2,528	726,467		3,855	868,033	
Unguaranteed residual value (-)	42,844	421,694		44,577	431,867	
Net investment in the lease	132,386	4,616,401		149,970	4,652,232	

The balances are net of impairment losses.
The figures do not include balances for assets being readied for lease and not yet leased.

A.2.2 – Classification of net investments in the lease by quality and type of underlying asset

(€'000)	Performing		Non-performing	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
A. Real estate:	1,971,418	1,902,485	103,346	113,931
- Land	-	-	-	-
- Buildings	1,971,418	1,902,485	103,346	113,931
B. Plant and machinery	589,060	557,917	6,935	9,652
C. Chattels:	2,042,915	2,191,016	22,105	26,387
- Automotive	90,184	81,976	685	1,062
- Aviation and naval industry and railway	143,943	111,675	480	860
- Other	1,808,788	1,997,365	20,940	24,465
D. Intangible assets:	13,008	814	-	-
- Trademarks	-	-	-	-
- Software	-	-	-	-
- Other	13,008	814	-	-
Total	4,616,401	4,652,232	132,386	149,970

The balances are net of impairment losses.
The figures do not include balances for assets being readied for lease and not yet leased.

A.2.3 – Classification of assets under finance lease

(€'000)	Assets for which the purchase option has not been exercised		Assets withdrawn after lease termination		Other assets	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
A. Real estate	-	-	5,993	9,465	-	-
- Land	-	-	-	-	-	-
- Buildings	-	-	5,993	9,465	-	-
B. Plant and machinery	-	-	-	-	-	-
C. Chattels	-	-	-	-	-	-
- Automotive	-	-	-	-	-	-
- Aviation and naval industry and railway	-	-	-	-	-	-
- Other	-	-	-	-	-	-
D. Intangible assets:	-	-	-	-	-	-
- Trademarks	-	-	-	-	-	-
- Software	-	-	-	-	-	-
- Other	-	-	-	-	-	-
Total	-	-	5,993	9,465	-	-

A.2.4 - Other disclosures

The group's leases are nearly entirely all finance leases, agreed in line with the finance lease market practices.

Its income statement does not include significant variable payments (that depend on an index or a rate). The group mostly applies repayment plans that rematch the plan index to the reference index.

A.2.4.1 Leaseback transactions

	No. of contracts	Lease payments receivable 31/12/2024 *(€'000)*
Leaseback transactions		
- real estate	104	103,691
- plant and machinery	103	18,866
- chattels	298	5,826
- other	-	-
Total	505	128,383

A.3 – Operating leases

A.3.1 – Maturity analysis of lease payments receivable

(€'000)	31/12/2024 Lease payments receivable	31/12/2023 Lease payments receivable
Up to 1 year	36,036	28,426
From 1 to 2 years	28,837	21,426
From 2 to 3 years	22,718	16,052
From 3 to 4 years	16,689	12,358
From 4 to 5 years	9,916	9,155
After 5 years	6,777	6,425
Total	120,973	93,842

Reconciliation		
Unearned financial income (-)	9,978	5,183
Unguaranteed residual value (-)	-	-
Net investment in the lease	83,864	46,834

The balances are net of impairment losses and show the lease payments receivable including the purchase option value (more information is available in section A.3.2 – Other disclosures).

A.3.2 - Other disclosures

(€'000)	Performing						Non-performing			Total (carrying amount)
	Stage 1			Stage 2			Stage 3			
	Gross amount	Total impairment losses	Carrying amount	Gross amount	Total impairment losses	Carrying amount	Gross amount	Total impairment losses	Carrying amount	
Operating leases	92,155	170	91,985	16,414	1,388	15,026	2,785	2,500	285	107,296
Total at 31/12/2024	92,155	170	91,985	16,414	1,388	15,026	2,785	2,500	285	107,296
Total at 31/12/2023	70,063	119	69,944	15,312	2,211	13,101	2,172	1,353	819	83,864

Operating leases are presented as leases in the group's consolidated financial statements unless a different presentation is specifically required by Bank of Italy's measure of 17 November 2022 (Financial statements of IFRS intermediaries other than banks).
The operating leases entered into by the group have the following terms:

- purchases of the underlying assets may be made if the group already has a lease agreed with the customer;
- all risks and rewards of ownership of the leased asset are transferred to another party (e.g., the supplier of the assets) as well as the related obligations for the asset's maintenance and assistance;
- the supplier or other third party is obliged to repurchase the asset when the group cannot re-lease the asset upon termination of the lease term.

D. Loan commitments and financial guarantees given

D.1 – Collateral or personal guarantees given and loan commitments

(€'000)	31/12/2024	31/12/2023
1) First demand financial guarantees	-	-
a) Banks	-	-
b) Financial companies	-	-
c) Customers	-	-
2) Other financial guarantees given	-	-
a) Banks	-	-
b) Financial companies	-	-
c) Customers	-	-
3) Commercial guarantees given	-	-
a) Banks	-	-
b) Financial companies	-	-
c) Customers	-	-
4) Loan commitments	509,579	472,686
a) Banks	-	-
i) certain use	-	-
ii) uncertain use	-	-
b) Financial companies	13,423	6,765
i) certain use	13,423	6,765
ii) uncertain use	-	-
c) Customers	496,156	465,921
i) certain use	496,156	465,921
ii) uncertain use	-	-
5) Commitments underlying credit derivatives: protection sales	-	-
6) Assets pledged as collateral for third party commitments	-	-
7) Other firm commitments	-	-
a) to give guarantees	-	-
b) other	-	-
Total	509,579	472,686

The above table shows only loan commitments.

D.2 – Loans recognised due to enforcement

None.

D.3 – Collateral or personal guarantees given: range of risk taken on and quality

None.

D.4 - Collateral or personal guarantees given: counter-guarantees

None.

D.6 - Collateral or personal guarantees given with assumption of first risk losses or mezzanine type risk: amount of underlying assets

None.

D.7 - Collateral or personal guarantees given under enforcement: stock data

None.

D.8 - Collateral or personal guarantees given under enforcement: flow data

None.

D.9 - Variations in non-performing collateral or personal guarantees given: bad guarantees

None.

D.10 - Variation in non-performing collateral or personal guarantees given: other

None.

D.11 - Variations in performing collateral or personal guarantees given

None.

D.13 Assets pledged as guarantee for liabilities and commitments

None.

D.15 - Breakdown of collateral or personal guarantees given by business sector of the guaranteed debtors (guaranteed amount and underlying asset)

None.

D.16 - Breakdown of collateral or personal guarantees given by geographical segment of the guaranteed debtors (guaranteed amount and underlying asset)

None.

Section 2 – Securitisations, unconsolidated structured entities (other than securitisation vehicles) and transfers of assets

A. - Securitisation transactions

This section does not cover securitisations in which the group is the originator or when the liabilities issued (e.g., ABS) by the vehicle are subscribed by the parent (self-securitisations).

QUALITATIVE DISCLOSURES

General aspects

The group has set up securitisations in accordance with Law no. 130/99 of performing lease exposures in order to diversity its sources of funding.

With respect to the parent's securitisations, it acts as servicer of the transferred portfolio in accordance with Law no. 130/99. Therefore, it continues to collect and manage the exposures and receives a fee for this service, calculated as a percentage of the amounts collected and managed over the reference period.

Characteristics of the securitisations originated by Alba Leasing S.p.A.

The following tables show the characteristics of the securitisations originated by the parent and the transactions themselves.

Strategy, processes and objectives	Transactions performed to achieve greater diversification of sources of funding
Internal risk measurement and control systems	Each securitisation portfolio is regularly monitored and quarterly reports are prepared as provided for in the transaction's contracts to show details of the exposures' status and collections.
Organisational structure	The parent has set up a control and monitoring unit within the administration, financial reporting, finance and planning department.
Hedging policies	When deemed appropriate, the vehicles agree basis swaps to hedge the portfolio (and the related back-to-back hedges between the originator and the swap counterparty). At the reporting date, none of the vehicles have agreed these hedges.
Reporting on securitisations	Collections are in line with the forecasts made when the notes were issued and, therefore, the return on the tranche equity (including the extra spread) is in line with the expected returns on investments with a similar risk level.

The transactions' characteristics are described below:

(Euro)

		Alba 6 SPV S.r.l.
Type of transaction		Traditional
Originator		Alba Leasing S.p.A.
Issuer		Alba 6 SPV S.r.l.
Servicer		Alba Leasing S.p.A.
Status of the securitised assets		Performing
Closing date		07/02/2020
Portfolio's nominal amount*		553,147,934
Portfolio's transfer price*		435,799,007
Other significant information		Revolving portfolio
Rating agencies		-
Tranching amount and conditions		
ISIN	IT0005402992	IT0005403008
Type	Senior	Junior
Class	A1	B
Rating (at issue)	unrated	unrated
Listing market	Unlisted	Unlisted
Issue date	27/02/2020	27/02/2020
(Subsequent) issue dates	27/04/2020	27/04/2020
Legal maturity	27/07/2051	27/07/2051
Call option		one call provided for
Interest rate	Euribor 3m + 85 b.p.	Euribor 3m + 150 b.p.
Subordination level	-	Sub. A1
Nominal amount at issue (February 2020 and April 2020)	449,912,853	142,199,949
Closing amount	351,130,911	142,199,949
Note subscribers	Institutional investor	Alba Leasing S.p.A.

* *The nominal amount and the portfolio's transfer price refer to the initial transfer*

(Euro)

					Alba 11 SPV S.r.l.
Type of transaction					Traditional
Originator					Alba Leasing S.p.A.
Issuer					Alba 11 SPV S.r.l.
Servicer					Alba Leasing S.p.A.
Status of the securitised assets					Performing
Closing date					22/05/2020
Portfolio's nominal amount					1,307,380,579
Portfolio's transfer price					1,247,827,248
Other significant information					Non-revolving portfolio
Rating agencies					DBRS, Moody's and Scope
Tranching amount and conditions					
ISIN	IT0005413205	IT0005413239	IT0005413247	IT0005413254	IT0005413262
Type	Senior	Senior	Mezzanine	Mezzanine	Junior
Class	A1	A2	B	C	J
Rating (at issue)					
DBRS	AAA (sf)	AAA (sf)	AA (low) (sf)	BB (high) (sf)	unrated
Moody's	Aa3 (sf)	Aa3 (sf)	Baa1 (sf)	B1 (sf)	unrated
Scope	AAA (sf)	AA (sf)	A (sf)	BB+ (sf)	unrated
Year-end rating*					
DBRS	-	-	-	AA (high) (sf)	unrated
Moody's	-	-	-	Aa3 (sf)	unrated
Scope	-	-	-	AA (sf)	unrated
Listing market	Dublin stock exchange	Dublin stock exchange	Dublin stock exchange	Dublin stock exchange	Unlisted
Issue date	25/06/2020	25/06/2020	25/06/2020	25/06/2020	25/06/2020
Legal maturity	27/09/2040	27/09/2040	27/09/2040	27/09/2040	27/09/2040
Call option	-	-	-	-	-
Interest rate	Euribor 3 m 360 + 70 b.p.	Euribor 3 m 360 + 85 b.p.	Euribor 3 m 360 + 135 b.p.	Euribor 3 m 360 + 185 b.p.	Euribor 3 m 360 + 200 b.p.
Subordination level		Sub A1	Sub A1, A2	Sub A1, A2, B1	Sub A1, A2, B1, C
Nominal amount at issue	498,700,000	300,000,000	143,600,000	131,100,000	187,000,000
Closing amount	-	-	-	98,483,421	187,000,000
Note subscribers	Institutional investor and Alba Leasing S.p.A.	Institutional investor	Institutional investor	Institutional investor and Alba Leasing S.p.A.	Alba Leasing S.p.A.

Update received from the rating agency after 31/12/2024

Type	Senior	Senior	Mezzanine	Mezzanine	Junior
Class	A1	A2	B	C	J
Scope	-	-	-	AAA (sf)	unrated

** 1) Any other ratings between the issue date and the year end are indicated in the same table in previous annual reports.*
2) The ratings of fully redeemed notes are not disclosed.

(Euro)

				Alba 12 SPV S.r.l.
Type of transaction				Traditional
Originator				Alba Leasing S.p.A.
Issuer				Alba 12 SPV S.r.l.
Servicer				Alba Leasing S.p.A.
Status of the securitised assets				Performing
Closing date				14/10/2021
Portfolio's nominal amount				1,169,164,393
Portfolio's transfer price				1,103,991,372
Other significant information				Non-revolving portfolio
Rating agencies				Moody's, DBRS and Scope
Tranching amount and conditions				
ISIN	IT0005466112	IT0005466120	IT0005466138	IT0005466146
Type	Senior	Senior	Mezzanine	Junior
Class	A1	A2	B1	J
Rating (at issue)				
Moody's	Aa3 (sf)	Aa3 (sf)	Ba1 (sf)	unrated
DBRS	AAA (sf)	AAA (sf)	BBB (high) (sf)	unrated
Scope	AAA (sf)	AAA (sf)	BBB+ (sf)	unrated
Year-end rating*				
Moody's	-	Aa3 (sf)	Aa3 (sf)	unrated
DBRS	-	AAA (sf)	AA (high) (sf)	unrated
Scope	-	AAA (sf)	A+ (sf)	unrated
Listing market	Dublin stock exchange	Dublin stock exchange	Dublin stock exchange	Unlisted
Issue date	16/11/2021	16/11/2021	16/11/2021	16/11/2021
Legal maturity	27/10/2041	27/10/2041	27/10/2041	27/10/2041
Call option	-	-	-	-
Interest rate	Euribor 3 m 360 + 70 b.p.	Euribor 3 m 360 + 80 b.p.	Euribor 3 m 360 + 110 b.p.	Euribor 3 m 360 + 200 b.p.
Subordination level		Sub A1	Sub A1, A2	Sub A1, A2, B1
Nominal amount at issue	474,700,000	225,200,000	238,400,000	175,100,000
Closing amount	-	40,362,857	238,400,000	175,100,000
Note subscribers	Institutional investor and Alba Leasing S.p.A.	Institutional investor and Alba Leasing S.p.A.	Institutional investor and Alba Leasing S.p.A.	Alba Leasing S.p.A.

** 1) Any other ratings between the issue date and the year end are indicated in the same table in previous annual reports.*
2) The ratings of fully redeemed notes are not disclosed.

(Euro)

				Alba 13 SPV S.r.l.
Type of transaction				Traditional
Originator				Alba Leasing S.p.A.
Issuer				Alba 13 SPV S.r.l.
Servicer				Alba Leasing S.p.A.
Status of the securitised assets				Performing
Closing date				25/05/2023
Portfolio's nominal amount				1,295,066,299
Portfolio's transfer price				1,239,157,498
Other significant information				Non-revolving portfolio
Rating agencies				Moody's, Dbrs and Scope
Tranching amount and conditions				
ISIN	IT0005548919	IT0005548927	IT0005548935	IT0005548943
Type	Senior	Senior	Mezzanine	Junior
Class	A1	A2	B	J
Rating (at issue)				
Moody's	Aa3 (sf)	Aa3 (sf)	Ba1 (sf)	unrated
DBRS	AAA (sf)	AAA (sf)	A (high) (sf)	unrated
Scope	AAA (sf)	AAA (sf)	BBB+ (sf)	unrated
Year-end rating*				
Moody's	Aa3 (sf)	Aa3 (sf)	A3 (sf)	unrated
DBRS	AAA (sf)	AAA (sf)	AA (high) (sf)	unrated
Scope	AAA (sf)	AAA (sf)	A- (sf)	unrated
Listing market	Dublin stock exchange	Dublin stock exchange	Dublin stock exchange	Unlisted
Issue date	27/06/2023	27/06/2023	27/06/2023	27/06/2023
Legal maturity	27/12/2042	27/12/2042	27/12/2042	27/12/2042
Call option	-	-	-	-
Interest rate	Euribor 3 m 360 + 75 b.p.	Euribor 3 m 360 + 85 b.p.	Euribor 3 m 360 + 130 b.p.	Euribor 3 m 360 + 200 b.p.
Subordination level		Sub A1	Sub A1, A2	Sub A1, A2, B
Nominal amount at issue	522,600,000	263,100,000	267,600,000	196,407,000
Closing amount	90,844,446	263,100,000	267,600,000	196,407,000
Note subscribers	Institutional investor and Alba Leasing S.p.A.	Institutional investor and Alba Leasing S.p.A.	Institutional investor and Alba Leasing S.p.A.	Alba Leasing S.p.A.

** 1) Any other ratings between the issue date and the year end are indicated in the same table in previous annual reports.*
2) The ratings of fully redeemed notes are not disclosed.

(Euro)

			Alba 14 SPV S.r.l.
Type of transaction			Traditional
Originator			Alba Leasing S.p.A.
Issuer			Alba 14 SPV S.r.l.
Servicer			Alba Leasing S.p.A.
Status of the securitised assets			Performing
Closing date			10/04/2024
Portfolio's nominal amount			872,535,354
Portfolio's transfer price			833,728,757
Other significant information			Non-revolving portfolio
Rating agencies			Moody's and DBRS
Tranching amount and conditions			
ISIN	IT0005594616	IT0005594624	IT0005594632
Type	Senior	Mezzanine	Junior
Class	A	B	J
Rating (at issue)			
Moody's	Aa3 (sf)	Ba1 (sf)	unrated
DBRS	AAA (sf)	A (high) (sf)	unrated
Year-end rating*			
Moody's	Aa3 (sf)	Ba1 (sf)	unrated
DBRS	AAA (sf)	A (high) (sf)	unrated
Listing market	Euronext Access Milan	Euronext Access Milan	Unlisted
Issue date	30/05/2024	30/05/2024	30/05/2024
Legal maturity	27/01/2044	27/01/2044	27/01/2044
Call option	-	-	-
Interest rate	Euribor 3 m 360 + 82 b.p.	Euribor 3 m 360 + 130 b.p.	Euribor 3 m 360 + 200 b.p.
Subordination level		Sub A	Sub A, B
Nominal amount at issue	550,300,000	175,100,000	115,639,000
Closing amount	492,410,366	175,100,000	115,639,000
Note subscribers	Institutional investor and Alba Leasing S.p.A.	Alba Leasing S.p.A.	Alba Leasing S.p.A.

** The ratings of fully redeemed notes are not disclosed.*

QUANTITATIVE DISCLOSURES

1. Exposures arising from securitisations broken down by quality of the underlying asset

(€'000)	Cash exposure						Financial guarantees given						Credit facilities					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Gross amount	Carrying amount	Gross amount	Carrying amount	Gross amount	Carrying amount	Gross amount	Carrying amount	Gross amount	Carrying amount	Gross amount	Carrying amount	Gross amount	Carrying amount	Gross amount	Carrying amount	Gross amount	Carrying amount
A. With own underlying assets:																		
a) Non-performing exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Other	1,626,878	58,626	742,023	305,623	820,832	817,792	-	-	-	-	-	-	-	-	-	-	-	-
B. With third party underlying assets:																		
a) Non-performing exposures	58,157	16,691	482	-	304	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,685,035	75,317	742,505	305,623	821,136	817,792	-	-	-	-	-	-	-	-	-	-	-	-

This table excludes any impairment on the notes presented above.

The amount shown in the "Other" lines is the balance of the junior notes subscribed by the parent, offset against the liability to the SPV, including the accrued interest on the deferred purchase price (DPP).

2. Exposures arising from the main "own" securitisations broken down by type of securitised asset and exposure

(€'000)	On-statement of financial position						Financial guarantees given						Credit facilities					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Carrying amount	Impairment losses/gains	Carrying amount	Impairment losses/gains	Carrying amount	Impairment losses/gains	Carrying amount	Impairment losses/gains	Carrying amount	Impairment losses/gains	Carrying amount	Impairment losses/gains	Carrying amount	Impairment losses/gains	Carrying amount	Impairment losses/gains	Carrying amount	Impairment losses/gains
A. Fully derecognised	16,691	-	-	(482)	-	(304)	-	-	-	-	-	-	-	-	-	-	-	-
A.1 Titan SPV S.r.l.																		
Lease payments - Automotive / Plant and machinery / Real estate / Aviation and naval industry and railway	16,691	-	-	(482)	-	(304)	-	-	-	-	-	-	-	-	-	-	-	-
B. Partly derecognised																		
Assignee/type																		
- Type of underlying exposure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C. Not derecognised	58,626	-	305,623	-	817,792	-	-	-	-	-	-	-	-	-	-	-	-	-
C.1 Alba 6 SPV S.r.l.																		
Lease payments - Automotive / Plant and machinery / Real estate / Aviation and naval industry and railway	-	-	-	-	142,213	-	-	-	-	-	-	-	-	-	-	-	-	-
C.2 Alba 11 SPV S.r.l.																		
Lease payments - Automotive / Plant and machinery / Real estate / Aviation and naval industry and railway	-	-	60,923	-	187,008	-	-	-	-	-	-	-	-	-	-	-	-	-
C.3 Alba 12 SPV S.r.l.																		
Lease payments - Automotive / Plant and machinery / Real estate / Aviation and naval industry and railway	2,025	-	12,000	-	175,266	-	-	-	-	-	-	-	-	-	-	-	-	-
C.4 Alba 13 SPV S.r.l.																		
Lease payments - Automotive / Plant and machinery / Real estate / Aviation and naval industry and railway	31,904	-	57,600	-	196,853	-	-	-	-	-	-	-	-	-	-	-	-	-
C.5 Alba 14 SPV S.r.l.																		
Lease payments - Automotive / Plant and machinery / Real estate / Aviation and naval industry and railway	24,697	-	175,100	-	116,452	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**75,317**	**-**	**305,623**	**(482)**	**817,792**	**(304)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

3. Total amount of securitised assets underlying the junior notes or other forms of credit support

€'000		Traditional securitisations	Synthetic securitisations
A.	Own underlying assets	2,971,445	-
A.1	Fully derecognised	-	-
	1. Bad exposures	-	-
	2. Unlikely to pay	-	-
	3. Non-performing past due	-	-
	4. Other assets	-	-
A.2	Partly derecognised	-	-
	1. Bad exposures	-	-
	2. Unlikely to pay	-	-
	3. Non-performing past due	-	-
	4. Other assets	-	-
A.3	Not derecognised	2,971,445	-
	1. Bad exposures	5,984	-
	2. Unlikely to pay	33,624	-
	3. Non-performing past due	4,774	-
	4. Other assets	2,927,063	-
B.	Third party underlying assets	-	-
	1. Bad exposures	-	-
	2. Unlikely to pay	-	-
	3. Non-performing past due	-	-
	4. Other assets	-	-
	Total	2,971,445	-

The balances are net of impairment losses, if any.

4. Servicer - Collection of securitised exposures and redemptions of notes issued by the securitisation SPV

(€'000)

Servicer	SPV	Securitised assets at 31/12/2024		Exposures collected during the year		Percentage of notes redeemed at 31/12/2024					
						Senior		Mezzanine		Junior	
		Performing	Non-performing	Performing	Non-performing	Performing assets	Non-performing assets	Performing assets	Non-performing assets	Performing assets	Non-performing assets
Alba Leasing S.p.A.	Alba 6 SPV S.r.l.	572,434	5,679	171,912	2,280	22.0%	-	-	-	0.0%	-
Alba Leasing S.p.A.	Alba 11 SPV S.r.l.	309,376	9,715	197,557	7,273	100.0%	-	64.1%	-	0.0%	-
Alba Leasing S.p.A.	Alba 12 SPV S.r.l.	448,882	10,668	249,199	3,541	84.8%	-	0.0%	-	0.0%	-
Alba Leasing S.p.A.	Alba 13 SPV S.r.l.	832,553	14,434	330,774	2,637	44.6%	-	0.0%	-	0.0%	-
Alba Leasing S.p.A.	Alba 14 SPV S.r.l.	763,818	3,886	137,290	259	0.0%	-	0.0%	-	0.0%	-
Total		**2,927,063**	**44,382**	**1,086,732**	**15,990**						

Note: Securities not issued or fully redeemed in previous years are shown with a dash ("-")

The group has not given guarantees or credit facilities for the securitisations.
In addition to the lease payments receivable, the group also transferred the final purchase option of the transferred contracts.
The balances are net of impairment losses, if any.

Breakdown of securitised assets by geographical segment

Alba 6 SPV S.r.l.
(€'000)

	31/12/2024
North	401,745
Centre	121,778
South and Islands	67,414
Total	**590,937**

The balances are net of impairment losses, if any.

Alba 11 SPV S.r.l.
(€'000)

	31/12/2024
North	208,317
Centre	79,009
South and Islands	47,808
Total	**335,134**

The balances are net of impairment losses, if any.

Alba 12 SPV S.r.l.
(€'000)

	31/12/2024
North	308,243
Centre	83,532
South and Islands	80,885
Total	**472,660**

The balances are net of impairment losses, if any.

Alba 13 SPV S.r.l.
(€'000)

	31/12/2024
North	508,801
Centre	152,660
South and Islands	208,636
Total	**870,097**

The balances are net of impairment losses, if any.

Alba 14 SPV S.r.l.
(€'000)

	31/12/2024
North	463,842
Centre	131,266
South and Islands	179,459
Total	**774,567**

The balances are net of impairment losses, if any.

Breakdown of securitised assets by business segment

Alba 6 SPV S.r.l.
(€'000)

	31/12/2024
Family businesses	4,310
Households	11,171
Non-financial companies	572,147
Other government agencies	92
Other operators	3,217
Total	**590,937**

The balances are net of impairment losses, if any.

Alba 11 SPV S.r.l.
(€'000)

	31/12/2024
Family businesses	19,271
Financial companies	40
Non-financial companies	307,731
Other operators	8,092
Total	**335,134**

The balances are net of impairment losses, if any.

Alba 12 SPV S.r.l.
(€'000)

	31/12/2024
Family businesses	18,431
Financial companies	3
Non-financial companies	440,695
Other operators	13,531
Total	**472,660**

The balances are net of impairment losses, if any.

Alba 13 SPV S.r.l.
(€'000)

	31/12/2024
Family businesses	28,613
Financial companies	11
Non-financial companies	821,190
Other government agencies	15
Other operators	20,268
Total	**870,097**

The balances are net of impairment losses, if any.

Alba 14 SPV S.r.l.
(€'000)

	31/12/2024
Family businesses	19,995
Non-financial companies	732,483
Other operators	22,089
Total	**774,567**

The balances are net of impairment losses, if any.

B. Unconsolidated structured entities (other than securitisation vehicles)

None.

To provide more information on the transaction and in accordance with IFRS 12, it is noted that, in December 2020, the group transferred a portfolio of non-performing exposures arising from leases as part of the securitisation of non-performing exposures in accordance with article 7.1 of the securitisation law. The securitisation was named "Titan" and the group retained 5% of the mezzanine and junior notes (reference should be made to previous annual reports for additional information).

Accordingly, the notes associated with the Titan securitisation that are recognised under the group's assets are:

(€'000)

Class	Held by the group	Impairment losses	Recognised in assets
Senior	16,691	-	16,691
Mezzanine	482	482	-
Junior	304	304	-
Total	**17,477**	**786**	**16,691**

C - Transfers

C.1 - Financial assets transferred and not fully derecognised

QUALITATIVE DISCLOSURES

The group transfers lease payments receivable from customers to the securitisation vehicles Alba 6, Alba 11, Alba 12, Alba 13 and Alba 14.

This section does not cover securitisations in which the group is the originator or when the liabilities issued by the vehicle (e.g., ABS) are subscribed by the parent (self-securitisations)

QUANTITATIVE DISCLOSURES

C.1.1 Financial assets transferred and recognised in full and associated financial liabilities: carrying amount

(€'000)	Financial assets transferred and recognised in full				Associated financial liabilities		
	Carrying amount	of which: securitised	of which: subject to sale and repurchase agreement	of which: non-performing	Carrying amount	of which: securitised	of which: subject to sale and repurchase agreement
Financial assets held for trading	-	-	-	X	-	-	-
1. Debt instruments	-	-	-	X	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Financing	-	-	-	X	-	-	-
4. Derivatives	-	-	-	X	-	-	-
Other financial assets mandatorily measured at fair value	7	-	-	-	-	-	-
1. Debt instruments	-	-	-	-	-	-	-
2. Equity instruments	7	-	-	X	-	-	-
3. Financing	-	-	-	-	-	-	-
Financial assets designated at fair value	-	-	-	-	-	-	-
1. Debt instruments	-	-	-	-	-	-	-
2. Financing	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-
1. Debt instruments	-	-	-	-	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Financing	-	-	-	-	-	-	-
Financial assets at amortised cost	4,972,301	2,927,063	-	44,382	-	-	-
1. Debt instruments	21,686	-	-	-	-	-	-
2. Financing	4,950,615	2,927,063	-	44,382	-	-	-
Total at 31/12/2024	**4,972,308**	**2,927,063**	**-**	**44,382**	**-**	**-**	**-**
Total at 31/12/2023	**5,025,931**	**3,196,751**	**-**	**43,746**	**-**	**-**	**-**

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C.1.2 Financial assets transferred and partly recognised and associated financial liabilities: carrying amount

Financial liabilities associated with financial assets transferred and not derecognised for securitisations are classified as “Securities issued”. More information is available in Part B - Liabilities - Section 2 - “2.2 Financial liabilities at amortised cost: breakdown of securities issued by business sector”.

C.1.3 Transfers with associated liabilities with recourse solely to the assets transferred and not fully derecognised: fair value

None.

C.2 Financial assets transferred and fully derecognised with recognition of the continuing involvement

None.

Section 3 - Risks and related hedging policies

Introduction

This section presents the main issues underlying the group's risk identification and assessment process.

3.1 CREDIT RISK

QUALITATIVE DISCLOSURES

1. General aspects

The group's non-performing/performing exposures ratio is below Assilea's benchmark thanks to the group's prudent credit policies and the transfer of a portfolio of non-performing exposures during the year. Reference should be made to Part A – Accounting policies – Section 4 – Other aspects for additional information.

(€'000)

Risk range	Gross risk Total assets	Gross risk Lease only*	% of total Lease only	Benchmark Assilea 31/12/2024	Variation
Bad exposures	65,305	64,892	1.3%	2.9%	-1.6 p.p.
Unlikely to pay exposures	161,061	160,907	3.2%	2.6%	0.6 p.p.
Past due exposures	12,008	12,008	0.2%	0.4%	-0.2 p.p.
Total	**238,374**	**237,807**	**4.7%**	**5.9%**	**-1.2 p.p.**

** The figures include balances for assets being readied for lease and not yet leased.*

2. Credit risk management policies

Organisational aspects

The lending process is regulated by the decision-making system, lending and risk & control regulations and by the related procedures that establish the criteria and methods to manage credit risk. They consist of the following stages:

- credit rating assessment;
- application of powers and proxies;
- loan performance checks and monitoring;
- assessment and management of irregular and non-performing exposures.

Lending policy

The group's lending policy guidelines are defined and approved by the board of directors, with the contribution of the following departments, each in relation to their specific expertise, and in agreement with the managing director/general manager:

- risk and control department;
- lending department;
- market department;
- administration, financial reporting, finance and planning department;
- operating department.

Due to the specific nature of the group's business and operating model, lending is its main source of risk. The lending department, which has various units in order to properly segregate decision-making, is involved in the background checks of potential customers, the granting of credit, monitoring performing and restructured exposures and in the management and recovery of problem loans. It also carries out remarketing activities together with the other bodies to which lending decision-making powers have been assigned.
This process, overseen by the lending department, provides the group with an integrated overview of the exposures and creates undisputed value within the entire lending chain. Moreover, based on the size and volumes managed by the parent, it is an appropriate and suitable organisational solution.
The group's credit risk policies are based on its risk appetite and mission. Disbursement and exposure management are subordinate to the application of precise lending rules and tools. Specifically, the group assesses:

- the customer's repayment ability;
- its financial capacity to provide the financing;
- the internal rating (acceptance and performance);
- the forward-looking risk;
- complementary rules in order to enhance the predictive ability of risk assessment by: i) worsening the rating (use of downgrade notches), ii) assessing any particularly high-risk factors in the credit application (management of reserves) and iii) not accepting high-risk financing;
- the customer/group's business sector in terms of its risk profile and concentration, privileging companies that:
  - export their products;
  - invest in research & development;
  - apply innovation to products and processes;

and preferring:

- transactions with customers of high credit standing, limiting leases of typically high-risk assets;
- contracts of modest amounts to allow risk splitting and less need for securitisations;
- leases with additional guarantees;
- plant and machinery leases to customers of high credit standing, limiting leases of high-risk assets (e.g., moulds, furniture, air-conditioning systems, equipment for beauty centres and gyms);
- real estate under construction leases solely with companies with a high credit standing.

Assessment of credit rating

The lending department is made up of four units reporting to the head of the lending department, namely the "bank and intermediary loan disbursement", "problem loans", "restructuring" and "remarketing" units, and the credit monitoring office.
The bank and intermediary loan disbursement unit provides the services necessary to disburse new financing for new leases, including through the bank disbursement and intermediary disbursement offices.
The lending department is responsible for the authorisation of loan disbursements, in accordance with the basic guidelines for correct loan portfolio management, including:

- risk splitting by both individual counterparty and financed asset's business segment and type;
- analysis of customers in terms of their market positioning, corporate structure, management, shareholders, business management stability, capital, financial and business structure and their ability to generate profits and cash flows, which are the basic elements for measuring repayment capacity, as well as information provided by infoproviders.

The lending process through the banking distribution channel provides for two disbursement methods: (i) under the “Presto Leasing” formula or (ii) through ordinary agreements.

The “Presto Leasing” agreement in force between the parent and its shareholder banks and certain affiliated banks, allows the banks to enter into leases in the name and on behalf of the parent in line with the parent’s guidelines, which are periodically reviewed.
These agreements establish that the distributing bank performs the background checks and decision phase, implying that it independently carries out the credit rating assessment. The bank assigns personnel with an appropriate professional profile to carry out these activities and they are usually from its lending department.
The bank’s independently-taken decision about whether to enter into real estate leases is conditional upon the outcome of the parent’s specialists’ subsequent checks, as well as of the value and cadastral/urban planning regularity of the property.
The agreements define maximum disbursement thresholds (differentiated by type of asset and individual counterparty, also taking into account the cumulative customer/group risk for each bank). The distributing bank takes on part of the risk of the transaction by issuing a guarantee covering a portion of any losses incurred.
The agreements signed with the shareholder banks provide for the application of different guarantee percentages depending on the rating assigned to the individual counterparty and the type of product being leased. The agreements also provide that the bank cannot approve a lease if the rating assigned to the counterparty falls into the most risky classes (9 and 10). Therefore, while the responsibility to make the decision about the individual transaction rests with the bank, a guarantee percentage is calculated on the basis of the underlying agreements. The update to the agreements introduced during 2019 provides for the release of guarantees by the banks depending on the rating assigned to the counterparty.
In the case of ordinary agreements, the parent directly handles the background checks and decision-making phases, while the affiliated banks solely collect the documentation necessary to process the application (carried out directly by the bank branch/business centre assisted by the parent’s customer relations manager) and prepare a report presenting the customer and the transaction, with the support of the parent’s customer relations manager assigned to the distribution chains.
For take over agreements, an automatic scoring procedure is used to carry out the background checks for new disbursements and the performing post-disbursement activities. In addition to assigning an acceptance rating, when a series of standard conditions are met and taking into account disbursement thresholds differentiated by type of products, the procedure automatically approves the transaction.
The credit rating assessment mostly considers the customer’s repayment ability. The group uses the internal rating and the customer’s ability to generate income and cash flows sufficient to meet its obligations. Accordingly, it checks the customer’s actual income-generating ability and financial position as well as those of any guarantors that the group can resort to should its customer become insolvent. It also checks the guarantees. The financed asset is part of the credit risk to be assessed in order to mitigate it.

With the exception of Presto Leasing agreements, new agreements are processed through the new lending process. The expected outcomes of this process are:

(i) automatic approval (the contract is accepted);
(ii) automatic rejection (the contract is declined);
(iii) automatic approval with reservation (the contract is brought to the attention of the lending department). In the case of the “automatic approval with reservation” outcome, the lending department performs a credit rating assessment through a concise and targeted analysis of one or more reservations indicating issues requiring consideration. Based on the type of reservation generated, the following cases may arise:
    a) standard two-way reservation, where the bank decides whether to accept or decline the contract;
    b) special two-way reservation, where the bank either declines the contract or proceeds with the automatic launch of the electronic disbursement process;

c) special three-way reservation, where the bank can accept or decline the contract or proceed with the automatic launch of the electronic disbursement process;
d) technical reservations, which require inputs (such as the technical assessment requests and the reclassification of financial statements).

For transactions that do not fall within the decision thresholds of the automatic scoring procedure, the background checks and decision-making process is carried out using the electronic disbursement process, an application integrated with the internal and external databases used to assess credit ratings, which provides for a decision-making workflow that automatically defines the body in charge of taking the decision.

The bank and intermediary loan disbursement unit is also responsible for the centralised monitoring of post-disbursement activities relating to performing loans (with the exception of rescheduling, which is the responsibility of the restructuring unit), including with reference to the portfolio of securitised contracts. This activity also covers transfers, takeovers, loan assumptions and name changes, even when they refer to contracts with customers managed by the problem loans unit.

The activities carried out by the restructuring unit are part of the post-disbursement processes. This unit manages the exposures covered by restructuring agreements as per article 182 of the Bankruptcy Law, restructuring plans as per article 67 of the Bankruptcy law and compositions with creditors with rights reserved to file additional documents at a later date or that, after the effective date of the new Italian Business Crisis Code, resorted to one of the possible the negotiated compositions with creditors provided for therein.
More generally, it deals with all requests for post-disbursement contract variations to non-performing contracts (i.e., defaulting), the management of which requires close interaction with the credit collection, litigation, remarketing and contract management offices.
With reference to non-performing exposures, the scope of its activities includes all typical post-disbursement contract management activities. The restructuring unit also handles remodelling requests, including for performing exposures.
The lending department also includes the credit monitoring office, which assesses the ongoing compliance of positions classified as performing with the relevant requirements of the specific class (including “Presto Leasing” transactions), identifying indicators of potential irregularities that could lead to an increase in credit risk. It checks compliance with the correct application of the agreements, with particular reference to compliance with the restrictions on the parties, types of transactions and assets that can be financed, as well as with the decision-making thresholds. The purpose of the monitoring process is to report situations that show irregularity indicators to the competent departments and/or units. To achieve these objectives, the monitoring unit:
(i) assesses the ongoing compliance of positions classified as performing with the relevant requirements of the specific class (including “Presto Leasing” transactions), identifying indicators of potential irregularities that could increase credit risk;
(ii) checks compliance with the correct application of the agreements, with particular reference to compliance with the restrictions on the parties, types of transactions and assets that can be financed, as well as with the decision-making thresholds;
(iii) prepares the reports addressed to the competent departments/units and decision-making bodies, which present trends and allow an assessment of changes in credit risk.

The monitoring process involves:
(i) monitoring the quality of performing exposures based on the analysis of indicators, from internal and external sources, deemed relevant for the assessment of credit ratings and the timely identification of impairment indicators;
(ii) specific activities for “Presto Leasing” transactions, performed by affiliated banks with credit proxy;

(iii) activities designed for particular counterparties/types of transactions which, by their nature, present a higher potential risk, including with regard to customers with a money laundering risk profile classified as “high”;
(iv) monitoring changes in the customer’s organisation/corporate structure that could affect its credit standing;
(v) reviewing credit facilities when there are particular situations for which impairment indicators have been identified, in order to check whether the credit rating has changed. The criteria for these activities are specified in the credit monitoring procedure;
(vi) reviewing groups of performing exposures qualified as large exposures (top 50).

With particular reference to the transactions finalised by the shareholder and affiliated banks under the existing “Presto Leasing” agreements, the credit monitoring office is responsible for:
(i) checking, on a sample basis, the correct application of the agreements, with particular reference to compliance with the restrictions on the customers, types of transactions and assets that can be financed, as well as with the decision-making thresholds;
(ii) monitoring the performance of the loan portfolio disbursed by the individual banks (with particular reference to transactions showing impairment indicators);
(iii) informing the bank of the occurrence of any unusual situations in terms of geographical concentration of risk or irregularities found in the management of the lending transaction.

Application of powers and proxies

The board of directors delegates the power to grant credit facilities to the decision-making bodies, up to the level of the credit committee, which must comply with the maximum risk limits for customers and groups set out in the decision-making system regulation. These regulations provide for and bestow specific powers for proposals of proven urgency, transactions with certain counterparties, transactions subject to restrictions, some “Presto Leasing” transactions and transactions processed with the credit scoring system.
The regulations also specify the prohibited transactions.

3. Non-performing exposures

Assessment and management of irregular and non-performing exposures

The lending department is responsible for managing problematic exposures and comprises three units: i) the problem loans (which comprises the credit collection and litigation offices, ii) restructuring and iii) remarketing units.
The credit collection office manages positions that are in default, with the aim of returning them to a performing status and, in any case, ensuring the classification of the exposure in line with the counterparty’s risk profile. The credit collection office’s approach differs depending on the customer’s risk profile in order to protect the position while evaluating whether collection activities are cost effective.
To this end, it has defined two different ways of managing the credit collection process, based on the customer’s current risk profile, i.e., the sum of the outstanding principal, past due balance and accrued default interest:
- risks up to €250 thousand (standard risks): positions with medium or low customer risk, for which a standardised process aimed at containing collection costs is envisaged, also through the involvement of selected phone calling and door-to-door debt collection companies;
- risks exceeding €250 thousand (large exposures): positions with a high customer risk for which prudent management aimed at timely collection is envisaged, also through the involvement of the group’s sales network together with the structures of the affiliated banks, where involved.

The credit collection process and the detection of defaults consist of the following stages, distinguishing between presumed and certain defaults:

- presumed default;
- default attestation;
- first reminder (with automatic postal delivery);
- management of credit collection activities according to a approach differentiated by risk segmentation. The litigation office manages and coordinates legal actions for the collection of the exposures and/or assets, both against the lessee and the guarantors. Affiliated law firms are obliged to promptly feed the EPC application, the single management tool of the problem loans department - credit collection and litigation offices;
- coordination of the activities and requirements of the procedures.

Regardless of the type of risk, the follow-up procedures (telephone calls and personal visits) for past due amounts are carried out with the assistance of external credit collection firms and, possibly, that of the originator banks. The credit collection office manages non-performing positions in order to return them to the performing category, including with the assistance of the originating banks.

The management of non-performing exposures depends on customers' unpaid balance, specifically:

- the credit collection office's work mainly consists of: (i) identifying defaults; (ii) collecting non-performing exposures; (iii) handling relations with the credit collection agencies which operate by making telephone calls and/or personal visits; (iv) processing applications for and/or making decisions on deferred payments and on past due repayment plans; (v) processing applications for and/or making decisions on negotiating settlements, waivers of outstanding payments and other disposals of debt; (vi) processing applications for and/or making decisions on the classification of exposures as unlikely to pay and/or bad; (vii) examining and/or deciding whether to move exposures to the litigation unit, considering the operational advantage of terminating the contract; (viii) handling relations with insolvent customers with the assistance of the group's legal advisers if appropriate; (ix) enforcement and relations with guarantor banks and/or obliged suppliers or third parties; (x) monitoring and coordinating credit collection for the without-recourse portfolio and of any other affiliated outsourcer;
- the litigation unit mainly: (i) carries out the activities necessary to recover exposures and the leased assets from defaulting customers; (ii) handles and coordinates legal action against both customers and guarantors for the recovery of the exposures and the leased assets; (iii) evaluates the benefits and/or advisability of initiating or continuing with lawsuits or coming to a settlement with regard to exposures that have been classified as non-performing; (iv) processes applications for and makes decisions on extensions and deferred payments; (v) processes applications for and makes decisions on settlements, waivers of assets and other disposals of debt; (vi) handles relations with the bodies in charge of insolvency procedures involving the main customer or defaulting guarantors with the assistance of the group's legal advisers if appropriate; (vii) deals with enforcements and handles relations with guarantor banks and/or suppliers or third party obligors; (viii) monitors and coordinates the litigation management process for the without-recourse portfolio and of any other affiliated outsourcer;
- the restructuring unit mainly: (i) manages contract amendments (modifications, lengthening of take-over agreements, variations in payment plans, corporate changes and guarantees) after the disbursement of performing exposures, (ii) manages the modification of non-performing exposures and (iii) manages the exposures covered by composition with creditors procedures, debt restructuring agreements, confirmed restructuring plans, negotiated composition with creditors agreements or other business crisis procedures provided for by the Italian Business Crisis Code.
  It carries out its activities on exposures transferred and/or that are newly issued and those for the without-recourse portfolio;

- the remarketing unit manages the recovery and subsequent sale of assets from lease contracts which have been unsuccessful or which have reached their contractual term without the lessee exercising the purchase option. In particular, it is in charge of: i) repossessing the assets, i.e., the assets' reconnaissance and tracing and definition (in agreement with the problem loans and litigation units) of the agreements with the counterparties for the formal return of the assets; ii) taking over of the assets; iii) managing and maintaining the assets; iv) restoring the assets, if necessary, or if deemed cost-efficient and v) marketing and selling the assets. These activities are carried out without distinction for plant and machinery, vehicles, watercraft and real estate. With regard, in particular, to the management of withdrawn real estate assets, the remarketing unit also deals with all matters relating to their ordinary and extraordinary maintenance, property management vis-a-vis any counterparties involved (e.g., apartment building residents/consortia), and the management of relations with any third party occupants in various capacities (in agreement with the problem loans unit - litigation office).

Generally speaking, with respect to defaulting positions, careful consideration is given to:
- the customers' financial performance and cash flows with a view to their possible return to performing status; repayment plans drawn up on the basis of customers' capacity to repay their loans in line with the plan's timeline;
- checking the outcome of actions taken to collect the exposures (repayment plans, etc.) and the reasons for the lack of success of such actions if applicable;
- the calculation of the expected credit losses as part of the procedures to quantify the credit risk.

The units monitor the risks on the exposures they are responsible for by:
- checking the customers' compliance with their obligations and forecasting the outcome of reminders to settle their outstanding payments;
- assigning the exposures they manage to external lawyers so that action can be taken for the return of assets and/or the collection of the exposures, including against guarantors if applicable;
- terminating the contract;
- estimating and periodically checking forecasts of expected credit losses on the exposures they manage (part of the credit risk classification procedure).

With respect to the classification of credit risk, the problem loans unit, through the credit collection and litigation offices, ensures that the exposures managed are classified in line with the internal regulations and the supervisory regulations.

The litigation unit also oversees activities relating to the transfer of non-performing exposure portfolios.
The problem loans unit decides whether to commence criminal actions (by filing complaint-report for misappropriation) for the recovery of assets.
With respect to leases, court actions are commenced in order to obtain the return of the asset (e.g., by means of writs of summon, injunctions and restitution orders) and/or the payment of the amount due (e.g., by means of injunctions and court payment orders); with respect to loans, on the other hand, court actions are taken in order to collect the outstanding amount, typically by means of an enforcement procedure on the mortgaged property.
The credit collection and litigation offices also assess the possibility of reaching settlement agreements with the debtors, aimed at recovering the exposures and assets, including with the assistance of law firms, and activate the enforcement of guarantees. They also check the existence of the conditions for the possible write-off of the exposure in the event of settlements, waivers and remissions, by virtue of the resolution passed by the relevant body as identified by the decision-making system regulation.

Finally, it should be noted that credit collection, litigation and remarketing activities can be managed partly through selected external outsourcers under specific agreements signed with the group.

Management, measurement and control systems

These activities are mainly carried out using:
- a single rating (acceptance for decision-making and performance for monitoring);
- credit processing rules (complementary to ratings) for a more correct assumption and management of credit risk;
- monitoring the results of the automated process with validation by the credit approver in the cases provided for by the new credit rules;
- risk-based agreements (Presto Leasing) (reduction in adverse selection due to rating-dependent recognition of guarantees by banks).

The risk management and credit policies unit and the lending department monitor credit risk.

Credit risk mitigation techniques

Credit risk is chiefly monitored and mitigated by:
- an internal single rating model (acceptance for decision-making and performance for monitoring);
- credit processing rules (complementary to ratings) for a more correct assumption and management of credit risk;
- the IFRS 9 model for the collective assessment of credit risk (transfers between stage 1 and stage 2);
- monitoring of concentration risk;
- monitoring of the default rates;
- checking the exposures' performance to verify that the financial performance, cash flows and financial position of customers and their guarantors have not altered since the loans were granted. The positions are mainly monitored by internal performance ratings and the regularity of the payments made to the group, including other information gathered from several third-party databases. The exposures are classified by the level of risk into internal risk categories and in accordance with the general supervisory guidelines. These categories allow a classification of not only the defaulting customers but also those in the highest risk brackets;
- the credit risk monitoring model, used in order to: i) assess the correct classification of credit risk (bracket classification consistency) and the provisioning adequacy, ii) facilitate the assessment of the suitability of the credit collection procedure and iii) facilitate the correct assessment of non-recoverability level of non-performing exposures; The post-assessment actions are corrective (elimination of the irregularity) or preventive (elimination of the cause). This model consists of a series of indicators that identify the part of the portfolio that is most subject to risk or has irregularities to be checked. The checks and assessments of these positions (second-level control) are intended not only to verify the line's performance (first level controls - risk taker), but also to create the right synergy between the different control levels, thus further strengthening the internal control system;
- the model for monitoring performing exposures in order to promptly detect any indications that the risk has worsened;
- the model used by branches of shareholder and affiliated banks to monitor "Presto Leasing" transactions with a default rate higher than that of the portfolio approved by the group. It allows the credit monitoring office to adopt a system of procedures to facilitate the implementation of corrective/preventive actions;
- an overall review of the customer's and any related guarantees' credit rating, by launching the electronic disbursement process;
- the acquisition of collateral, personal guarantees, real estate and bank guarantees[3]. The "Presto Leasing" transactions are a key element of the group's distribution

[3] The particular nature of finance lease (which entails ownership of the underlying asset) implies that the financed asset is a form of security and mitigation of credit risk.

model. Based on agreements, they involve small individual amounts and are backed by an indemnity guarantee;
- the customer forward risk: i) a forward-looking assessment of the customer both pre-approval (acceptance) and post-approval (monitoring) and ii) a pre-approval assessment of the customer's ability to sustain the requested financial transaction;
- pre-approval assessment of the business fraud risk, in order to mitigate operating losses, make the process more efficient and achieve better risk-taking (fewer defaults) while generally achieving a higher credit quality of the portfolio (positive impact also in terms of allowances);

overseeing properties by:

a) using a specific rating to estimate their propensity to retain their market value over time;
b) using a standard appraisal assessment model based on the variables set out in the rating model and in accordance with international standards;
c) using different types of appraisals;
d) calculating a haircut which may possibly be changed (upwards), in certain instances, at the specific request of the lending department;
e) engaging qualified experts selected by the group;
f) involving the problem loans unit to assess collectability (customer assessment);
g) obtaining the market value of the properties to be remarketed from the experts, on which basis the haircut is calculated;
h) an appraisal-adjusted market value for property returned due to default (remarketing).

After disbursement, exposures are measured at amortised cost, which involves testing them for impairment, using one of two different approaches:

(i) collective assessments, aimed at identifying any impairment losses on existing exposures on a lump-sum basis, in line with Bank of Italy's classification and management requirements and the IFRS;
(ii) individual assessments, aimed at identifying individual non-performing exposures and any impairment losses thereon, in line with Bank of Italy's classification and management requirements and the IFRS.

Reclassification of exposures to the unlikely to pay and bad classes is the responsibility of the lending department and specifically, the problem loans unit - credit collection and litigation offices. In accordance with the decision-making system regulation, they are brought to the attention of the relevant body, on the basis of the group's gross risk/RGM, i.e., the sum of the past due and outstanding amounts, also taking into account the related expected credit loss.
Other reclassifications are automatically performed by the IT system, in accordance with time parameters and/or based on the past due to gross risk ratio, in accordance with current regulations.

Exposure assessments (and also monitoring) is based on:

- data on the customers' relationship with Alba Leasing S.p.A.;
- information from the Bank of Italy's Central Credit Register;
- information from Assilea's Central Credit Register;
- financial statements figures and the relevant rating in the Ce.Bi. database.

This credit granting and monitoring system ensures compliance with lending policies.

It also reflects the specific refinancing needs of lease transactions through securitisation/collateralised financing channels.

4. Financial assets subject to commercial renegotiations and exposures with forbearance measures

Forbearance measures are defined as all agreements signed with the customer whose prerequisite is the occurrence or existence of a situation of financial difficulty which affects compliance with contractual obligations. This condition is met in both the following cases (the forbearance measure might generate a loss to the creditor):

a) the renegotiation of contract terms or conditions which, if applied, allow the debtor to fulfil new obligations (financial change);
b) the partial or total refinancing of problem loans (repayment plan). The forbearance exists when more favourable conditions are granted to the customer compared to those previously in force, or when the conditions applied are better than those that would have been adopted for a counterparty belonging to the same class of risk.

All repayment plans give rise to forbearance measures. The date of application of the measure coincides with the date when the repayment plan is included in the customer's records.

QUANTITATIVE DISCLOSURES

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

(€'000)	Bad exposures	Unlikely to pay exposures	Non-performing past due exposures	Performing past due exposures	Other performing exposures	Total
1. Financial assets at amortised cost	17,972	106,079	11,576	17,661	4,819,013	4,972,301
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial assets designated at fair value	-	-	-	-	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	7	7
5. Financial assets held for sale	-	-	-	-	-	-
Total at 31/12/2024	17,972	106,079	11,576	17,661	4,819,020	4,972,308
Total at 31/12/2023	18,447	132,816	3,811	8,671	4,862,186	5,025,931

The table above does not include on-demand loans and receivables with banks, which have been reclassified to caption 10. "Cash and cash equivalents" in accordance with the measure issued by Bank of Italy on 17 November 2022 - "The financial statements of IFRS intermediaries other than banks".

2. Breakdown of financial assets by portfolio and credit quality (gross and carrying amounts)

(€'000)	Non-performing				Performing			Total (carrying amount)
	Gross amount	Total impairment losses	Carrying amount	Partial/total write-offs*	Gross amount	Total impairment losses	Carrying amount	
1. Financial assets at amortised cost	238,374	(102,747)	135,627	1,755	4,889,367	(52,693)	4,836,674	4,972,301
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
3. Financial assets designated at fair value	-	-	-	-	X	X	-	-
4. Other financial assets mandatorily measured at fair value	-	-	-	-	X	X	7	7
5. Financial assets held for sale	-	-	-	-	-	-	-	-
Total at 31/12/2024	**238,374**	**(102,747)**	**135,627**	**1,755**	**4,889,367**	**(52,693)**	**4,836,681**	**4,972,308**
Total at 31/12/2023	**247,088**	**(92,014)**	**155,074**	**2,287**	**4,931,254**	**(60,402)**	**4,870,857**	**5,025,931**

** Presented for disclosure purposes*

The table above does not include on-demand loans and receivables with banks, which have been reclassified to caption 10. "Cash and cash equivalents" in accordance with the measure issued by Bank of Italy on 17 November 2022 - "The financial statements of IFRS intermediaries other than banks".

(€'000)	Assets with poor credit quality		Other assets
	Accumulated losses	Carrying amount	Carrying amount
1. Held for trading	-	-	-
2. Hedging derivatives	-	-	-
Total at 31/12/2024	**-**	**-**	**-**
Total at 31/12/2023	**-**	**-**	**-**

3. Breakdown of financial assets by ageing bracket (carrying amounts)

(€'000)	Stage 1			Stage 2			Stage 3			Purchased or originated credit-impaired		
	From 1 to 30 days	From 30 to 90 days	After 90 days	From 1 to 30 days	From 30 to 90 days	After 90 days	From 1 to 30 days	From 30 to 90 days	After 90 days	From 1 to 30 days	From 30 to 90 days	After 90 days
1. Financial assets at amortised cost	4,250,385	-	-	582,027	4,010	252	47,214	19,235	69,178	-	-	-
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total at 31/12/2024	4,250,385	-	-	582,027	4,010	252	47,214	19,235	69,178	-	-	-
Total at 31/12/2023	4,170,544	-	-	695,517	4,408	383	73,614	6,289	75,171	-	-	-

Amounts not past due are classified in "Stages 1 and 2 - From 1 to 30 days".

The table above does not include on-demand loans and receivables with banks, which have been reclassified to caption 10. "Cash and cash equivalents" in accordance with the measure issued by Bank of Italy on 17 November 2022 - "The financial statements of IFRS intermediaries other than banks".

4. Financial assets, loan commitments and financial guarantees given: total impairment losses and provisioning

(€'000)	Total impairment losses																							Total accruals for loan commitments and financial guarantees given				Total
	Stage 1						Stage 2						Stage 3						Purchased or originated credit-impaired financial assets									
	Loans and receivables with banks - on demand	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment	of which: collective impairment	Loans and receivables with banks - on demand	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment	of which: collective impairment	Loans and receivables with banks - on demand	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment	of which: collective impairment	Financial assets at amortised cost	Financial assets at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment	of which: collective impairment	Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
Opening balance	**-**	**14,203**	**-**	**-**	**-**	**14,203**	**-**	**46,199**	**-**	**-**	**-**	**46,199**	**-**	**92,014**	**-**	**-**	**92,014**	**-**	**-**	**-**	**-**	**-**	**-**	**659**	**944**	**4,801**	**-**	**158,820**
Increase in purchased or originated credit-impaired financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X	X	X	X	X	-	-	-	-	-
Cancellations other than write-offs	-	-	-	-	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net impairment losses/gains for credit risk (+/-)	-	16,557	-	-	-	16,557	-	(9,763)	-	-	-	(9,763)	-	6,535	-	-	6,535	-	-	-	-	-	-	(45)	2,073	(93)	-	15,264
Modification gains/losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation methodology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs not recognised directly in profit or loss	-	(31)	-	-	-	(31)	-	(40)	-	-	-	(40)	-	(2,229)	-	-	(2,229)	-	-	-	-	-	-	-	-	-	-	(2,300)
Other changes	-	(16,916)	-	-	-	(16,916)	-	2,484	-	-	-	2,484	-	6,427	-	-	6,427	-	-	-	-	-	-	-	-	-	-	(8,005)
Closing balance	**-**	**13,813**	**-**	**-**	**-**	**13,813**	**-**	**38,880**	**-**	**-**	**-**	**38,880**	**-**	**102,747**	**-**	**-**	**102,747**	**-**	**-**	**-**	**-**	**-**	**-**	**614**	**3,017**	**4,708**	**-**	**163,779**
Collections of written-off financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly in profit or loss	-	(414)	-	-	-	(414)	-	(214)	-	-	-	(214)	-	(1,412)	-	-	(1,412)	-	-	-	-	-	-	-	-	-	-	(2,040)

5. Financial assets, loan commitments and financial guarantees given: transfers among the various credit risk stages (gross and nominal amounts)

(€'000)	Gross/nominal amounts					
	Transfer between stages 1 and 2		Transfer between stages 2 and 3		Transfer between stages 1 and 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 at amortised cost	596,192	632,538	33,684	9,778	29,594	1,787
2. Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-
4. Loan commitments and financial guarantees given	-	41,210	-	-	-	-
Total at 31/12/2024	596,192	673,748	33,684	9,778	29,594	1,787
Total at 31/12/2023	434,820	522,038	32,157	10,681	15,770	686

In accordance with Bank of Italy communication of 14 March 2023 - Supplements to the provisions of the measure "The financial statements of IFRS intermediaries other than banks" updating the measure concerning the impacts of COVID-19 and the economic relief, information about state-backed exposures is provided below.
Specifically, the new financing subject to the COVID-19 relief at the reporting date is as follows:

(€'000)	Gross amounts					
	Transfer between stages 1 and 2		Transfer between stages 2 and 3		Transfer between stages 1 and 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
New financing	111	4,371	42	-	-	-
Total at 31/12/2024	111	4,371	42	-	-	-
Total at 31/12/2023	661	558	-	-	-	-

6. Exposures with customers, banks and financial companies

6.1 On- and off-statement of financial position exposures with banks and financial companies: gross and carrying amounts

(€'000)	Gross amount					Total impairment losses and provisioning					Carrying amount	Partial/total write-offs*
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
A. On-statement of financial position												
A.1 On demand												
a) Non-performing exposures	-	X	X		-	-	X	X		-	-	-
b) Performing exposures	241,823	241,823	-	X	-	-	-	-	X	-	241,823	-
A.2 Other												
a) Bad exposures	1,378	X	X	1,378	-	1,259	X	X	1,259	-	119	-
- including: forborne exposures	-	X	X	-	-	-	X	X	-	-	-	-
b) Unlikely to pay exposures	142	X	X	142	-	52	X	X	52	-	90	-
- including: forborne exposures	4	X	X	4	-	4	X	X	4	-	-	-
c) Non-performing past due exposures	-	X	X	-	-	-	X	X	-	-	-	-
- including: forborne exposures	-	X	X	-	-	-	X	X	-	-	-	-
d) Performing past due exposures	134	134	-	X	-	1	1	-	X	-	133	-
- including: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	76,316	69,635	6,681	X	-	706	284	422	X	-	75,610	-
- including: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
Total A	**319,793**	**311,592**	**6,681**	**1,520**	**-**	**2,018**	**285**	**422**	**1,311**	**-**	**317,775**	**-**
B. Off-statement of financial position												
a) Non-performing exposures	-	X	X	-	-	-	X	X	-	-	-	-
b) Performing exposures	60,983	58,706	2,277	X	-	40	29	11	X	-	60,943	-
Total B	**60,983**	**58,706**	**2,277**	**-**	**-**	**40**	**29**	**11**	**-**	**-**	**60,943**	**-**
Total (A+B)	**380,776**	**370,298**	**8,958**	**1,520**	**-**	**2,058**	**314**	**433**	**1,311**	**-**	**378,718**	**-**

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The table on the previous page includes on-demand loans and receivables with banks, which have been reclassified to caption 10. “Cash and cash equivalents” in accordance with the measure issued by Bank of Italy on 17 November 2022 - “The financial statements of IFRS intermediaries other than banks”.

Caption “B. Off-statement of financial position exposures” includes revocable and firm commitments.

6.2 On-statement of financial position exposures with banks and financial companies: gross non-performing exposures

(€’000)	Bad exposures	Unlikely to pay exposures	Non-performing past due exposures
A. Gross opening balance	**106**	**356**	**-**
- including: exposures transferred but not derecognised	24	355	-
B. Increases	**1,991**	**54**	**-**
B.1 from performing exposures	1,921	43	-
B.2 from purchased or originated credit-impaired exposures	-	-	-
B.3 transfers from other non-performing exposures	-	-	-
B.4 modification gains	-	-	-
B.5 other increases	70	11	-
C. Decreases	**719**	**268**	**-**
C.1 transfers to performing exposures	-	-	-
C.2 write-offs	39	-	-
C.3 collections	78	35	-
C.4 sales	-	-	-
C.5 losses on sales	71	-	-
C.6 transfers to other non-performing loan categories	-	-	-
C.7 modification losses	-	-	-
C.8 other decreases	531	233	-
D. Gross closing balance	**1,378**	**142**	**-**
- including: exposures transferred but not derecognised	-	141	-

6.2bis On-statement of financial position exposures with customers: gross forborne exposures broken down by credit quality

(€'000)	Forborne exposures: non-performing	Forborne exposures: performing
A. Gross opening balance	248	21,072
- including: exposures transferred but not derecognised	247	21,072
B. Increases	-	539
B.1 transfers from performing exposures not subject to forbearance measures	-	-
B.2 transfers from performing forborne exposures	-	X
B.3 transfers from non-performing forborne exposures	X	-
B.4 transfers from non-performing exposures not subject to forbearance measures	-	-
B.5 other increases	-	539
C. Decreases	244	21,611
C.1 transfers to performing exposures not subject to forbearance measures	X	-
C.2 transfers to performing forborne exposures	-	X
C.3 transfers to non-performing forborne exposures	X	-
C.4 write-offs	-	-
C.5 collections	12	376
C.6 sales	-	-
C.7 losses on sales	-	-
C.8 other decreases	232	21,235
D. Gross closing balance	4	-
- including: exposures transferred but not derecognised	3	-

6.3 On-statement of financial position non-performing exposures with banks and financial companies: total impairment losses

(€'000)	Bad exposures		Unlikely to pay exposures		Non-performing past due exposures	
	Total	including: forborne exposures	Total	including: forborne exposures	Total	including: forborne exposures
A. Opening balance	**70**	**-**	**30**	**14**	**-**	**-**
- including: exposures transferred but not derecognised	13	-	29	14	-	-
B. Increases	**1,269**	**-**	**43**	**3**	**-**	**-**
B.1 impairment losses on purchased or originated credit-impaired exposures	-	X	-	X	-	X
B.2 other impairment losses	1,268	-	43	3	-	-
B.3 losses on sales	-	-	-	-	-	-
B.4 transfers from other non-performing exposures	-	-	-	-	-	-
B.5 modification losses	-	X	-	X	-	X
B.6 other increases	1	-	-	-	-	-
C. Decreases	**80**	**-**	**21**	**13**	**-**	**-**
C.1 impairment gains	80	-	21	13	-	-
C.2 impairment gains on collections	-	-	-	-	-	-
C.3 gains on sales	-	-	-	-	-	-
C.4 write-offs	-	-	-	-	-	-
C.5 transfers to other categories of non-performing exposures	-	-	-	-	-	-
C.6 modification gains	-	X	-	X	-	X
C.7 other decreases	-	-	-	-	-	-
D. Closing balance	**1,259**	**-**	**52**	**4**	**-**	**-**
- including: exposures transferred but not derecognised	-	-	51	3	-	-

6.4 On- and off-statement of financial position exposures with customers: gross and carrying amounts

(€'000)	Gross amount					Total impairment losses and provisioning					Carrying amount	Partial/total write-offs*
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		
A. On-statement of financial position												
A Other												
a) Bad exposures	63,927	X	X	63,927	-	46,074	X	X	46,074	-	17,853	1,739
- including: forborne exposures	6,263	X	X	6,263	-	4,074	X	X	4,074	-	2,189	-
b) Unlikely to pay exposures	160,919	X	X	160,919	-	54,930	X	X	54,930	-	105,989	16
- including: forborne exposures	74,136	X	X	74,136	-	16,726	X	X	16,726	-	57,410	-
c) Non-performing past due exposures	12,008	X	X	12,008	-	432	X	X	432	-	11,576	-
- including: forborne exposures	889	X	X	889	-	18	X	X	18	-	871	-
d) Performing past due exposures	18,848	4,632	14,216	X	-	1,320	40	1,280	X	-	17,528	-
- including: forborne exposures	26	-	26	X	-	6	-	6	X	-	20	-
e) Other performing exposures	4,794,069	4,189,797	604,272	X	-	50,666	13,488	37,178	X	-	4,743,403	-
- including: forborne exposures	18,840	-	18,840	X	-	702	-	702	X	-	18,138	-
Total A	**5,049,771**	**4,194,429**	**618,488**	**236,854**	**-**	**153,422**	**13,528**	**38,458**	**101,436**	**-**	**4,896,349**	**1,755**
B. Off-statement of financial position												
a) Non-performing exposures	11,337	X	X	11,337	-	4,708	X	X	4,708	-	6,629	-
b) Performing exposures	808,538	487,940	320,598	X	-	3,591	586	3,005	X	-	804,947	-
Total B	**819,875**	**487,940**	**320,598**	**11,337**	**-**	**8,299**	**586**	**3,005**	**4,708**	**-**	**811,576**	**-**
Total (A+B)	**5,869,646**	**4,682,369**	**939,086**	**248,191**	**-**	**161,721**	**14,114**	**41,463**	**106,144**	**-**	**5,707,925**	**1,755**

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Caption "B. Off-statement of financial position exposures" includes revocable and firm commitments.

In accordance with Bank of Italy communication of 14 March 2023 - Supplements to the provisions of the measure "The financial statements of IFRS intermediaries other than banks" updating the measure concerning the impacts of COVID-19 and the economic relief, information about state-backed exposures is provided below.
Specifically, the new financing subject to the COVID-19 relief at the reporting date is as follows:

(€'000)	Gross amount					Total impairment losses and provisioning					Carrying amount
		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired		Stage 1	Stage 2	Stage 3	Purchased or originated credit-impaired	
A. On-statement of financial position											
A. Other											
a) Bad exposures	-	X	X	-	-	-	X	X	-	-	-
- including: forborne exposures	-	X	X	-	-	-	X	X	-	-	-
b) Unlikely to pay exposures	42	X	X	42	-	8	X	X	8	-	34
- including: forborne exposures	-	X	X	-	-	-	X	X	-	-	-
c) Non-performing past due exposures	-	X	X	-	-	-	X	X	-	-	-
- including: forborne exposures	-	X	X	-	-	-	X	X	-	-	-
d) Performing past due exposures	-	-	-	X	-	-	-	-	X	-	-
- including: forborne exposures	-	-	-	X	-	-	-	-	X	-	-
e) Other performing exposures	11,011	10,568	443	X	-	30	23	7	X	-	10,981
- including: forborne exposures	-	-	-	X	-	-	-	-	X	-	-
Total A	11,053	10,568	443	42	-	38	23	7	8	-	11,015
B. Off-statement of financial position											
a) Non-performing exposures	-	X	X	-	-	-	X	X	-	-	-
b) Performing exposures	-	-	-	X	-	-	-	-	X	-	-
Total B	-	-	-	-	-	-	-	-	-	-	-
Total (A+B)	11,053	10,568	443	42	-	38	23	7	8	-	11,015

The following table (which comprises exposures with banks, financial companies and customers) shows the actual risk level of unlikely to pay exposures (UTP):

(€'000)	31/12/2024		
	Gross amount	Impairment losses	Guarantees
First 20 UTP exposures	96,015	27,415	7,725
UTP exposures with a past due amount of <1%	24,005	6,837	5,361
Other UTP exposures	41,041	20,730	12,839
Total	161,061	54,982	25,925

These exposures were classified into three clusters in order to better present and describe how the group manages and treats them.

Specifically:

1) the first 20 UTP exposures are constantly monitored closely by the relevant departments and a similar treatment applies to the related guarantees and the residual amount of the assets underlying their contracts.
   The lower than average provisioning rate of the entire caption is to be interpreted in this respect: this analysis shows a contained risk level although the exposures are prudently classified in this category;
2) a different approach is applied to the UTP exposures that are substantially performing (those classified as "UTP exposures with a past due amount of <1%" - compared to the total exposure with the customer): these are performing exposures that show irregularities in relation to companies related to the customer or its owners;
3) the other UTP exposures have a high provisioning rate also considering the related primary guarantees.

6.5 On-statement of financial position exposures with customers: gross non-performing positions

(€'000)	Bad exposures	Unlikely to pay exposures	Non-performing past due exposures
A. Gross opening balance	**65,388**	**177,350**	**3,888**
- including: exposures transferred but not derecognised	19,927	44,526	2,219
B. Increases	**41,417**	**75,142**	**16,750**
B.1 from performing exposures	159	48,027	15,537
B.2 from purchased or originated credit-impaired exposures	-	-	-
B.3 transfers from other non-performing exposures	26,570	3,849	-
B.4 modification gains	-	-	-
B.5 other increases	14,688	23,266	1,213
C. Decreases	**42,878**	**91,573**	**8,630**
C.1 transfers to performing exposures	13	735	2,304
C.2 write-offs	2,672	635	1
C.3 collections	7,189	43,461	2,031
C.4 sales	4,017	1,043	-
C.5 losses on sales	23,048	-	-
C.6 transfers to other non-performing loan categories	86	26,314	4,019
C.7 modification losses	-	-	-
C.8 other decreases	5,853	19,385	275
D. Gross closing balance	**63,927**	**160,919**	**12,008**
- including: exposures transferred but not derecognised	18,079	52,835	5,090

6.5bis On-statement of financial position exposures with customers: gross forborne exposures broken down by credit quality

(€'000)	Forborne exposures: non-performing	Forborne exposures: performing
A. Gross opening balance	**104,542**	**16,695**
- including: exposures transferred but not derecognised	7,086	7,594
B. Increases	**20,442**	**18,006**
B.1 transfers from performing exposures not subject to forbearance measures	1,922	7,032
B.2 transfers from performing forborne exposures	-	X
B.3 transfers from non-performing forborne exposures	X	9,081
B.4 transfers from non-performing exposures not subject to forbearance measures	-	-
B.5 other increases	18,520	1,893
C. Decreases	**43,696**	**15,835**
C.1 transfers to performing exposures not subject to forbearance measures	X	-
C.2 transfers to performing forborne exposures	9,081	X
C.3 transfers to non-performing forborne exposures	X	1,637
C.4 write-offs	339	-
C.5 collections	21,137	3,878
C.6 sales	397	-
C.7 losses on sales	3,764	-
C.8 other decreases	8,978	10,320
D. Gross closing balance	**81,288**	**18,866**
- including: exposures transferred but not derecognised	3,492	3,526

6.6 On-statement of financial position non-performing exposures with customers: total impairment losses

(€'000)	Bad exposures		Unlikely to pay exposures		Non-performing past due exposures	
	Total	including: forborne exposures	Total	including: forborne exposures	Total	including: forborne exposures
A. Opening balance	46,977	5,744	44,860	17,160	77	33
- including: exposures transferred but not derecognised	13,007	1,087	10,208	1,312	48	12
B. Increases	31,793	3,349	44,508	13,231	913	147
B.1 impairment losses on purchased or originated credit-impaired exposures	-	X	-	X	-	X
B.2 other impairment losses	16,434	2,068	40,170	12,363	710	145
B.3 losses on sales	-	-	-	-	-	-
B.4 transfers from other non-performing exposures	12,260	1,257	170	113	198	-
B.5 modification losses	-	X	-	X	-	X
B.6 other increases	3,099	24	4,168	755	5	2
C. Decreases	32,696	5,019	34,438	13,665	558	162
C.1 impairment gains	29,995	4,903	16,505	7,173	89	4
C.2 impairment gains on collections	413	112	4,949	4,565	30	30
C.3 gains on sales	-	-	-	-	-	-
C.4 write-offs	2,098	-	125	19	5	1
C.5 transfers to other categories of non-performing exposures	-	-	12,206	1,255	422	115
C.6 modification gains	-	X	-	X	-	X
C.7 other decreases	190	4	653	653	12	12
D. Closing balance	46,074	4,074	54,930	16,726	432	18
- including: exposures transferred but not derecognised	12,095	207	19,301	1,054	316	-

7. Breakdown of financial assets, loan commitments and financial guarantees given by external and internal rating class

7.1 Breakdown of financial assets, loan commitments and financial guarantees given by external rating class (gross amounts)

None.

7.2 Breakdown of financial assets, loan commitments and financial guarantees given by internal rating class (gross amounts)

None.

8. Financial and non-financial assets from the enforcement of guarantees received

None.

9. Loan concentration

9.1 Breakdown of on- and off-statement of financial position exposures by the counterparty's business sector

(€'000)	Government and central banks			Other government agencies			Insurance companies			Non-financial companies			Other		
	Carrying amount	Individual impairment	Collective impairment	Carrying amount	Individual impairment	Collective impairment	Carrying amount	Individual impairment	Collective impairment	Carrying amount	Individual impairment	Collective impairment	Carrying amount	Individual impairment	Collective impairment
A. On-statement of financial position															
A.1. On demand															
a) Non-performing exposures	-	-	X	-	-	X	-	-	X	-	-	X	-	-	X
b) Performing exposures	-	X	-	-	X	-	-	X	-	-	X	-	241,823	X	-
A.2 Other															
A.1 Bad exposures	-	-	X	-	-	X	-	-	X	16,314	(43,285)	X	1,658	(4,048)	X
including: forborne exposures	-	-	X	-	-	X	-	-	X	1,887	(3,565)	X	369	(509)	X
A.2 Unlikely to pay exposures	-	-	X	-	-	X	-	-	X	103,828	(53,778)	X	2,251	(1,204)	X
including: forborne exposures	-	-	X	-	-	X	-	-	X	56,778	(16,277)	X	756	(453)	X
A.3 Non-performing past due exposures	-	-	X	-	-	X	-	-	X	11,153	(401)	X	423	(31)	X
including: forborne exposures	-	-	X	-	-	X	-	-	X	834	(17)	X	38	(1)	X
A.4 Other exposures	-	X	-	3,857	X	(40)	-	X	-	4,553,192	X	(50,333)	279,625	X	(2,320)
including: forborne exposures	-	X	-	-	X	-	-	X	-	17,757	X	(686)	401	X	(22)
Total	**-**	**-**	**-**	**3,857**	**-**	**(40)**	**-**	**-**	**-**	**4,684,487**	**(97,464)**	**(50,333)**	**525,780**	**(5,283)**	**(2,320)**
B. Off-statement of financial position															
B.1 Bad exposures	-	-	-	-	-	-	-	-	-	6,336	(4,415)	-	-	-	X
B.2 Unlikely to pay exposures	-	-	-	-	-	-	-	-	-	293	(293)	-	-	-	X
B.3 Other non-performing assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	X
B.4 Other exposures	-	X	-	-	X	-	-	X	-	783,726	X	(3,568)	82,164	X	(63)
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**790,355**	**(4,708)**	**(3,568)**	**82,164**	**-**	**(63)**
31/12/2024	**-**	**-**	**-**	**3,857**	**-**	**(40)**	**-**	**-**	**-**	**5,474,842**	**(102,172)**	**(53,901)**	**607,944**	**(5,283)**	**(2,383)**
31/12/2023	**-**	**-**	**-**	**4,299**	**-**	**(42)**	**-**	**-**	**-**	**5,427,244**	**(90,202)**	**(57,411)**	**557,755**	**(6,613)**	**(4,552)**

The table above includes on-demand loans and receivables with banks, which have been reclassified to caption 10. "Cash and cash equivalents" in accordance with the measure issued by Bank of Italy on 17 November 2022 - "The financial statements of IFRS intermediaries other than banks".
Caption "B. Off-statement of financial position exposures" includes revocable and firm commitments.

9.2 Breakdown of on- and off-statement of financial position exposures by the counterparty's geographical segment

(€'000)	North-east		North-west		Centre		South and Islands		Abroad	
	Carrying amount	Total impairment losses	Carrying amount	Total impairment losses	Carrying amount	Total impairment losses	Carrying amount	Total impairment losses	Carrying amount	Total impairment losses
A. On-statement of financial position										
A.1. On demand										
a) Non-performing exposures	-	-	-	-	-	-	-	-	-	-
b) Performing exposures	230,530	-	11,293	-	-	-	-	-	-	-
A.2 On-statement of financial position										
A.1 Bad exposures	2,733	(8,380)	6,286	(15,652)	2,537	(5,537)	6,416	(17,764)	-	-
A.2 Unlikely to pay exposures	39,261	(22,691)	32,852	(15,330)	10,051	(8,701)	23,915	(8,260)	-	-
A.3 Non-performing past due exposures	537	(6)	5,745	(370)	4,530	(7)	693	(25)	71	(24)
A.4 Performing exposures	1,207,871	(10,193)	1,868,625	(18,295)	875,244	(15,165)	883,964	(9,037)	970	(3)
Total	**1,480,932**	**(41,270)**	**1,924,801**	**(49,647)**	**892,362**	**(29,410)**	**914,988**	**(35,086)**	**1,041**	**(27)**
B. Off-statement of financial position										
B.1 Bad exposures	50	(50)	6,286	(4,365)	-	-	-	-	-	-
B.2 Unlikely to pay exposures	167	(167)	-	-	126	(126)	-	-	-	-
B.3 Other non-performing assets	-	-	-	-	-	-	-	-	-	-
B.4 Performing exposures	264,758	(1,501)	373,199	(1,392)	114,047	(617)	113,736	(121)	150	-
Total	**264,975**	**(1,718)**	**379,485**	**(5,757)**	**114,173**	**(743)**	**113,736**	**(121)**	**150**	**-**
31/12/2024	**1,745,907**	**(42,988)**	**2,304,286**	**(55,404)**	**1,006,535**	**(30,153)**	**1,028,724**	**(35,207)**	**1,191**	**(27)**
31/12/2023	**1,711,029**	**(38,826)**	**2,284,049**	**(56,518)**	**994,771**	**(32,349)**	**997,766**	**(31,099)**	**1,683**	**(28)**

The table above includes on-demand loans and receivables with banks, which have been reclassified to caption 10. "Cash and cash equivalents" in accordance with the measure issued by Bank of Italy on 17 November 2022 - "The financial statements of IFRS intermediaries other than banks".
Caption "B. Off-statement of financial position exposures" includes revocable and firm commitments.

9.3 Large exposures

The group has eight large exposures (risk positions equal to or greater than 10% of own funds). At 31 December 2024, their carrying amount was approximately €958,498 thousand with a weighted amount of approximately €366,302 thousand.
No individual risk position with one customer or group of associated customers exceeds the limits pursuant to ruling regulations.

10. Models and other methods to measure and manage credit risk

None.

11. Other quantitative disclosures

None.

3.2 MARKET RISK

Alba Leasing S.p.A. does not have a trading portfolio exposed to market risks as it does not perform speculative transactions.
In order to measure market risk on the trading portfolio and calculate the regulatory capital requirements for supervisory purposes, the group uses the methods prescribed by Bank of Italy in circular no. 288/2015, as updated.

3.2.1 INTEREST RATE RISK

QUALITATIVE DISCLOSURES

1. General aspects

This is the risk that arises from changes in the carrying amount of assets/liabilities that are sensitive to fluctuations in interest rates as a result of a change in the maturity structure (duration gap - net assets subject to interest rate risk as a percentage of own funds).
It is the risk of a change in net interest income as a result of the mismatch between the duration of assets and liabilities and the related interest rates (sensitivity analysis).

Hedging interest rate risk on an asset exposed to market rate volatility requires the structuring of a hedging model (hedging instrument) that generates symmetrical and opposing flows capable of offsetting adverse fluctuations in the interest rates on the hedged item[2].

Methodological aspects

Considering the particularly volatile interest rate trend, the group adopted:

- an interest rate risk policy approved by the board of directors in September 2023, which governs responsibilities by defining:
  - the risk limits, identified in the risk appetite and risk tolerance;
  - measurement methods: the ratio of net assets subject to interest rate risk to own funds (duration gap), the change in net interest income and the ratio of interest income to own funds - Tier 1 (sensitivity analysis) and the ratio of fixed rate investments to the total portfolio;
  - hedging policy, based on hedge accounting rules;

[2] The parent adopted a specific procedure establishing an efficient derivatives implementation, trading and monitoring process to hedge the risk of fixed interest rates and account for these derivatives.

- a method linked to the risk management procedure (PRC23) that defines the measurement of interest rate risk;
- a fixed interest rate hedging procedure (PRC 82) to define an efficient derivative implementation, trading and monitoring process.

QUANTITATIVE DISCLOSURES

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

(€'000)	On demand	Up to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 5 years	From 5 to 10 years	After 10 years	Open term
1. Assets								
1.1 Debt instruments	-	16,691	-	-	4,995	-	-	-
1.2 Loans and receivables	598,468	3,982,027	44,153	66,103	299,586	184,081	18,019	-
1.3 Other assets	-	-	-	-	-	-	-	-
2. Liabilities								
2.1 Amounts due	2,128,572	308,684	74,565	10	442,369	-	-	-
2.2 Debt instruments	-	1,659,900	-	-	-	-	-	-
2.3 Other liabilities	-	-	-	-	-	-	-	-
3. Financial derivatives								
Options								
3.1 Long positions	-	-	-	-	-	-	-	-
3.2 Short positions	-	-	-	-	-	-	-	-
Other derivatives								
3.3 Long positions	-	97,416	-	-	-	-	-	-
3.4 Short positions	-	11,727	5,991	12,030	67,668	-	-	-

2. 2. Models and other methods to measure and manage interest rate risk

The risk management unit monitors interest rate risk by measuring:
- the ratio of fixed rate investments to total investments;
- the sensitivity of net interest income to the ratio (sensitivity analysis);
- the duration gap.

3. Other qualitative disclosures on interest rate risk

Interest rate risk is generated by differences in the timing and methods of repricing the interest rate of the group's assets and liabilities. It is measured by using the supervisory reporting base, pertaining to the interest rate risk, which provides for the breakdown of assets and liabilities into regulatory time buckets.

3.2.2 PRICE RISK

QUALITATIVE DISCLOSURES

1. General aspects

The group is not exposed to price risks.

QUANTITATIVE DISCLOSURES

1. Models and other methods to measure and manage price risk

The group is not exposed to price risks.

2. Other quantitative disclosures on price risk

The group is not exposed to price risks.

3.2.3 CURRENCY RISK

QUALITATIVE DISCLOSURE

1. General aspects

The group is not exposed to currency risks as it did not have foreign currency contracts at the reporting date.

QUANTITATIVE DISCLOSURES

1. Breakdown of assets, liabilities and derivatives by currency

The group is not exposed to currency risks.

2. Models and other methods to measure and manage currency risk

The group is not exposed to currency risks.

3. Other quantitative disclosures on currency risk

The group is not exposed to currency risks.

3.3 OPERATIONAL RISKS

QUALITATIVE DISCLOSURES

Risk related to losses resulting from inadequate processes, human resources, technological systems and unexpected external events. This definition includes legal risk but does not include strategic and reputation risks. Legal risk includes the risk of losses due to violations of laws or regulations, contractual and non-contractual liability or other disputes. Losses relate to disputes with customers and include disbursements already made following unfavourable rulings and accruals made to cover possible disbursements. Legal expenses are only those external and necessary to recover and/or manage the operating losses incurred in connection with the recovery of assets.

1. General aspects, management and measurement of operational risk

The group is intrinsically exposed to operational risk since it performs, in addition to traditional credit processes:

- acquisitions of the assets to be leased;
- repossessions of assets following contract termination due to default or when the purchase option is not exercised.

These are complex processes in which operational errors are often closely connected to potential legal consequences and, therefore, operational risk is considered high.
Operational risk is a cross-company risk, which can be traced back to all the group's activities. Moreover, the typical lease operating processes have greater complexity than those characteristic of other forms of lending; the need to purchase the underlying asset entails checks, which mainly include:

- the purchase price's adequacy;
- the acquisition of the correct documentation accompanying the asset (statements of compliance, inspections, typical real estate documentation, etc.);
- the existence of insurance policies on the leased assets;
- the necessary formalities in the event of termination of the lease and possible return of the asset.

Operational risk is assessed every six months through: (i) a self-assessment process to assess potential/residual risk and (ii) an actual operating loss collection process. The activities described above are carried out through periodic meetings between the risk management unit and the heads of the individual operating units/services/offices. This ensures a constant fine-tuning of the process, which contributes to the progressive spreading of a risk culture.
In order to be more effective in surveying, measuring, monitoring and mitigating operational risk, the risk management and credit policies unit continued to provide training courses to the various process owners, in order to enhance their risk culture.

The group uses scorecards to survey loss events as defined by the Assilea/Basel frameworks.

QUANTITATIVE DISCLOSURES

The internal capital for operational risk is calculated using the basic method (BIA - Basic Indicator Approach) according to which the parent must have internal capital equal to the average of a fixed percentage (15%) of positive components of total income (including other operating income), for the previous three years.
The calculation of capital absorption is shown in the following table:

(€'000)	Total income and other income
2022	107,877
2023	105,519
2024	108,759
Average	107,385
Weighting factor	15%
Internal capital	16,108

3.4 LIQUIDITY RISK

QUALITATIVE DISCLOSURES

1. General aspects, management and measurement of liquidity risk

Liquidity risk is the risk that an entity may not be able to meet its payment obligations because it cannot raise funds on the market (funding liquidity risk) or sell its assets (market liquidity risk). Market liquidity risk is not relevant to the group because it does not have financial assets with customers while the funding liquidity risk is relevant. The group makes medium- and long-term investments and obtains short-term funding solely on the wholesale market as it does not have access to the retail market. Liquidity risk consequently arises from:

- typical lease structural factors: the repercussions of imbalances between the maturities of asset and liability items (maturity mismatches) are amplified by the typical maturities of medium- and long-term assets;
- factors specific to the parent: since it is a financial company, it cannot raise funds from retail customers but solely on the wholesale market;
- concentration of funding sources, as the different sources of funding are extremely limited, with possible risks of withdrawal of credit facilities.

The group identifies and measures liquidity risk on a current and forward-looking basis. Its forward-looking estimates consider the probable trends in cash flows from intermediation.
The main objective of the liquidity risk management system is to enable the group to meet its obligations minimising costs and without compromising potential future income. This risk is measured with specific regard to cash flows from:

- funding: collection of lease payments and new loan repayments;
- investing: activation of new leases.

The main annual funding comes from shareholder banks, securitisations and, to some extent, third parties.

The group's financial planning is carried out primarily as part of the budgeting process and consists of the following stages:

- preparation of the annual budget/long-term plan, showing cash requirements;
- on the basis of the annual budget, the CFO prepares the financial requirements;
- the risk management and credit policy unit prepares the liquidity risk report on the basis of the budget and the forecast financial transactions obtained from the finance unit;
- the board of directors approved the budget/long-term plan.

In compliance with the cost of funding optimisation objectives and within the limits imposed by diversification constraints (maturities and sources and types of funding), the liquidity risk management process distinguishes between two areas of operation:

- short-term liquidity management (operating liquidity), which involves managing events that directly impact the liquidity position over a time horizon of one day to one year. The primary objective is to maintain the ability to meet ordinary and extraordinary payment obligations while minimising costs. Cash flow mismatches are monitored;
- medium to long-term liquidity management (structural liquidity) involves managing events that impact the liquidity position beyond one year. The primary objective is to maintain an adequate non-current liabilities to non-current assets ratio by pursuing a stable level of liquidity and defining and maintaining an optimal funding profile to finance growth.

The liquidity risk profile is regularly updated whenever necessary and, in any case, at least monthly, by preparing a liquidity risk report in order to check the that the source and application of funding structure is balanced, any deviations of the actual data from the forecasts and any corrective actions to be taken.

According to their respective competences, the corporate bodies are primarily responsible for, and are fully aware of, the group's level of exposure to liquidity risk.

The governance model used to monitor the parent's liquidity management and liquidity risk control processes is based on the following principles:

- sound and prudent liquidity management;
- giving the finance unit a service role rather than considering it as an independent profit centre;
- separation of management and control processes;
- sharing of decisions and clarity of responsibilities among management, control and operational bodies;
- compliance and consistency of liquidity risk management and monitoring processes with prudential supervisory guidance.

The body with strategic supervisory functions (board of directors) is responsible for:

- maintaining a level of liquidity consistent with the risk exposure limits;
- defining governance policies and management processes for the group's specific risk profile.

To this end, the board of directors:

- defines the liquidity buffer as the maximum risk exposure deemed acceptable to cope with any periods of liquidity constraints;
- approves the methodologies used by the group to determine its exposure to liquidity risk;
- based on the managing director's reporting of the limit being exceeded or of issues that may impact the parent's risk profile, takes relevant decisions.

When implementing the strategic guidelines and governance policies approved by the body with strategic supervisory functions, the body with management functions (managing director):

- defines the guidelines of the liquidity risk management process;
- allocates liquidity risk management duties within the organisational structure, taking into account the principle of proportionality and the group's exposure to liquidity risk;
- receives periodic reports from the operating departments/units and, in turn, updates the body with strategic supervisory functions accordingly.

As part of its general checks of the corporate risk management process, the body with supervisory functions (the board of statutory auditors) monitors the adequacy and compliance of the liquidity risk management process with the requirements of the regulations.

The CFO is in charge of funding, by implementing and checking the funding policies to cover cash requirements, identifying, in particular, instruments, markets and maturities for short/medium/long-term funding and ensuring consistency with lending policies to the extent of the available instruments. The CFO manages liquidity under the terms of their proxies and specifically:

- manages the financial resources available and ensures the group's liquidity requirements are covered;
- estimates the additional funding costs to cope with worst case scenarios;
- scouts new financial resources to meet any new funding requirements;
- provides the risk management and credit policy unit with information to be included in the funding requirements report;

The CRO is responsible for measuring, monitoring and controlling liquidity risk and specifically:

- defines liquidity risk measurement methods and the system of limits;
- recommends the policy, methods and limits and regularly revises the process and proposes possible amendments;
- prepares and updates the reports for the company bodies, which describe the group's exposure to liquidity risk;
- performs stress tests of credit risk;

QUANTITATIVE DISCLOSURES

1. Breakdown by residual contract maturity of financial assets and liabilities

(€'000)	On demand	From 1 to 7 days	From 7 to 15 days	From 15 days to 1 month	From 1 to 3 months	From 3 to 6 months	From 6 months to 1 year	From 1 to 3 years	From 3 to 5 years	After 5 years	Open term
Assets											
A.1 Government bonds	-	-	-	-	-	-	-	5,000	-	-	-
A.2 Other debt instruments	-	-	-	-	-	-	-	-	-	16,691	-
A.3 Financing	600,964	821	945	2,296	246,724	349,155	639,598	1,677,996	886,404	1,101,696	-
A.4 Other assets	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities											
B.1 Due to:											
- Banks	2,075,987	-	-	133,042	131,753	64,666	49,031	441,655	-	-	-
- Financial companies	3,626	-	-	-	-	600	483	27,247	10,500	-	-
- Customers	19,078	1	-	-	8	6	13	43	49	-	-
B.2 Debt instruments	-	-	-	126,570	71,997	200,590	385,555	825,365	95,432	-	-
B.3 Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Off-statement of financial position											
C.1 Financial derivatives with exchange of principal											
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.2 Financial derivatives without exchange of principal											
- Positive difference	-	261	-	-	-	77	160	-	-	-	-
- Negative difference	-	-	-	-	-	-	-	-	-	-	-
C.3 Financing to be received											
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	-	-	-	-	-	-	-	-	-	-	-
C.4 Loan commitments											
- Long positions	-	-	-	-	-	-	-	-	-	-	-
- Short positions	509,579	-	-	-	-	-	-	-	-	-	-
C.5 Financial guarantees given	-	-	-	-	-	-	-	-	-	-	-
C.6 Financial guarantees received	-	-	-	-	-	-	-	-	-	-	-

The above table shows only loan commitments.

3.5 DERIVATIVES AND HEDGING POLICIES

TRADING DERIVATIVES

3.5.1. Credit derivatives associated with fair value option: annual variations

None.

ACCOUNTING HEDGES

QUALITATIVE DISCLOSURES

General hedging strategy aspects

The group's funding is at variable rates and it is exposed to interest rate risk with regard to the portion of fixed-rate loans.
To contain this risk, the group decided to enter into a derivative contract and fixed-rate loans.
In this way, a corresponding portion of its assets becomes at a variable rate.
The interest rate swap provides for fixed-rate payments and variable-rate collections and, therefore, the cash flows are offset and there is no exchange of principal.

QUANTITATIVE DISCLOSURES

3.5.2. Hedging derivatives: year-end nominal amounts

The hedging derivative has a notional amount of €97.4 million at 31 December 2024.

3.5.3. Residual maturity of hedging derivatives: notional amounts

The hedging derivative is presented in the previous table (section 3.2.1 Interest rate risk - Quantitative disclosures), which shows the current situation.

3.5.4. Hedging derivatives: gross positive and negative fair value, fair value gain or loss used to identify hedge inefficiency

None.

3.5.5. Non-derivative hedges: breakdown by accounting portfolio and type of hedge and fair value gain or loss used to identify hedge inefficiency

None.

3.5.6. Hedging instruments: fair value hedges

None.

3.5.7. Hedging instruments: cash flow hedges and hedges of investments in foreign operations

None.

3.5.8. Effect of hedging transactions and equity: reconciliation of equity items

None.

Section 4 - Equity

4.1 - Equity

4.1.1 Qualitative disclosure

The total equity used to meet the total internal capital requirements is the same as own funds, in line with the guidelines defined by the board of directors. Own funds solely comprise common equity tier 1 capital (CET1).

On its website, the group publishes the “Informativa al Pubblico”, a public disclosure containing “Pillar III” information.

4.1.2 Quantitative disclosure

4.1.2.1 Equity: breakdown

(€’000)	31/12/2024	31/12/2023
1. Share capital	357,953	357,953
2. Share premium	105,000	105,000
3. Reserves	(25,469)	(36,946)
- income-related	(25,469)	(36,946)
a) legal	2,872	2,298
b) statutory	-	-
c) treasury shares	-	-
d) other reserves	(28,341)	(39,244)
- other	-	-
4. Treasury shares	-	-
5. Valuation reserves	(161)	(211)
- Equity instruments designated at fair value through other comprehensive income	-	-
- Hedges of equity instruments designated at fair value through other comprehensive income	-	-
- Financial assets (other than equity instruments) at fair value through other comprehensive income	-	-
- Property, equipment and investment property	-	-
- Intangible assets	-	-
- Hedges of investments in foreign operations	-	-
- Cash flow hedges	-	-
- Hedging instruments (non-designated items)	-	-
- Exchange differences	-	-
- Non-current assets held for sale and disposal groups	-	-
- Financial liabilities designated at fair value through profit or loss (change in credit rating)	-	-
- Special revaluation laws	-	-
- Actuarial losses on defined benefit pension plans	(161)	(211)
- Portion of valuation reserves of equity-accounted investees	-	-
6. Equity instruments	-	-
7. Profit for the year	20,098	11,476
Total	457,421	437,272

4.1.2.2 Fair value reserves: breakdown

None.

4.1.2.3 Fair value reserves: changes

None.

4.2 Own funds and capital ratios

The parent was included in the list as per article 106 of the Consolidated Banking Act (the "Single list") as no. 32 on 6 May 2016.
It has complied with the relevant rules (circular no. 288 of 3 April 2015 as subsequently amended) since that date.

4.2.1 Own funds

4.2.1.1 Qualitative disclosure

The parent's own funds do not include hybrid capitalisation instruments or subordinated liabilities.

It has solely common equity tier 1 capital and does not have either additional tier 1 capital or tier 2 capital (T2).

4.2.1.2 Quantitative disclosure

FINANCIAL INTERMEDIARIES

(€'000)	31/12/2024	31/12/2023
A. Tier 1 capital before application of prudential filters	437,201	425,684
B. Tier 1 prudential filters:	-	-
B.1 Positive IFRS prudential filters (+)	-	-
B.2 Negative IFRS prudential filters (-)	-	-
C. Tier 1 capital including application of prudential filters (A + B)	437,201	425,684
D. Elements to be deducted from Tier 1 capital	-	-
E. Total tier 1 capital (C – D)	437,201	425,684
F. Tier 2 capital before application of prudential filters	-	-
G. Tier 2 prudential filters:	-	-
G.1 Positive IFRS prudential filters (+)	-	-
G.2 Negative IFRS prudential filters (-)	-	-
H. Tier 2 capital including application of prudential filters (F + G)	-	-
I. Elements to be deducted from Tier 2 capital	-	-
L. Total tier 2 capital (H – I)	-	-
M. Elements to be deducted from tier 1 and tier 2 capital	-	-
N. Regulatory capital (E + L - M)	437,201	425,684

Own funds do not include the profit for the year as the conditions established in the Commission Implementing Regulation (EU) no. 680/2014 (article 5.a which refers to, inter alia, Regulation (EU) no. 575/2013 (CRR, article 26.2.a)) were not met.
These regulations provide for the inclusion of profit in own funds when: a) the competent authority has granted permission; b) those profits have been audited by the independent auditors; this implies that the board of directors shall resolve thereon after providing the supervisory authority with the relevant information.

The profit for the year shall be included in own funds after the next supervisory report on the first quarter of 2024 (to be sent by 12 May 2025).

Furthermore, the group did not apply the "CRR quick-fix" in Circular 288 (Financial intermediaries' implementation of the EBA guidelines for disclosure requirements under Regulation (EU) 2020/873).

4.2.2 Capital adequacy

The ICAAP shows the analyses performed and results obtained from the parent's assessment of its capital adequacy in line with the supervisory regulations for financial intermediaries (Bank of Italy circular no. 288 of 3 April 2015 as subsequently amended), in line with its development and operating strategies.

Its total capital ratio (TCR) is higher than the regulatory minimum (including in stress test scenarios) and, therefore, its own funds are sufficient to cover all risks that could affect its operations and the equity indicator targets approved by the board of directors.
Accordingly, the parent complies with the total capital ratio and has add-on capital (Pillar II) covered by the excess capital.

It does not need to make changes to its equity given that its excess capital complies with the regulatory and internal minimum.

4.2.2.1 Qualitative disclosure

The weighting factors, calculated in accordance with Bank of Italy's prudential supervisory regulations, ensure compliance with the prudential ratio and allow the parent's business development.

4.2.2.2 Quantitative disclosure

(€'000)	Unweighted amounts		Weighted amounts/requirements	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
A. Risk-weighted assets				
A.1 Credit and counterparty risk	6,190,262	6,003,883	3,720,929	3,728,517
B. Capital requirements				
B.1 Credit and counterparty risk			223,256	223,711
B.2 Requirement for provision of payment services			-	-
B.3 Requirement for issue of electronic money			-	-
B.4 Specific prudential requirements			16,511	15,969
B.5 Total prudential requirements			239,767	239,680
C. Exposures and capital ratios				
C.1 Risk-weighted assets			3,996,116	3,994,671
C.2 Tier 1 capital/risk-weighted assets (Tier 1 capital ratio)			10.94%	10.66%
C.3 Regulatory capital/risk-weighted assets (Total capital ratio)			10.94%	10.66%

Risk-weighted assets amount to €3,996,117 thousand.

The related supervisory reports and, therefore, the calculation of risk-weighted assets, refer to the consolidated financial statements as they are deemed to better represent the facts and effects on the group's financial performance and position.

CET1 was equal to 10.94% at 31 December 2024.

Section 5 - Comprehensive income

(€'000)	2024	2023
10. Profit for the year	20,098	11,476
Other items that will not be reclassified to profit or loss		
20. Equity instruments designated at fair value through other comprehensive income	-	-
a) Fair value gains (losses)	-	-
b) Transfers to other equity items	-	-
30. Financial liabilities designated at fair value through profit or loss (change in own credit rating)	-	-
a) Fair value gains (losses)	-	-
b) Transfers to other equity items	-	-
40. Hedges of equity instruments designated at fair value through other comprehensive income	-	-
a) Fair value gains (losses) (hedged item)	-	-
b) Fair value gains (losses) (hedging instrument)	-	-
50. Property, equipment and investment property	-	-
60. Intangible assets	-	-
70. Defined benefit plans	50	72
80. Non-current assets held for sale and disposal groups	-	-
90. Share of valuation reserves of equity-accounted investees	-	-
100. Related tax	-	-
Other items that will be reclassified to profit or loss	-	-
110. Hedges of investments in foreign operations	-	-
a) Fair value gains (losses)	-	-
b) Transfer to profit or loss	-	-
c) Other changes	-	-
120. Exchange gains (losses)	-	-
a) Fair value gains (losses)	-	-
b) Transfer to profit or loss	-	-
c) Other changes	-	-
130. Cash flow hedges	-	-
a) Fair value gains (losses)	-	-
b) Transfer to profit or loss	-	-
c) Other changes	-	-
140. Hedging instruments (non-designated items)	-	-
a) Fair value gains (losses)	-	-
b) Transfer to profit or loss	-	-
c) Other changes	-	-
150. Financial assets (other than equity instruments) at fair value through other comprehensive income	-	-
a) Fair value gains (losses)	-	-
b) Transfer to profit or loss	-	-
- impairment losses	-	-
- profit/loss on sale	-	-
c) Other changes	-	-
160. Non-current assets held for sale and disposal groups	-	-
a) Fair value gains (losses)	-	-
b) Transfer to profit or loss	-	-
c) Other changes	-	-
170. Share of valuation reserves of equity-accounted investees	-	-
a) Fair value gains (losses)	-	-
b) Transfer to profit or loss	-	-
- impairment losses	-	-
- profit/loss on sale	-	-
c) Other changes	-	-
180. Related tax	-	-
190. Total other comprehensive income	50	72
200. Comprehensive income (captions 10 + 190)	20,148	11,548
210. Comprehensive income attributable to non-controlling interests	-	-
220. Comprehensive income attributable to the owners of the parent	20,148	11,548

Section 6 - Related party transactions

6.1 Remuneration of key management personnel

(€'000)	2024
Directors	311
Statutory auditors	190
Other key management personnel	2,718
Total	3,219

Key management and supervisory personnel include the managing director/general manager and the managers in charge of the main departments (nine in total).

6.2 Loans given to and guarantees given on behalf of directors and statutory auditors

None.

6.3 Related party transactions

Related party transactions are generally carried out at market conditions.

The group carried out numerous transactions with its shareholder banks and with entities related to them, for which reference should be made to the following paragraph. These were routine transactions carried out to both parties' mutual economic benefit at terms that complied with the principle of substantial correctness. They mainly involved:

- the supply of funds;
- the placing of lease products with customers;
- management of receivables related to the agreement.

The parent has a reporting procedure for these transactions in accordance with which decision-making bodies provide the board of directors with the information flows necessary for constant compliance with the provisions of laws and regulations in force regarding corporate disclosures on related party transactions.

In addition, in order to comply with the current requirements, it should be noted that no atypical and/or unusual transactions, either with related parties or entities other than related parties, were carried out during the year which could have given rise to doubts about their effect on the integrity of the group's assets due to their significance or materiality.

6.3.1 Summary

The following table shows the effects on the group's consolidated financial statements of the transactions performed with the shareholder banks during the year.

(€'000)	2024 CONSOLIDATED FINANCIAL STATEMENTS	Other related parties			
		BPER BANCA	BANCO BPM	BANCA POPOLARE DI SONDRIO	CRÉDIT AGRICOLE ITALIA
STATEMENT OF FINANCIAL POSITION - ASSETS					
Cash and cash equivalents	241,828	1,971	543	-	33
a) cash	5	-	-	-	-
b) current accounts and on-demand deposits with banks	241,823	1,971	543	-	33
Financial assets at fair value through profit or loss	7	-	-	-	-
Financial assets at amortised cost	4,972,301	-	-	6	-
a) loans and receivables with banks	55	-	-	6	-
b) loans and receivables with financial companies	75,897	-	-	-	-
c) loans and receivables with customers	4,896,349	-	-	-	-
Other assets	89,782	-	-	-	-
STATEMENT OF FINANCIAL POSITION - LIABILITIES					
Financial liabilities at amortised cost	4,614,100	786,791	907,421	355,533	2,581
a) amounts due	2,954,200	786,791	907,421	355,533	2,581
Due to banks	2,899,902	786,791	907,421	355,533	2,581
- current accounts and demand deposits	2,383,660	785,914	907,369	354,963	2,581
- other	516,242	877	52	570	-
Due to customers and financial companies	54,298	-	-	-	-
b) securities issued	1,659,900	-	-	-	-
Hedging derivatives	380	-	-	-	-
Other liability captions (excluding equity)	232,018	-	6,731	-	-
Financial guarantees given	-	-	-	-	-
Guarantees received	1,445,577	31,148	23,545	10,582	4,401
Commitments*	880,858	-	-	-	-

** The above table shows both revocable and firm loan commitments.*

(€'000)	2024 CONSOLIDATED FINANCIAL STATEMENTS	Other related parties			
		BPER BANCA	BANCO BPM	BANCA POPOLARE DI SONDRIO	CRÉDIT AGRICOLE ITALIA
INCOME STATEMENT					
Interest and similar income	299,708	-	-	-	-
Interest and similar expense	(206,903)	(29,709)	(34,157)	(14,184)	(6,654)
Fee and commission income	31,795	-	-	-	-
Fee and commission expense	(21,739)	(3,289)	(1,646)	(2,437)	(265)
Dividends and similar income	-				
Net hedging income	34				
Net gains on financial assets and liabilities - b) financial assets mandatorily measured at fair value	3				
Net loss on disposal or repurchase of financial assets at amortised cost	(853)	-	-	-	-
Total income	102,045	(32,998)	(35,803)	(16,621)	(6,919)
Depreciation, amortisation and net impairment losses (captions 130, 180 and 190)	(25,230)	-	-	-	-
Net modification losses	(58)	-	-	-	-
Administrative expenses	(44,897)	(38)	(75)	(37)	(19)
- Personnel expense	(27,689)	-	(23)	(21)	(19)
- Other administrative expenses	(17,208)	(38)	(52)	(16)	-
Other operating expense, net	(1,068)	-	-	-	-
Other income statement items	(360)	-	-	-	-
Pre-tax profit (loss) from continuing operations	30,431	(33,036)	(35,878)	(16,658)	(6,938)

Section 8 – Other disclosures

Fees paid to the independent auditors and their network entities

Details of the fees paid to KPMG S.p.A., engaged to perform the statutory audit of the separate and consolidated financial statements in accordance with articles 14 and 16 of Legislative decree no. 39/2010 for the 2019-2027 nine-year period, and its network entities are provided below.
The fees refer to the parent and the consolidated vehicles.

(€'000)	Service recipient	Provider	Fees
Statutory audit	Alba Leasing S.p.A.	KPMG S.p.A.	149
Other services	Alba Leasing S.p.A.	KPMG S.p.A.	23
Total (A)	Alba Leasing S.p.A.		172
Statutory audit	Securitisation vehicles	KPMG S.p.A.	133
Total (B)	Subsidiaries		133
Total (A + B)			305

The above fees (in thousands of Euro) reflect the cost-of-living index adjustments and are net of costs, the fees required by law (Consob contribution) and VAT.

Independent auditors' report

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report pursuant to articles 14 and 19-bis of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Alba Leasing S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Alba Leasing S.p.A. (the "parent") and its subsidiaries (the "group"), which comprise the statement of financial position as at 31 December 2024, the income statement and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Alba Leasing S.p.A. and its subsidiaries as at 31 December 2024 and of their financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 43 of Legislative decree no. 136/15.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of the parent in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") 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 the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union and the Italian regulations implementing article 43 of Legislative decree no. 136/15 and, within the terms established by the Italian 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 group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of 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 auditors' 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 auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;
- evaluate 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;
- obtain 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.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10

The parent's directors are responsible for the preparation of the group's directors' report at 31 December 2024 and for the consistency of such report with the related consolidated financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report with the consolidated financial statements;
- express an opinion on the consistency of the director's report with the applicable law;
- issue a statement of any material misstatements in the directors' report.

In our opinion, the directors' report is consistent with the group's consolidated financial statements at 31 December 2024.

Moreover, in our opinion, the directors' report has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, 1 April 2025

KPMG S.p.A.

(signed on the original)

Roberto Spiller
Director of Audit

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Independent auditors' report on the sustainability statement

To the board of directors of
Alba Leasing S.p.A.

We have been engaged to perform a limited assurance engagement on the 2024 sustainability statement (the "sustainability statement") of Alba Leasing S.p.A. (the "company").

Directors' responsibility for the sustainability statement

The company's directors are responsible for the preparation, on a voluntary basis, of a sustainability statement in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards").

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of a sustainability statement that is free from material misstatement, whether due to fraud or error.

They are also responsible for defining the company's objectives regarding its sustainability performance and the identification of the stakeholders and the significant aspects to report.

Auditors' independence and quality management

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our company applies International Standard on Quality Management 1 (ISQM Italia 1) and, accordingly, is required 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.

Auditors' responsibilities

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the sustainability statement with the requirements of the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board (IAASB) applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the sustainability statement is free from material misstatement.

A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the sustainability statement are based on our professional judgement and include inquiries, primarily of the company's personnel responsible for the preparation of the information presented in the sustainability statement, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we performed the following procedures:

1 analysing the reporting of material aspects process, specifically how the reference environment is analysed and understood, how the actual and potential impacts are identified, assessed and prioritised and how the process outcome is validated internally;
2 comparing the financial disclosures presented in the sustainability statement with those included in the company's consolidated financial statements.
3 understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the sustainability statement.

Specifically, we held interviews and discussions with the company's management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the sustainability statement.

Furthermore, with respect to significant information, considering the company's business and characteristics:

a) we held interviews and obtained supporting documentation to check the qualitative information presented in the sustainability statement;
b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2024 sustainability statement of Alba Leasing S.p.A. has not been prepared, in all material respects, in accordance with the requirements of the GRI Standards.

Milan, 1 April 2025

KPMG S.p.A.

(signed on the original)

Roberto Spiller
Director of Audit

Report of the board of statutory auditors

(Translation from the Italian original which remains the definitive version)

Alba Leasing S.p.A.

Report of the board of statutory auditors

to the shareholders on the consolidated financial statements as at and for the year ended 31 December 2024

Dear shareholders

The consolidated financial statements of the Alba Leasing Group (the "group") as at and for the year ended 31 December 2024, which we received together with the draft separate financial statements of Alba Leasing S.p.A. ("Alba Leasing" or the "parent"), comprise the statement of financial position, the income statement and the statements of comprehensive income, changes in equity and cash flows, prepared using the indirect method, and notes thereto. They are accompanied by the directors' report.

The above consolidated financial statements and accompanying documentation are presented to the shareholders solely for informational purposes as they do not need to be approved.

As far as we are concerned, we note that the parent engaged KPMG S.p.A. (the "independent auditors") for the statutory audit of its consolidated financial statements pursuant to article 41.2 of Legislative decree no. 127 of 9 April 1991.

However, this board of statutory auditors deems it appropriate to submit this brief report for your attention, both because of its duty to monitor compliance with the law and the deed of incorporation and in line with the general professional practice whereby the matters or documents submitted by the directors to the shareholders during their meetings are usually examined by the statutory auditors, who report to the shareholders.

Consolidation scope

The parent does not own equity investments. However, under IFRS 10 Consolidated financial statements, it is required to prepare consolidated financial statements that include the securitisation vehicles (Alba 6 SPV S.r.l., Alba 11 SPV S.r.l., Alba 12 SPV S.r.l., Alba 13 SPV S.r.l. and Alba 14 SPV S.r.l.). Assessment of control underlies the consolidation of all types of entities and exists when an investor simultaneously has: (i) the power to make decisions about the entity's relevant activities; (ii) is exposed to or benefits from variable returns arising from the relationship with the entity; and (iii) has the ability to use its power to affect the amount of its returns (link between power and returns). Under IFRS 10, an investor has power over an investee when the investor has existing rights that give it the current ability to direct the relevant activities, i.e., the activities that significantly affect the investee's returns. Although it does not have any voting rights, after thorough consideration of each securitisation transaction carried out, the parent consolidated its vehicles, including both their own assets and liabilities and the segregated assets attributable to the securitisations to ensure completeness and continuity in the presentation of the securitisations.

The vehicles are consolidated from the date on which Alba Leasing obtains control and cease to be consolidated from when control no longer exists. The existence of control is reassessed should facts and circumstances indicate a change in the underlying conditions.

That being said, the consolidation scope underwent the following changes in 2024:

(i) Alba 10 SPV S.r.l. redeemed all outstanding mezzanine notes on the payment date of April 2024. Therefore, the parent exercised its clean-up option and activated the securitisation termination procedure in October 2024;

(ii) in June 2024, via Alba 14 SPV S.r.l., the parent launched the "Alba 14" securitisation by transferring performing loans of €833.7 million to the vehicle, which issued senior, mezzanine and junior notes of €550.3 million, €175.1 million and €115.6 million, respectively. Alba Leasing subscribed senior notes of €27.6 million (i.e., the 5% retention investment required by prudential regulations) while all other senior notes were placed on the market. The junior and mezzanine notes were subscribed by the parent and used as collateral for funding ("repos");

(iii) in May 2024, via Sunny 2 SPV S.r.l., the parent launched a securitisation by transferring, in several tranches (ramp-up), performing loans €344 million to the vehicle, which issued senior and junior notes of € 267.7 million and €73.0 million, respectively. The parent subscribed these notes and used them as collateral for funding. The average size of the transferred loans is €2.7 million, thus qualifying as a "big ticket" securitisation, whereas the average size of ordinary securitisations carried out by the group in the past was generally smaller. Since it holds all notes issued, the transaction qualifies as a self-securitisation which is recognised in accordance with the applicable legislation (and the related loans are not derecognised from the parent's separate financial statements).

There are no other structured entities as per IFRS 12 that Alba Leasing does not consolidate other than the securitisation vehicles. In this respect, the directors have provided adequate disclosure on the multi-originator securitisation (Alba Leasing S.p.A., Banco BPM S.p.A. and Release S.p.A.) of non-performing exposures named "Titan", in relation to which Alba Leasing holds, at the reporting date, a modest percentage of the mezzanine and junior notes, as well as the senior notes in point "B" (Unconsolidated structured entities (other than securitisation vehicles) of Section 2 (Securitisations, unconsolidated structured entities (other than securitisation vehicles) and transfers of assets) - Part D of the notes to the consolidated financial statements. The assets and liabilities associated with this transaction are eligible for derecognition.

Group performance

In 2023, the parent continued to implement its 2023-2025 business plan, focused on maintaining high credit quality and ensuring adequate support to the shareholder banks (and their customers) in terms of quality and efficiency.

In a macroeconomic context that continues to be characterised by macroeconomic and geopolitical uncertainties and weak demand for operating assets, notwithstanding the persistency of weak forward-looking indicators, the parent maintained a level of production that, albeit slightly down on 2023, allowed it to keep the overall portfolio substantially stable, also thanks to the support of its shareholder banks.

The increased volumes in the automotive and maritime and aviation sectors contributed to this result, by offsetting the reduction in plant and machinery leases, mainly due to the aforementioned trend of investments in operating assets, as well as for competitive reasons. In addition, the “Presto Leasing” component (disbursement process led by the affiliated banks) continued to decrease. Real estate leases also decreased, following the limits on these transactions that the board of directors deemed appropriate to introduce.

The parent has continued to engage in securitisations to obtain the liquidity it needs to manage and finance its portfolio and, above all, it counts on the non-replaceable support of its shareholder banks through short-term credit facilities, which has never been denied to date. The significant use of technically “short-term” credit facilities obviously requires monitoring by management.

The performance of the first big ticket securitisation, Sunny 2, mentioned earlier is part of the parent’s new funding strategy and liquidity risk management. The securitisation was possible thanks to the favourable market conditions and offers greater opportunities for self-financing the group’s production, including part of its property exposures.

The decrease in interest rates on assets was offset by the significantly better-than-expected funding conditions. Therefore, net interest income remained substantially stable (down from €95.1 million in 2023 to €92.8 million in 2024), while net fee and commission income increased by €3 million and total income rose from €100.6 million to €102.0 million.

The parent continued to estimate the cost of credit risk prudently (impairment losses for credit risk and accruals for guarantees given) considering the current macroeconomic scenario mentioned earlier. In 2024, such impairment losses and accruals amounted to €24.4 million (compared to €26.6 million in 2023). This meant that the average coverage of non-performing exposures improved.

Personnel expense decreased mostly due to the special projects rolled out in 2023 to foster generational handover and to reduce the expense once this had been completed.

Organisational and operating structure and internal control system

Alba Leasing S.p.A. is not managed and coordinated by another entity and does not hold nor has it held any treasury shares in the year.

The group's organisational structure and internal control system coincide with those of parent, with respect to which reference should be made to the statutory auditors' report on the separate financial statements. In brief, the group's organisational and operating structure and internal control system as a whole are adequate considering the size and operations of the consolidated companies.

Accounting information system

Based on our analyses, the outcome of internal audits and meetings with the independent auditors, we believe that the group's accounting information system as a whole is adequate.

Sustainability reporting

In 2018, Alba Leasing S.p.A. voluntarily began preparing non-financial information to report on its sustainability initiatives and the results achieved in a transparent and systematic manner in accordance with the non-financial reporting rules introduced by Legislative decree no. 254 of 30 December 2016.

As part of its path towards the Corporate Sustainability Reporting Directive (CSRD, Directive (EU) 2022/2464), the parent presents its 2024 sustainability statement, prepared on a voluntary basis, in a specifically identifiable section of the directors' report.

The sustainability statement is prepared in accordance with the GRI Standards, contains a double materiality assessment and is subjected to a limited assurance engagement. The independent auditors' limited assurance report issued today states that nothing has come to their attention that causes them to believe that the sustainability statement has not been prepared, in all material respects, in accordance with the GRI Standards.

Oversight of the preparation of the consolidated financial statements and the audit

This board oversaw the preparation of the consolidated financial statements which, like the parent's separate financial statements, have been drawn up on a going concern basis for the reasons described in the directors' report and notes to the consolidated financial statements. The directors have also provided disclosures on:

- the group's performance and the operating context;
- the key events of the year;
- events after the reporting date, none of which are adjusting events, i.e., events that would have required the adjustment of the amounts reported in the consolidated financial statements;
- risks related to disputes;
- state-backed financing.

The independent auditors, with whom this board kept constant two-way communication during the year, issued their audit report on the group's consolidated financial statements at 31 December 2024 today. This report is unqualified and states that the consolidated financial statements give a true and fair view of the group's financial position as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board and endorsed by the European Union, as well as the Italian regulations implementing article 43 of Legislative decree no. 136/15.

The statutory audit fees are shown in Section 8 of Part D of the consolidated notes to the financial statements.

Conclusions

We monitored the compliance with the law, the by-laws and correct administration and did not identify any instances of non-compliance.

The consolidated financial statements have been drawn up in compliance with the applicable provisions governing their basis of preparation and on a going concern basis. The parent did not make any departures from the accounting policies and the independent auditors expressed an unqualified audit opinion without emphasis of matters.

This board notes that, like in previous years, the regular reports sent to Bank of Italy are based on the financial figures derived from the consolidated financial statements, since the parent believes that this complies with the substance over form principle.

Based on the documents making up the consolidated financial statements at 31 December 2024, we note that the latter show:

- a profit for the year of €20,098,344 (€11,476,099 for 2023);
- total assets of €5,303,918,091 (€5,350,089,368 at 31 December 2023);
- equity, including the profit for the year, of €457,421,012 (€437,272,478 at 31 December 2023).

The group's total capital ratio at the reporting date is 10.94% compared to 10.66% at 31 December 2023.

In conclusion, in this board's opinion, the consolidated financial statements at 31 December 2024 correctly present the financial position, financial performance and cash flows of Alba Leasing S.p.A. and its securitisation vehicles in accordance with the laws referred to earlier.

Milan, 1 April 2025

For the **board of statutory auditors**

Antonio Mele (Chairman)
(signed on the original)

Statement of the general manager and the manager in charge of financial reporting

Declaration in respect of financial statements as required by Article 81-ter of Consob resolution no. 11971 issued on 14 May 1999 as amended

1. The undersigned Stefano Rossi and Sandro Marcucci, in their respective capacities as Chief Executive Officer and Head of Company Financial Reporting of Alba Leasing S.p.A. hereby declare, and in view inter alia of the provisions contained in Article 154-bis, paragraphs 3 and 4, of Italian Legislative Decree 58/98, that the administrative and accounting procedures used in the preparation of the financial statements:
   - Were adequate in view of the company's characteristics and
   - Were effectively applied during the year ended 31 December 2024

2. In relation and in addition to the present declaration, the Head of Company Financial Reporting notifies that:

   - Assessment of the adequacy and effective application of said administrative and accounting procedures for the preparation of the financial statements as of 31 December 2024 was based on the use of methodologies that were internally defined, coherently with benchmark standards for internal control systems which are widely accepted at international level.

3. It is further hereby declared that the review:
   - Has been drawn up in accordance with the International Financial Reporting Standards adopted by the European Union pursuant to EC regulation no. 1606/02 issued by the European Parliament and Council on 19 July 2002, as well as with the measures deriving from the application of article 9 of Italian Legislative Decree no. 38/2005;
   - Corresponds to the data recorded in the company's books and account ledgers;
   - Is adequate for the purpose of providing a truthful and accurate representation of the capital, earnings and financial situation of the issuer.

Milan, 17 March 2025

Stefano Rossi
Chief Executive Officer

Sandro Marcucci
Head of Company Financial Reporting

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Galli Thierry stampa s.r.l.

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